CARNIVAL PLC

Strategic Report and
IFRS Financial Statements
Year Ended November 30, 2021

The Annual Report of Carnival plc comprises the Strategic Report and Carnival plc consolidated Group and Company IFRS Financial Statements contained herein, together with certain parts of the Proxy Statement (including its Annexes).

The Carnival plc consolidated IFRS Financial Statements, which are required to satisfy reporting requirements of the Companies Act 2006, incorporate the results of Carnival plc and its subsidiaries and, accordingly, do not include the IFRS consolidated results and financial position of Carnival Corporation and its subsidiaries. However, the Directors consider that, within the Carnival Corporation and Carnival plc dual listed company ("DLC") arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the Carnival Corporation & plc U.S. GAAP consolidated financial statements ("DLC Financial Statements"). The DLC Financial Statements are included in the Carnival Corporation & plc 2021 Annual Report on Form 10-K ("Form 10-K"), which is prepared to satisfy U.S. reporting requirements. Accordingly, sections of the Form 10-K are included in Annex 1 to the Carnival plc Annual Report.

In order to obtain a better understanding of the Carnival Corporation & plc business, financial condition and results of operations, the Carnival plc stakeholders should read the items referenced below included in the Proxy Statement, Annex 1 and Carnival Corporation & plc joint Annual Report on Form 10-K ("Form 10-K"), in addition to the Carnival plc Strategic Report and IFRS Financial Statements contained herein.

The locations where the Carnival plc Annual Report Documents and Other Information can be found are as follows:

The Notice of Annual Meetings and Proxy Statement and Form 10-K are not set forth within this document but are available for viewing at www.carnivalcorp.com or www.carnivalplc.com. The Carnival plc IFRS Financial Statements have been submitted to the National Storage Mechanism and are available for inspection at data.fca.org.uk/#/nsm/nationalstoragemechanism and will be included in the Annual Meeting materials available to the Carnival plc shareholders.

Cautionary Note Concerning Factors That May Affect Future Results

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

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Pricing
- Booking levels
- Occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Estimates of ship depreciable lives and residual values
- Goodwill, ship and trademark fair values
- Liquidity and credit ratings
- Adjusted earnings per share
- Return to guest cruise operations
- Impact of the COVID-19 coronavirus global pandemic on our financial condition and results of operations

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in this Strategic Report. This Strategic Report contains important cautionary statements and a discussion of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, COVID-19. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based. Forward-looking and other statements in this document may also address our sustainability progress, plans, and goals (including climate change- and environmental-related matters). In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Strategic Report

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's business strategy is by reference to the consolidated strategy of Carnival Corporation & plc. Accordingly, this Strategic Report presents the required strategy and business review for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

2021 Executive Overview

During 2021, Carnival Corporation & plc focused on resuming operations as quickly as practical in a way that served the best interests of public health, while at the same time demonstrating prudent stewardship of capital. In addition, we believe that we have positioned the Company well on the path to profitability and established effective protocols for COVID-19. We achieved all of this while reinforcing our commitment to compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees.

In 2021, we achieved key milestones related to our return to service including:

- Ending the year with 50 ships in guest cruise operations compared to one ship in 2020
- Returning over 65,000 crew members to our ships
- Carrying over 1.2 million guests indicating fundamental strength in demand for cruise vacations
- Delivering an exceptional guest experience with historically high net promoter scores

We ended the year with $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving credit facility, and $3.5 billion of customer deposits, an increase of $1.3 billion from 2020. To date, through our debt management efforts, we refinanced over $9 billion, reducing our future annual interest by approximately $400 million per year and extending maturities, optimizing our debt maturity profile.

As of January 13, 2022, eight of our nine cruise brands, or 67% of capacity, had resumed guest cruise operations. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

Carnival Corporation & plc achieved important milestones during our return to service and broadened our commitment to Environmental, Social and Governance ("ESG") goals with the introduction of our 2030 sustainability goals and 2050 aspirations. We also achieved many operational milestones:

- Reopened our eight owned and operated private destinations and port facilities which have been visited by over half of our guests since the restart:
  - Princess Cay
  - Half Moon Cay
  - Grand Turk
  - Mahogany Bay
  - Amber Cove
  - Cozumel
  - Santa Cruz De Tenerife
  - Barcelona
- Welcomed seven new more efficient ships across our brands:
  - Carnival Cruise Line's *Mardi Gras*, powered by liquefied natural gas ("LNG")
  - P&O UK's *Iona*, powered by LNG
  - *Costa Toscana*, powered by LNG
  - *AIDAcosma*, powered by LNG
  - Holland America Line's *Rotterdam*
  - *Costa Firenze*
  - *Enchanted Princess*

Our decision to accelerate the exit of 19 ships as part of our fleet optimization strategy resulted in a more efficient fleet overall and lowered our planned capacity growth to approximately 2.5% compounded annually from 2019 through 2025, down from 4.5% annually pre-COVID-19. We achieved a unit cost benefit from the removal of these less efficient ships from our fleet which will grow from the delivery of the larger and more efficient ships.

Upon returning to full operations, nearly 15% of our capacity will consist of these recently delivered, larger and more efficient ships which we believe will expedite our return to profitability and improve our return on invested capital. In addition, this roster of new ships is expected to drive additional enthusiasm around our restart plans.

As of January 13, 2022, we are operating the only six cruise ships in the world currently powered by LNG, which are 20% more carbon efficient. Upon returning to full cruise operations, our LNG efforts, our fleet optimization strategy and other innovative efforts to drive energy efficiency, are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization.

Furthermore, the Company is focused on advancing its six critical sustainability focus areas — climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and aspires to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets. While there is currently no clear path to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, the Company is partnering with key organizations to help identify and scale new technologies. We have and expect to continue to demonstrate leadership in executing carbon reduction strategies. The Company believes its scale will support its effort to lead the industry in climate action. The Company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Throughout the pause and the gradual resumption of guest cruise operations, we have been proactively managing to resume guest cruise operations as an even stronger and more efficient operating company to maximize cash generation and to deliver strong returns on invested capital. Once we return to full guest operations, our cash flow will be the primary driver to our return to an investment grade credit rating over time, creating greater shareholder value.

1. Business.

A. Overview

I. Summary

Carnival Corporation was incorporated in Panama in 1974 and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as if they are a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Carnival Corporation and Carnival plc are both public companies with separate stock exchange listings and their own shareholders. Together with their consolidated subsidiaries, Carnival Corporation and Carnival plc are referred to collectively in this Strategic Report as "Carnival Corporation & plc," "our," "us" and "we." We are one of the world's largest leisure travel companies with operations in North America, Australia, Europe and Asia.

II. Recent Developments

Resumption of Guest Cruise Operations

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income. Since the beginning of our fiscal year, we have experienced an impact on bookings for our near-term sailings, including higher cancellations resulting from an increase in pre-travel positive test results and challenges in the availability of timely pre-travel tests. In addition, in the last few weeks we have seen a dampening of the booking activity for the second half of 2022 relative to 2019. Despite the disruption caused by Omicron to the airlines and other forms of travel, we expect to be able to successfully operate over 96% of our previously disclosed available lower berth days ("ALBD's") in the first quarter of 2022.

We have worked closely with health and medical experts globally and nationally, as well as with authorities in destination countries, to put in place comprehensive health and safety protocols for protection against and mitigation of COVID-19 across the entire cruise experience for all of our nine brands. This includes cross-industry learnings and best practices based on the proven health and safety record of industry-wide sailings, and input from top scientists and public health, epidemiological and policy experts. Protocols have been and will continue to be updated based on evolving scientific and medical knowledge related to mitigation strategies. Details about enhanced protocols, including the latest information and requirements for each of our brands, is available on their websites.

Liquidity and Refinancing

We have taken actions to improve our liquidity, including completing various capital market transactions, capital and operating expense reductions during the pause in operations and accelerating the removal of certain less efficient ships from our fleet. As of November 30, 2021, we had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our multi-currency revolving credit facility. Through our debt management efforts, we have refinanced over $9 billion to date, reducing our future annual interest expense by approximately $400 million per year and extending maturities, optimizing our debt maturity profile. In addition, we expect to continue to pursue additional refinancing opportunities to reduce interest expense and extend maturities.

Refer to Note 1 — "Liquidity and Management's Plans", "Going Concern Confirmation and Viability Statement and COVID-19" and to "Liquidity, Financial Condition and Capital Resources" for additional discussion regarding our liquidity.

III. Vision, Goals and Related Strategies

At Carnival Corporation & plc, our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. On this foundation, we aspire to deliver unmatched joyful vacations for our guests, always exceeding their expectations and in doing so driving outstanding shareholder value. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other — communicating, coordinating and collaborating while seeking candor, openness and transparency at all times. And we aspire to be an exemplary corporate citizen, leaving the people and the places we touch even better.

Our vision is based on four key pillars that are all paramount to the success of our business:

- Compliance, health, environment, safety, security ("HESS") and sustainability
- Guests
- Employees
- Investors and other stakeholders

Compliance, HESS and Sustainability

We are committed to operating a safe and reliable fleet and to protect the environment and the health, safety and well-being of our guests, the people in the communities we touch and our shipboard and shoreside employees. We are dedicated to fully complying with, or exceeding, all applicable legal and statutory requirements. We are also focused on enhancing our sustainable business model while reinforcing our commitment to and investment in sustainability solutions through our six critical sustainability focus areas — climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. In order to continue supporting our sustainability strategy across our brands and business partners, we have established new goals for 2030 and aspirations for 2050 which incorporate the six key focus areas and align with elements of the United Nation's Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals. A key focus of our sustainability efforts is climate action, which includes our commitment to reduce carbon emissions.

Guests

Our goal is to deliver unmatched joyful vacations for our guests by consistently exceeding their expectations while providing them with a wide variety of exceptional vacation experiences and attractive itineraries. We believe that our portfolio of brands is instrumental to this, alongside our continual focus on helping our guests choose the cruise brand that will best meet their unique needs and desires, improving their overall vacation experiences and building state-of-the-art ships with innovative onboard offerings and providing unequaled service to our guests.

Employees

Our goal is to foster a positive and just corporate culture, based on inclusion and the power of diversity that supports the recruitment, development and retention of the finest employees. A team of highly motivated and engaged employees is key to delivering unmatched joyful vacations that exceed our guests' expectations. Understanding the critical skills that are needed for outstanding performance is crucial in order to hire and train our officers, crew and shoreside personnel. We believe in building trust-based relationships and listening to and acting upon our employees' perspectives and ideas and using employee feedback tools to monitor and improve our progress in this area. We are a diverse organization and value and support our talented and diverse employee base. We are committed to employing people from around the world and hiring individuals based on the quality of their experience, skills, education and character, without regard for their identification with any group or classification of people.

Investors and Other Stakeholders

We value the relationships we have with our investors and other stakeholders, including travel agents, trade associations, communities, regulatory bodies, media, creditors, insurers, shipbuilders, governments and suppliers. Strong relationships with our travel agent partners are especially vital to our success. We believe that engaging stakeholders in a mutually beneficial manner is critical to our long-term success. As part of this effort, we believe we must continue to be an outstanding corporate citizen in the communities in which we operate. Our brands work to meet or exceed their economic, environmental, ethical and legal responsibilities.

B. Global Cruise Industry

I. Overview

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

We believe cruising offers a broad range of products and services to suit vacationing guests of many ages, backgrounds and interests. Each brand in our portfolio meets the needs of a unique set of consumer psychographics and vacation needs which allows us to penetrate large addressable customer segments. The mobility of cruise ships enables us to move our vessels between regions in order to meet changing demand across different geographic areas.

Cruise brands can be broadly classified as offering contemporary, premium and luxury cruise experiences. The contemporary experience has a more casual ambiance and historically includes cruises that last seven days or less. The premium experience emphasizes quality, comfort, style and more destination-focused itineraries and appeals to those who are more affluent. Historically, the premium experience includes cruises that last from seven to 14 days. The luxury experience is usually characterized by very high standards of accommodation and service, smaller vessel size and exotic itineraries to ports that are inaccessible by larger ships. We have product and service offerings in each of these three broad classifications.

II. Passenger Capacity by Ocean Going Vessels

	Passenger Capacity as of December 31 (a) (b)	
Calendar Year	**Global Cruise Industry (c)**	**Carnival Corporation & plc**
2018	555,570	244,830
2019	589,820	254,010
2020	607,500	246,450
2021	636,270	253,950
2022	688,070	268,310
2023	726,940	277,010
2024	757,620	281,280

Calendar Years	Passenger Capacity Compound Annual Growth Rate (a)	
	Global Cruise Industry (c)	Carnival Corporation & plc
2019 – 2021	4.6%	1.2%
2022 – 2024	6.0%	3.5%

(a) Includes ships which have resumed guest cruise operations and ships in pause status expected to return to guest cruise operations. 2022-2024 data is estimated based on announced newbuilds and ship retirements and does not include an estimate for unannounced ship retirements.
(b) In accordance with cruise industry practice, passenger capacity is calculated based on the assumption of two passengers per cabin even though some cabins can accommodate three or more passengers.
(c) Global cruise industry data was obtained from Cruise Industry News.

C. Our Global Cruise Business

I. Segment Information

	Ships in Service or Expected to Return to Service as of November 30, 2021 (a)		
	Passenger Capacity	Percentage of Total Capacity	Number of Cruise Ships
North America and Australia ("NAA") Segment			
Carnival Cruise Line (b)	74,710	31%	25
Princess Cruises	42,610	18	14
Holland America Line	22,920	9	11
P&O Cruises (Australia)	7,230	3	3
Seabourn	2,570	1	5
	150,050	62	58
Europe and Asia ("EA") Segment			
Costa Cruises ("Costa")	36,520	15	11
AIDA Cruises ("AIDA")	30,770	13	13
P&O Cruises (UK)	19,020	8	6
Cunard	6,830	3	3
	93,130	38	33
	243,180	100%	91

(a) As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service.
(b) Includes *Costa Magica,* which we previously announced will be entering the Carnival Cruise Line fleet.

We also have a Cruise Support segment that includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon, which complements our Alaska cruise operations. Our tour company owns and operates hotels, lodges, glass-domed railcars and motorcoaches which comprise our Tour and Other segment.

II. Passengers Carried

In 2021, we carried 1.2 million passengers, consisting of 0.7 million carried by our NAA segment and 0.5 million carried by our EA segment, which was lower than our historical levels as a result of the gradual resumption of guest cruise operations. In 2019, our most recent full year of guest cruise operations, our brands carried 12.9 million passengers, 8.6 million carried by our NAA segment and 4.2 million carried by our EA segment.

III. Ships Under Contract for Construction

As of November 30, 2021, we have a total of 11 cruise ships expected to be delivered through 2025. Our ship construction contracts are with Fincantieri and MARIOTTI in Italy, Meyer Werft in Germany and Meyer Turku in Finland.

	Expected Delivery Date	Passenger Capacity Lower Berth
Carnival Cruise Line		
Carnival Celebration	November 2022	5,250
Carnival Jubilee	October 2023	5,440
Princess Cruises		
Discovery Princess	January 2022	3,660
Newbuild (a)	January 2024	4,270
Newbuild (a)	July 2025	4,270
Seabourn		
Seabourn Venture	March 2022	260
Seabourn Pursuit	February 2023	260
Costa		
Costa Toscana	December 2021	5,330
AIDA		
AIDAcosma	December 2021	5,440
P&O Cruises (UK)		
Arvia	December 2022	5,190
Cunard		
Newbuild	December 2023	3,000

(a) Ships are subject to financing

IV. Cruise Brands

Carnival

Carnival Cruise Line is "The World's Most Popular Cruise Line®" and has provided multi-generational family entertainment at exceptional value to its guests for nearly 50 years. Carnival Cruise Line creates an environment where guests can be their most playful selves on ships that are designed to inspire the experience of bringing people together, with limitless opportunities for guests to create their own fun.

PRINCESS®

For over 55 years, Princess has sailed the world bringing people closer together — by connecting guests to their loved ones, exciting cultures and new friends. The endless choices are enhanced by Princess MedallionClass experiences, which are enabled by a revolutionary wearable that supports a seamless, effortless, and personalized vacation, and are combined with our global destination expertise delivered through programs such as "North to Alaska".

Holland America Line®
SAVOR THE JOURNEY

For more than 145 years, Holland America Line has delivered a distinctively classic, European style of cruising throughout its fleet of mid-sized premium ships. Guests of all ages enjoy immersive travel through engaging experiences onboard and in-depth cultural experiences as part of their exploration of fascinating destinations around the world. Holland America Line believes travel has the power to change the world and has defined their higher purpose to help make the world a better place through opening minds, building connections and inspiring shared humanity.

P&O CRUISES
LIKE NO PLACE ON EARTH

For almost 90 years, P&O Cruises (Australia) has taken Australians & New Zealanders on dream holidays to the South Pacific filled with amazing entertainment, world-class dining, idyllic destinations and unforgettable onboard experiences. With P&O Cruises (Australia) you can choose to do everything, or nothing at all.

SEABOURN®

Seabourn's ultra-luxury resorts at sea represent the most advanced evolution of intimate, small-ship cruising with all ocean-front suites, beautifully designed spaces and exceptionally refined amenities. The official cruise line partner of UNESCO World Heritage, Seabourn offers discerning travelers immersive destination experiences on all seven continents. A variety of prestigious partnerships enhance the ships' award-winning cuisine, world-class spa & wellness and other onboard enrichments, and our staffs' unique style of sincere, heartfelt hospitality adds unforgettable Seabourn Moments to every voyage.

Costa delivers Italy's finest at sea primarily serving guests from Continental Europe and Asia. Costa brings a modern Italian lifestyle to its ships and provides guests with a true European experience that embodies a uniquely Italian passion for life through warm hospitality, entertainment and gastronomy that makes Costa different from any other cruise experience.

AIDA is the leading and most recognized brand in the German cruise market. Its guests enjoy the German inspired active, premium modern lifestyle cruise experience. AIDA provides a cruising wellness holiday in modern comfort where guests feel at home and enjoy consistently excellent service accompanied by the AIDA smile.

P&O Cruises (UK) is Britain's favorite cruise line, welcoming guests to extraordinary travel experiences designed in a distinctively British way — through a blend of discovery, relaxation and exceptional service catered towards British tastes. P&O Cruises (UK)'s fleet of premium ships deliver authentic travel experiences around the globe, combining style, quality and innovation with a sense of occasion and attention to detail, to create a truly memorable holiday.

For over 180 years, the iconic Cunard fleet has perfected the timeless art of luxury ocean travel. While onboard, Cunard guests experience unique signature moments, from Cunard's white gloved afternoon tea service to spectacular gala evening balls to its renowned Insights Speaker program. Guest expectations are exceeded through Cunard's exemplary White Star Service®. From the moment a guest steps onboard, every detail of their voyage is curated to ensure they feel special and are inspired by unique events. Onboard Cunard, guests are free to do as much or as little as they please.

V. Principal Source Geographic Areas

	Carnival Corporation & plc Cruise Guests Carried		
(in thousands)	**2021**	**2019**	**Brands Mainly Serving**
United States and Canada	660	7,170	Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn and Cunard
Continental Europe	390	2,590	Costa and AIDA
Asia	0	1,110	Princess Cruises and Costa
Australia and New Zealand	0	920	Carnival Cruise Line, Princess Cruises and P&O Cruises (Australia)
United Kingdom	170	780	P&O Cruises (UK) and Cunard
Other	10	300	
Total	**1,220**	**12,870**	

Due to the gradual resumption of guest cruise operations, data for 2021 is not representative of a typical full year of operations. Due to the impact of COVID-19 on the global cruise industry, data for 2020 is not meaningful and is not included in the table. We have provided 2019 data as we believe it is most representative of our future Principal Source Geographic Areas.

VI. **Cruise Programs**

	Carnival Corporation & plc Percentage of Passenger Capacity by Itinerary	
	2021	2019
Caribbean	32%	32%
Europe without Mediterranean	23	14
Mediterranean	29	13
Australia and New Zealand	—	7
Alaska	4	6
China	—	4
Other	12	25
	100%	100%

Due to the gradual resumption of guest cruise operations, data for 2021 is not representative of a typical full year of operations. Due to the impact of COVID-19 on the global cruise industry, data for 2020 is not meaningful and is not included in the table. We have provided 2019 data as we believe it is most representative of our future Cruise Programs.

VII. **Cruise Pricing and Payment Terms**

Each of our cruise brands publishes prices for the upcoming seasons primarily through the internet, although published materials such as direct mailings are also used. Our brands have multiple pricing levels that vary by source market, category of guest accommodation, ship, season, duration and itinerary. Cruise prices frequently change in a dynamic pricing environment and are impacted by a number of factors, including the number of available cabins for sale in the marketplace and the level of guest demand. We offer a variety of special promotions, including early booking, past guest recognition and travel agent programs.

Our bookings are generally taken several months in advance of the cruise departure date. Historically, the longer the cruise itinerary the further in advance the bookings are made. This lead time allows us to manage our prices in relation to demand for available cabins through the use of advanced revenue management capabilities and other initiatives.

The cruise ticket price typically includes the following:

- Accommodations
- Most meals, including snacks at numerous venues
- Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club, and sun decks
- Child care and supervised youth programs
- Entertainment, such as theatrical and comedy shows, live music and nightclubs
- Visits to multiple destinations

We offer value added packages to induce ticket sales to guests and groups and to encourage advance purchase of certain onboard items. These packages are bundled with cruise tickets and sold to guests for a single price rather than as a separate package and may include one or more of the following:

- Beverage packages
- Shore excursions
- Air packages
- Specialty restaurants
- Internet packages
- Photo packages
- Onboard spending credits
- Service charges

Our brands' payment terms generally require that a guest pay a deposit to confirm their reservation and then pay the balance due before the departure date. We have provided flexibility to guests with bookings on sailings cancelled due to the pause in guest cruise operations by allowing guests to receive enhanced future cruise credits ("FCC") or to elect to receive refunds in cash.

VIII. **Seasonality**

Our passenger ticket revenues are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is typically earned during this period. This historical trend was disrupted in 2020 by the pause and in 2021 by the gradual resumption of guest cruise operations. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income (loss) is generated from May through September in conjunction with Alaska's cruise season. Since 2020, the Alaska cruise seasons have been adversely impacted by the continued effects of COVID-19.

IX. Onboard and Other Revenues

Onboard and other activities are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2021, we earned 45% of our cruise revenues from onboard and other revenue goods and services. In 2019, our most recent full year of guest cruise operations, we earned 30% of our cruise revenues from onboard and other revenues.

- Beverage sales
- Casino gaming
- Shore excursions
- Retail sales
- Photo sales
- Internet and communication services
- Full service spas
- Specialty restaurants
- Art sales
- Laundry and dry cleaning services

X. Marketing Activities

Guest feedback and research support the development of our overall marketing and business strategies to drive demand for cruises and increase the number of first-time cruisers. Our goal has always been to increase consumer awareness for cruise vacations and further grow our share of their vacation spend. We measure and evaluate key drivers of guest loyalty and their satisfaction with our products and services that provide valuable insights about guests' cruise experiences. We closely monitor our net promoter scores, which reflect the likelihood that our guests will recommend our brands' cruise products and services to friends and family.

While we significantly reduced our marketing activities during 2020 and 2021 as a result of COVID-19, our brands historically have had comprehensive marketing and advertising programs across diverse mediums to promote their products and services to vacationers and our travel agent partners. Each brand's marketing activities have generally been designed to reach a local region in the local language. Our marketing efforts historically have allowed us to attract new guests online by leveraging the reach and impact of digital marketing and social media. Over time, we have invested in new marketing technologies to deliver more engaging and personalized communications. This has helped us cultivate guests as advocates of our brands, ships, itineraries and onboard products and services.

Substantially all of our cruise brands offer past guest recognition programs that reward repeat guests with special incentives such as reduced fares, gifts, onboard activity discounts, complimentary laundry and internet services, expedited ship embarkation and disembarkation and special onboard activities.

XI. Sales Channels

We sell our cruises through travel agents, tour operators, company vacation planners and our websites. Our individual cruise brands' relationships with their travel agent partners are generally independent of each of our other brands. Our travel agents relationships are generally not exclusive and travel agents generally receive a base commission, plus the potential of additional commissions, including discounts or complimentary tour conductor cabins, based on the achievement of pre-defined sales volumes.

Travel agent partners are an integral part of our long-term cruise distribution network and are critical to our success. We utilize local sales teams to motivate travel agents to support our products and services with competitive sales and pricing policies and joint marketing and advertising programs. We also employ a wide variety of educational programs, including websites, seminars and videos, to train agents on our cruise brands and their products and services. In 2021, due to physical distancing requirements, we held a variety of virtual training and educational programs to continue to support and develop our travel agent partners.

All of our brands have internet booking engines to allow travel agents to book our cruises. We also support travel agent booking capabilities through global distribution systems. All of our cruise brands have their own consumer websites that provide access to information about their products and services to users and enable their guests to quickly and easily book cruises and other products and services online. These sites interface with our brands' social networks, blogs and other social media sites, which allow them to develop greater contact and interaction with their guests before, during and after their cruise. We also employ vacation planners who support our sales initiatives by offering our guests one-on-one cruise planning expertise and other services.

XII. Ethics and Compliance

We believe a clear and strong ethics and compliance culture is imperative for the future success of any corporation. Our compliance framework includes an Ethics and Compliance ("E&C") governance function, as well as an ethics and compliance strategic plan. Our Chief Ethics and Compliance Officer, an executive officer and member of the executive leadership team, leads the effort to promote and monitor a strong ethics and compliance culture and further develop our E&C governance function throughout the company. This function involves monitoring compliance with health, environment, safety, security laws and other regulations, compliance risk management, improved compliance training programs for our employees, thorough investigations relating to health, environmental and safety incidents and efforts to strengthen our corporate culture. More specifically, the E&C governance function's strategic plan sets out the following four goals:

- Align and build upon fundamental principles — strengthen culture to support ethics and compliance
- Be proactive and embrace a risk-based approach — develop a more strategic mindset
- Assemble the people, platform and processes — organize ethics and compliance leadership, governance, systems and access to data and procedures
- Listen and learn — promote open communications: speaking up, listening, learning and responding

By taking these measures, we heightened our commitment to operate with integrity, which includes not only complying with applicable laws, but also treating our guests, employees and stakeholders with honesty, transparency and respect. To further heighten the focus on ethics and compliance, the Boards of Directors established the Compliance Committees, which oversee the E&C governance function, maintain regular communications with the Chief Ethics and Compliance Officer and ensure implementation of the E&C governance function's strategic plan.

In 2020, despite the challenges related to COVID-19, we prioritized various improvements to be made during the pause in guest cruise operations called the Pause Priorities Plan. Throughout 2020 and 2021, we continued to make various improvements throughout our business. These improvements included the following:

- In the environmental arena, we made progress on improving on and investing in food waste management; developing criteria used for bringing back qualified environmental and technical talent when we resumed guest cruise operations; launching our Fleet Environmental Officer Program to further support, train and coach our environmental officers; developing a new and improved virtual environmental training program for Environmental Officers; and improving our efforts to conduct due diligence on the waste vendors that we engage across the company.
- For health, safety and security, we have made substantial progress in developing new protocols, installation of filters and testing equipment, and new awareness training to respond to COVID-19 and to comply with governmental regulations.
- To strengthen our capabilities to conduct internal investigations of HESS incidents, we revised and improved our investigation procedures and developed new training on root cause analysis.
- To continue strengthening the corporate culture, we developed a Culture Action Plan, which consists of various activities undertaken since 2020, including efforts to highlight and incentivize key actions and behaviors, new trainings for managers and leaders, more frequent communications, revised performance evaluations and culture surveys to measure progress. More specifically, we implemented our Culture Essentials, which are the key actions and behaviors we are encouraging and reinforcing to further strengthen our culture.

XIII. Sustainability

We strive to be a company that people want to work for and to be an exemplary global corporate citizen. Our commitment and actions to keep our guests and crew members safe and comfortable, protect the environment, develop and provide opportunities for our workforce, strengthen stakeholder relations and enhance both the communities where we work as well as the port communities that our ships visit, are reflective of our brands' core values and vital to our success as a business enterprise.

We have established new goals for 2030 which incorporate six key focus areas listed below that align with elements of the United Nation's Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals. A key focus of our sustainability efforts is climate action which includes our commitment to reduce carbon emissions.

Climate Action 2030 Goals

- Achieve 40% carbon intensity reduction relative to our 2008 baseline measured in both grams of CO_2e per ALB-km and grams of CO_2e per ALBD
- Having peaked our absolute carbon emissions in 2011, we plan to continue to reduce emissions over time, and identify a pathway to decarbonization
- Reduce absolute particulate matter air emissions by 50% relative to our 2015 baseline
- Increase fleet shore power connection capability to 60% of the fleet
- Expand liquefied natural gas ("LNG") program
- Optimize the reach and performance of our Advanced Air Quality System program
- Expand battery, fuel cell and biofuel capabilities
- Reduce supply chain emissions associated with food procurement and waste management
- Identify carbon offset options only when energy efficiency options have been exhausted

Circular Economy 2030 Goals

- Achieved more than 50% reduction in single-use plastic items in 2021 relative to our 2018 baseline based on ships that have restarted during our gradual resumption of guest cruise operations
- Achieve 50% reduction in single-use plastic items in 2022 relative to our 2018 baseline based on full fleet operations
- Achieve 30% unit food waste reduction by 2022 and 50% by 2030 relative to our 2019 baseline
- Increase Advanced Waste Water Treatment System coverage to more than 75% of our fleet capacity
- Send a larger percentage of waste to waste-to-energy facilities where practical
- Partner with primary vendors to reduce upstream packaging volumes

Good Health and Well-Being 2030 Goals

- Committed to continued job creation
- Implement global well-being standards by 2023
- Reduce the number of guest and crew work-related injuries
- Establish measurable Company Culture metrics and set annual improvement targets

Sustainable Tourism 2030 Goals

- Establish partnerships with destinations focused on sustainable economic development, preservation of local traditions and capacity management
- Continue to support disaster resilience, relief and recovery efforts
- Build stronger community relationships in our employment bases and destinations via employee volunteering programs

Biodiversity and Conservation 2030 Goals

- Support biodiversity and conservation initiatives through select nongovernmental organization partnerships
- Conduct audits and monitor animal encounter excursions regularly

Diversity, Equity and Inclusion 2030 Goals

- Ensure our overall shoreside employee base reflects the diversity of the world by 2030
- Expand shipboard and shoreside diversity, equity and inclusion across all ranks and departments by 2030

Since the pause in guest cruise operations, we have accelerated our capacity optimization strategy, which includes the removal of less efficient ships from our fleet. This strategy, together with our ongoing ship newbuild program, which includes the delivery of more efficient ships and the natural retirement of less efficient ships, has been and will continue to be a factor in our expected ability to achieve our 2030 carbon intensity reduction goal. Furthermore, we have invested over $350 million in energy efficiency improvements in our existing fleet since 2016 and expect to continue to make similar investments as part of our plan to achieve our 2030 sustainability goals.

As part of our plan for carbon footprint reduction, we lead the cruise industry's use of LNG powered cruise ships with a total of 11 next-generation cruise ships that are expected to join the fleet through 2025, including four ships already in operation as of November 30, 2021. In total, these ships are expected to represent 20% of our total future capacity. LNG vessels generate up to 20% less carbon emissions than traditionally powered ships, while almost eliminating sulfur oxides, reducing nitrogen oxides by 85% and particulate matter by 95%-100%. While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals. For example, we are partnering to evaluate and pilot maritime scale battery technology and methanol powered fuel cells and working with classification societies and other stakeholders to assess lower carbon fuel options for cruise ships including hydrogen, methanol, eLNG, and biofuels. We also pioneered the use of Advanced Air Quality Systems on board our ships to aid in the reduction of sulfur emissions and are promoting the use of shore power, enabling ships to use shoreside electric power where available while in port. We do not expect the incremental efforts to meet our 2030 sustainability goals to have a material impact on our financial statements.

In addition to the 2030 sustainability goals, we have announced our 2050 aspirations. We are committed to continuing our reduction of carbon emissions and have aspirations to achieve net carbon-neutral ship operations by 2050, well ahead of current IMO targets, while minimizing the use of carbon offsets. To achieve this aspiration, we are partnering with key organizations to help identify and scale new technologies not yet ready for the cruise industry. We believe our scale will support our effort to lead the industry in climate action.

We voluntarily publish Sustainability Reports that address governance, stakeholder engagement, environmental, labor, human rights, society, product responsibility, economic and other sustainability-related issues and performance indicators. These reports, which are not incorporated in this document but can be viewed at www.carnivalcorp.com, www.carnivalplc.com and www.carnivalsustainability.com, were developed in accordance with the Global Reporting Initiative ("GRI") Standards, the global standard for sustainability reporting. We have been publishing Sustainability Reports since 2011.

For the year ended November 30, 2022, we will include disclosures consistent with the Task Force on Climate-Related Financial Disclosures' ("TCFD") recommendations in our Strategic Report and where disclosures are not consistent with some or all of the TCFD's recommendations, we will include an explanation and a description of any steps we are taking, as needed. We voluntarily reported our progress to date consistent with TCFD in our 2020 Sustainability Report and we are working to identify where we need to enhance or change our processes to enhance our disclosures.

Our progress to date and areas of enhancement across the TCFD thematic areas of governance, strategy, risk management, and metrics and targets include:

Governance

- Our Chief Executive Officer will expand his responsibilities through the additional role of Chief Climate Officer. He will lead the identification of climate risks and opportunities, and embed governance, risk metrics and framework into our climate strategy. He will be supported by members of our management team, and our Boards of Directors, who are committed to addressing climate change.
- The Boards of Directors will be responsible for oversight of strategic climate-related risks and opportunities and determining our sustainability goals, including opportunities to advance climate change and decarbonization efforts. The Boards of Directors will receive periodic updates from the Chief Climate Officer and other relevant Board Committees.
- Our HESS Committee's responsibilities include oversight of the Company's HESS and sustainability-related policies and to integrate climate related risks and opportunities identified by the Boards of Directors into new and existing compliance policies, procedures, and practices.
- The Audit Committees will continue to be responsible for oversight of management's processes to identify principal and emerging risks, including climate change. They will also coordinate with the HESS Committees for appropriate oversight of legal and regulatory reporting matters

Strategy

- We have described our principal and emerging climate related risks in the Risk Management and/or Mitigation of Principal and Emerging Risks section within our Strategic Report.
- We are in the process of developing our emissions reduction roadmap.

- We are obtaining support from an external expert to understand the impact of climate related risks and opportunities on our business, over the short, medium and long term, under a higher emissions scenario aligned with the Intergovernmental Panel on Climate Change's ("IPCC") Representative Concentration Pathway ("RCP") 6 and a lower emissions scenario aligned with RCP 2.6. Through these scenario analyses, we will be able to describe the resilience of our business, taking into consideration different climate-related scenarios.

Risk Management

- Risk management is embedded throughout our organization. We are continuously refining and enhancing our existing processes used to identify and assess our principal and emerging climate-related risks and how decisions are made to mitigate such risks over the short, medium and long-term.

Metrics and Targets

- The primary metrics we use to assess climate related risks and opportunities relate to the direct greenhouse gas emissions produced by our operations. We quantify, report, and obtain third-party verification (under ISO-14064-3:2006) over our greenhouse gas ("GHG") emissions, including our direct (Scope 1) and indirect (Scope 2) emissions. The verification process for 2021 emissions is not yet completed.
- Our goal is to continue to evolve and identify relevant metrics and targets and clarify their related link to climate-related risks and opportunities, and related mitigating actions.
- We have set climate action 2030 Goals which we plan to achieve through improvements in energy efficiency and our capacity optimization strategy.
- We are investing in new technologies such as batteries and fuel cells, integrating alternative fuels and partnering with key organizations and stakeholders to support our carbon emissions reduction efforts.

XIV. Human Capital Management and Employees

Our shipboard and shoreside employees are sourced from well over 100 countries. In connection with our gradual resumption of guest cruise operations in 2021, we increased the number of employees onboard certain of our ships from the reduced levels during the pause in guest cruise operations. In 2021, we had an average of 30,000 employees onboard our ships, excluding employees on leave. Our shoreside operations had an annual average of 9,000 full-time and 1,000 part-time/seasonal employees. As a result of the reduction in our shoreside workforce during the early part of our pause in guest cruise operations to preserve cash, we require additional personnel to support the return of our full fleet to guest cruise operations. During 2021, we opened a significant number of shoreside positions, many of which remained open as of November 30, 2021 due to an increasingly competitive labor market. In 2019, our most recent full year of guest cruise operations, we had an average of 92,000 employees on our ships, excluding employees on leave and our shoreside operations had an annual average of 12,000 full-time and 2,000 part-time/seasonal employees. Holland America Princess Alaska Tours significantly increases its work force during the late spring and summer months in connection with the Alaskan cruise season. Of our total average employees for 2021, 10,000 are female and 30,000 are male. Of our total shoreside employees, 6,000 are female and 4,000 are male. Of our total shipboard employees, 4,000 are female and 26,000 are male. As of November 30, 2021, three of the 12 members of our Boards of Directors are female. Our four non-Director executive officers are male and two of the eight members of our Leadership Team are female. We have entered into agreements with unions covering certain employees on our ships and in our shoreside hotel and transportation operations. The percentages of our shipboard and shoreside employees that are represented by collective bargaining agreements are 58% and 28%, respectively. We consider our employee and union relationships to be strong.

A team of highly motivated and engaged employees is key to delivering unmatched joyful vacations that exceed our guests' expectations. To facilitate the recruitment, development and retention of our valuable team members, we strive to make Carnival Corporation & plc a diverse, inclusive and safe workplace, with opportunities for our employees to grow and develop in their careers.

a. Talent Development

We believe in the investment in our team members through the training and development of both shoreside and shipboard employees. During the pause in guest cruise operations, our training teams have made significant progress in delivering virtual training to augment the normal training historically completed in-person. We anticipate that as we continue to transition to full guest cruise operations that we will continue to leverage a combination of virtual and in-person training to ensure that our teams are well-prepared to carry out their individual and collective responsibilities.

For our shipboard employees, our goal is to be a leader in delivering high quality professional maritime training, as evidenced by the Arison Maritime Center. The Center is home to the Center for Simulator Maritime Training ("CSMART"). The leading-edge CSMART Academy features the most advanced bridge and engine room simulator technology and equipment available, with the capacity to provide annual professional training for all our bridge, engineering and environmental officers. CSMART participants receive a maritime training experience that fosters advanced knowledge and skills development, critical thinking and problem solving; all in a professional learning environment where our corporate culture is reinforced. CSMART also offers training related to LNG technology as well as an environmental officer training program and additional environmental courses for bridge and engineering officers to further enhance our training on environmental awareness and protection.

b. Succession Planning

Our Boards of Directors believe that planning for succession is an important function. Our multi-brand structure enhances our succession planning process. At the corporate level, a highly-skilled management team oversees a collection of cruise brands. At both the corporate and brand levels, we continually strive to foster the professional development of senior management and other critical roles. As a result, Carnival Corporation & plc has developed a very experienced and strong group of leaders, with their performance subject to ongoing monitoring and evaluation, as potential successors to all of our senior executive positions, including our Chief Executive Officer.

XV. Supply Chain

We incur expenses for goods and services to deliver exceptional cruise experiences to our guests. In addition, we incur significant capital expenditures for materials to support the refurbishment and enhancements of our vessels as well as to build new ships. We approach our spend strategically and look for suppliers who demonstrate the ability to help us leverage our scale in terms of cost, quality, service, innovation and sustainability. We are focused on the creation of strategic partnerships and will streamline our supplier base where it is prudent and on a risk-based basis. Our largest capital investments are for the construction of new ships.

COVID-19 is continuing to impact global supply markets and supply chains, resulting in shortages, extended lead times and increased inflation impacting our operations and profitability. We are applying a number of different strategies to mitigate the impact of these challenges on our operations, including extending our demand planning, placing purchase orders earlier, leveraging corporate contracts, utilizing short term contracts and leveraging our supplier relationships.

XVI. Insurance

a. General

We maintain insurance to cover a number of risks associated with owning and operating our vessels and other non-ship related risks. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premiums are dependent on our own loss experience and the general premium requirements of our insurers. We maintain certain levels of deductibles for substantially all the below-mentioned coverages. We may increase our deductibles to mitigate future premium increases. We do not carry coverage related to loss of earnings or revenues from our ships or other operations.

b. Protection and Indemnity ("P&I") Coverages

Liabilities, costs and expenses for illness and injury to crew, guest injury, pollution and other third-party claims in connection with our cruise activities are covered by our P&I clubs, which are mutual indemnity associations owned by ship owners.

We are members of three P&I clubs, Gard, Steamship Mutual and UK Club, which are part of a worldwide group of 13 P&I clubs, known as the International Group of P&I Clubs (the "IG"). The IG insures directly, and through broad and established reinsurance markets, a large portion of the world's shipping fleets. Coverage is subject to the P&I clubs' rules and the limits of coverage are determined by the IG.

c. Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships for reasonable amounts as determined by management. The coverage for hull and machinery is provided by large and well-established international marine insurers. Insurers make it a condition for insurance coverage that a ship be certified as "in class" by a classification society that is a member of the International Association of Classification Societies ("IACS"). All of our ships are routinely inspected and certified to be in class by an IACS member.

d. War Risk Insurance

We use a combination of insurance and self-insurance to cover war risk for legal liability to crew, guests and other third parties as well as loss or damage to our vessels arising from war or war-like actions. Our primary war risk insurance coverage is provided by international marine insurers and our excess war risk insurance is provided by our three P&I clubs. Under the terms of our war risk insurance coverage, which are typical for war risk policies in the marine industry, insurers can give us seven days' notice that the insurance policies will be canceled. However, the policies can be reinstated at different premium rates.

e. Other Insurance

We maintain property insurance covering our shoreside assets and casualty insurance covering liabilities to third parties arising from our hotel and transportation business, shore excursion operations and shoreside operations, including our port and related commercial facilities. We also maintain worker's compensation, director's and officer's liability and other insurance coverages.

XVII. Governmental Regulations

a. Maritime Regulations

1. General

Our ships are regulated by numerous international, national, state and local laws, regulations, treaties and other legal requirements, as well as voluntary agreements, which govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, sometimes on a daily basis, depending on the itineraries of our ships and the ports and countries visited. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements, we could be fined or otherwise sanctioned by regulators. We are committed to complying with, or exceeding, all relevant maritime requirements.

The primary regulatory bodies that establish maritime laws and requirements applicable to our ships include:

The International Maritime Organization ("IMO"): All of our ships, and the maritime industry as a whole, are subject to the maritime safety, security and environmental regulations established by the IMO, a specialized agency of the United Nations. The IMO's principal sets of requirements are mandated through its International Convention for the Safety of Life at Sea ("SOLAS") and its International Convention for the Prevention of Pollution from Ships ("MARPOL").

Flag States: Our ships are registered, or flagged, in The Bahamas, Bermuda, Italy, the Netherlands, Panama and the UK, which are also referred to as Flag States. Our ships are regulated by these Flag States through international conventions that govern, among other things, health, environmental, safety and security matters in relation to our guests, crew and ships. Representatives of each Flag State conduct periodic inspections, surveys and audits to verify compliance with these requirements.

Ship classification societies: Class certification is one of the necessary documents required for our cruise ships to be flagged in a specific country, obtain liability insurance and legally operate as passenger cruise ships. Our ships are subject to periodic class surveys, including dry-dock inspections, by ship classification societies to verify that our ships have been maintained in accordance with the rules of the classification societies and that recommended repairs have been satisfactorily completed. Dry-dock frequency is a statutory requirement mandated by SOLAS. Our ships dry-dock once or twice every five years, depending on the age of the ship.

National, regional and other authorities: We are subject to the decrees, directives, regulations and requirements of the European Union ("EU"), the UK, the U.S., other countries and hundreds of other authorities including international ports that our ships visit every year.

Port regulatory authorities (Port State Control): Our ships are also subject to inspection by the port regulatory authorities, which are also referred to as Port State Control, in the various countries that they visit. Such inspections include verification of compliance with the maritime safety, security, environmental, customs, immigration, health and labor requirements applicable to each port, as well as with regional, national and international requirements. Many countries have joined together to form regional Port State Control authorities.

As members of the Cruise Lines International Association ("CLIA"), we helped to develop and have implemented policies that are intended to enhance shipboard safety and environmental protection throughout the cruise industry. In some cases this calls for implementing best practices, which are in excess of existing legal requirements. Further details on these and other policies, which are not incorporated into this document, can be found on www.cruising.org.

Our Boards of Directors have HESS Committees, which were comprised of six independent directors as of December 1, 2021. The principal function of the HESS Committees is to assist the boards in fulfilling their responsibility to supervise and monitor our health, environment, safety, security and sustainability related policies, programs and initiatives at sea and ashore and compliance with related legal and regulatory requirements. The HESS Committees and our management team review all significant relevant risks or exposures and associated mitigating actions.

We are committed to implementing appropriate measures to manage identified risks effectively. We have a Chief Maritime Officer to oversee our global maritime operations, including maritime policy, maritime affairs, training, shipbuilding, asset management, ship refits and research and development. In addition, we have a Chief Ethics and Compliance Officer who is responsible for overseeing our ethics and compliance governance function, including all areas of HESS.

To help ensure that we are compliant with legal and regulatory requirements and that these areas of our business operate in an efficient and effective manner we:

- Provide regular health, environmental, safety and security support, training, guidance and information to guests, employees and others working on our behalf
- Develop and implement effective and verifiable management systems to fulfill our health, environmental, safety, security and sustainability commitments
- Perform regular shoreside and shipboard audits and take appropriate action when deficiencies are identified
- Report and investigate health, environmental, safety and security incidents and strive to take appropriate action to prevent recurrence
- Identify those employees responsible for managing health, environment, safety, security and sustainability programs and aim to establish clear lines of accountability
- Identify the aspects of our business with potential to impact the environment and continue to take appropriate action to minimize that impact
- Monitor an anonymous hotline for any reported allegations or concerns and the related responses
- Review and work to improve policies and procedures designed to prevent, detect, respond and correct various regulatory violations and other misconduct

2. Maritime Safety Regulations

The IMO has adopted safety standards as part of SOLAS. To help ensure guest and crew safety, SOLAS establishes requirements for the following:

- Vessel design and structural features
- Construction and materials
- Refurbishment standards
- Radio communications
- Life-saving and other equipment
- Fire protection and detection
- Safe management and operation
- Musters

All of our crew undergo regular safety training that meets or exceeds all international maritime regulations, including SOLAS requirements, which are periodically revised.

SOLAS requires implementation of the International Safety Management Code ("ISM Code"), which provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code is mandatory for passenger vessel operators. Under the ISM Code, vessel operators are required to:

- Develop and implement a Safety Management System (“SMS”) that includes, among other things, the adoption of safety and environmental protection policies setting forth instructions and procedures for operating vessels safely and describing procedures for responding to emergencies and protecting the environment. In addition, our SMS includes health and security procedures.
- Obtain a Document of Compliance (“DOC”) for the vessel operator, as well as a Safety Management Certificate (“SMC”) for each vessel they operate. These documents are issued by the vessel’s Flag State and evidence compliance with the ISM Code and the SMS
- Verify or renew DOCs and SMCs periodically in accordance with the ISM Code

We have implemented and continue to develop policies and procedures that we believe enhance our commitment to the safety of our guests and crew. These initiatives include the following:

- Training of our bridge, engineering and environmental officers in maritime related best practices facilitated by our CSMART Academy, the Center for Simulator Maritime Training located within our Arison Maritime Center in Almere, Netherlands
- Further standardization of our detailed bridge and engine resource management procedures on our ships
- Expansion of our existing oversight function to monitor and assist operations through state of the art fleet operations centers in Miami and Hamburg
- Identifying and promoting the use of international standards and best-practice policies and procedures in health, environmental, safety and security disciplines across the organization including on all our ships
- Further enhancement of our processes for auditing our HESS performance throughout our operations

3. Maritime Security Regulations

Our ships are subject to numerous security requirements. These requirements include the International Ship and Port Facility Security Code, which is part of SOLAS, the U.S. Maritime Transportation Security Act of 2002, which addresses U.S. port and waterway security and the U.S. Cruise Vessel Security and Safety Act of 2010, which applies to all of our ships that embark or disembark passengers in the U.S. These regulations include requirements as to the following:

- Implementation of specific security measures, including onboard installation of a ship security alert system
- Assessment of vessel security
- Efforts to identify and deter security threats
- Training, drills and exercises
- Security plans that may include guest, vehicle and baggage screening procedures, security patrols, establishment of restricted areas, personnel identification procedures, access control measures and installation of surveillance equipment
- Establishment of procedures and policies for reporting and managing allegations of crimes

4. Maritime Environmental Regulations

We are subject to numerous international, multi-national, national, state and local environmental laws, regulations and treaties that govern air emissions, waste management, and the storage, handling, use and disposal of hazardous substances such as chemicals, solvents and paints.

As a means of managing and improving our environmental performance and compliance, we adhere to standards set by the International Organization for Standardization (“ISO”), an international standard-setting body, which produces worldwide industrial and commercial standards. The environmental management system of our company and ships is certified in accordance with ISO 14001, the environmental management standard that was developed to help organizations manage the environmental impacts of their processes, products and services. ISO 14001 defines an approach to setting and achieving environmental objectives and targets, within a structured management framework.

i. International Regulations

The principal international convention governing marine pollution prevention and response is MARPOL.

a. Preventing and Minimizing Pollution

MARPOL includes six annexes, four of which are applicable to our cruise ships, containing requirements designed to prevent and minimize both accidental and operational pollution by oil, sewage, garbage and air emissions and sets forth specific requirements related to vessel operations, equipment, recordkeeping and reporting that are designed to prevent and minimize pollution. All of our ships must carry an International Oil Pollution Prevention Certificate, an International Sewage Pollution Prevention Certificate, an International Air Pollution Prevention Certificate and a Garbage Management Plan. The ship's Flag State issues these certificates, which evidence their compliance with the MARPOL regulations regarding prevention of pollution by oil, sewage, garbage and air emissions. Certain jurisdictions have not adopted all of these MARPOL annexes but have established various national, regional or local laws and regulations that apply to these areas.

As noted above, MARPOL governs the prevention of pollution by oil from operational measures, as well as from accidental discharges. MARPOL requires that discharges of machinery space bilge water pass through pollution prevention equipment that separates oil from the water and monitors the discharged water to ensure that the effluent does not exceed 15 parts per million oil content. During 2019, we voluntarily completed the upgrade of oily water separation equipment to the latest MARPOL standards as set forth by the IMO onboard all of our ships. Our ships have oily water separators with oil content monitors installed and maintain a record of certain engine room operations in an Oil Record Book. In addition, we have voluntarily installed redundant systems on all of our ships that monitor processed bilge water a second time prior to discharge to help ensure that it contains no more than 15 parts per million oil content. This system also provides additional controls to prevent improper bilge water discharges. MARPOL also requires that our ships have Shipboard Oil Pollution Emergency Plans.

MARPOL also governs the discharge of sewage from ships and contains regulations regarding the ships' equipment and systems for the control of sewage discharge, the provision of facilities at ports and terminals for the reception of sewage and requirements for survey and certification.

MARPOL also governs the discharge of garbage from ships and requires the implementation of Garbage Management Plan and the maintenance of a Garbage Record Book.

Furthermore, MARPOL addresses air emissions from vessels, establishes requirements for the prevention of air pollution from ships to reduce emissions of sulfur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter. It also contains restrictions on the use of ozone depleting substances ("ODS") and requires the recording of ODS use, equipment containing ODS and the emission of ODS.

b. Sulfur Emissions

The IMO has adopted a global 0.5% sulfur cap for marine fuel which began in January 2020. The EU Parliament and Council has also adopted 0.5% sulfur content fuel requirement (the "EU Sulfur Directive"). The options to comply with both the global 0.5% sulfur cap and the EU Sulfur Directive include the installation of Advanced Air Quality Systems, or the use of low sulfur or alternative fuels.

MARPOL addresses air emissions from both auxiliary and main propulsion diesel engines on ships and further specifies requirements for Emission Control Areas ("ECAs") with stricter limitations on sulfur emissions content in these areas, requiring ships to use fuel with a sulfur content of no more than 0.1%, or to use alternative emission reduction methods, such as Advanced Air Quality Systems.

We have Advanced Air Quality Systems on most of our ships, which are aiding in partially mitigating the financial impact from the ECAs and global 0.5% sulfur requirements.

c. Other Ship Emission Abatement Methods

In the long-term, the cost impacts of meeting progressively lower sulfur fuel requirements may be further mitigated by the future developments of, and investments in, improved sulfur emission abatement technologies, the use of alternative lower cost and lower emission fuels and our continued efforts to improve the overall fuel efficiency across our fleet. Our ongoing efforts to reduce unit fuel consumption include a focus on itinerary planning and voyage optimization, investment in various energy-efficiency upgrades (including enhancements to vessel air conditioning systems, lighting, waste heat recovery, engine performance improvements and hydrodynamic upgrades), enhanced training and energy awareness for our shipboard teams, collaborative energy-savings groups across operating lines and a shift towards better informed data-driven energy related decisions.

As part of our emission abatement program, we have continued our work with several local port authorities to utilize cruise ship shore power connections and have equipped 42 of our ships with the ability to utilize shore power technology. This technology enables our ships to use power from the local electricity provider rather than running their engines while in port to power their onboard services, resulting in reduced ship air emissions.

Similarly, in an effort to extend our commitment to sustainability and to play a leading role in matters of environmental protection in the cruise industry, we are expanding our investment in the use of lower carbon fuels, in particular LNG. *AIDAnova,* the first cruise ship in the world with the ability to use LNG to generate 100 percent of its power both in port and on the open sea, entered the fleet in December 2018, followed by three additional LNG ships, *Costa Smeralda*,*Iona* and *Mardi Gras.* As of November 30, 2021, we also had seven additional LNG cruise ships on order, including *Costa Toscana* and *AIDAcosma*, which entered the fleet in December 2021 and *Carnival Celebration*, entering the fleet in November 2022. These ships generate up to 20% less carbon emissions than traditionally powered ships and we believe, on balance, may help to reduce our impact on the environment. While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals.

d. Greenhouse Gas Emissions ("GHG")

In 2013, the IMO approved measures to improve energy efficiency and reduce emissions of GHGs from international shipping by adopting technical and operational measures for all ships. The technical measures apply to the design of new vessels, and the operational reduction measures apply to all vessels. Operational reduction measures have been implemented through a variety of means, including a Ship Energy Efficiency Management Plan, improved voyage planning and more frequent propeller and hull cleanings. We have established objectives within the ISO 14001 environmental management system for each of our brands to further reduce fuel consumption rates and the resulting GHG emissions.

In 2016, the IMO approved the implementation of a mandatory data collection system ("DCS") for fuel oil consumption. The DCS requires ships of 5,000 gross tons and above to provide fuel oil consumption data to their respective Flag State at the end of each calendar year, beginning in 2019. Flag States validate the data and transfer it to an IMO database. The IMO will produce a summary annual report with anonymous data. In 2018, the IMO also set aspirations to achieve several shipping industry GHG emission reduction goals with 2030 and 2050 target dates. In November 2020, the IMO's Marine Environment Protection Committee approved further MARPOL changes in support of its GHG emission reduction goals, which are expected to enter into force on January 1, 2023 and include annual ship-level unit emissions performance improvement expectations that could negatively impact our itinerary flexibility and marketability. In addition, the IMO is currently considering various other proposals which aim to reduce GHG emissions within the global shipping industry. These proposals include a range of measures including possible fuel standards and market-based measures, such as carbon taxes, that, if enacted, could result in reduced revenue or increased compliance related costs which may individually and collectively have a material impact on our profitability. The exact impact is uncertain as the proposals have not yet been finalized and enacted.

e. Ballast Water

Ballast water is water used to stabilize ships at sea and maintain safe operating conditions throughout a voyage. Ballast water can carry a multitude of marine species. In 2017, the IMO's Ballast Water Management Convention entered into force, which governs the discharge of ballast water from ships. Subsequent amendments effectively extended the implementation date for installation of ballast water management systems for existing ships by about two years, though other requirements went into effect immediately, including requirements for ballast water exchange, record keeping, and maintaining an approved Ballast Water Management Plan. The Convention is designed to regulate the treatment of ballast water prior to discharging overboard in order to avoid the transfer of marine species to new environments, as well as establishing other ballast water management practices for monitoring and environmental protection.

ii. U.S. Federal and State Regulations

The Act to Prevent Pollution from Ships implements several MARPOL Annexes in the U.S. and imposes numerous requirements on our ships, as discussed above. Administrative, civil and criminal penalties may be assessed for violations.

The Oil Pollution Act of 1990 ("OPA 90") established a comprehensive federal liability regime, as well as prevention and response requirements, relating to discharges of oil in U.S. waters. The major requirements include demonstrating financial responsibility up to the liability limits set by OPA 90 and having oil spill response plans in place. We have Certificates of Financial Responsibility ("COFR") that demonstrate our ability to meet the liability limits of OPA 90 based on the gross tonnage of our ships for removal costs and damages, such as from an oil spill. The COFR also covers releases of hazardous substances. It is possible, however, for our liability limits to be broken, which could expose us to unlimited liability. Under OPA 90, owners or operators of vessels operating in U.S. waters must file Vessel Response Plans with the U.S. Coast Guard ("USCG") and must operate and conduct any response action in compliance with these plans. As OPA 90 expressly allows coastal states to impose liabilities and requirements beyond those imposed under federal law, many U.S. states have enacted laws more stringent than OPA 90. Some of these state laws impose unlimited liability for oil spills and contain more stringent financial responsibility and contingency planning requirements. Most coastal states have also enacted environmental regulations that impose strict liability for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance, similar to OPA 90.

The Clean Water Act ("CWA") provides the U.S. Environmental Protection Agency ("EPA") with the authority to regulate incidental discharges from commercial vessels, including discharges of ballast water, bilge water, gray water, anti-fouling paints and other substances during normal operations within the U.S. three mile territorial sea and inland waters. Pursuant to the CWA authority, the U.S. National Pollutant Discharge Elimination System was designed to minimize pollution within U.S. territorial waters. For our affected ships, the incidental discharge requirements are set forth in EPA's Vessel General Permit ("VGP") for discharges incidental to the normal operations of vessels. The VGP establishes effluent limits for 27 specific discharges incidental to the normal operation of a vessel, many of which apply to our cruise ships. In addition to the requirements associated with these discharges and more stringent vessel-specific requirements, the VGP includes requirements for inspections, monitoring, reporting and record-keeping. In 2018, the Vessel Incidental Discharge Act ("VIDA") was signed into law and was intended to clarify and streamline discharge requirements for the incidental discharges covered by the VGP and certain USCG regulations for ballast water. More specifically, a new section was added to the CWA called "Uniform National Standards for Discharges Incidental to Normal Operation of Vessels." Once fully implemented, VIDA will replace the VGP; however, while the standards and regulations are being developed, which is expected to take at least until the end of 2022, the 2013 VGP has been administratively extended and will remain in effect. VIDA requires the standards and regulations to be at least as stringent as the existing requirements in the 2013 VGP and USCG regulations, unless information becomes available that was not reasonably available when the initial standard of performance was issued, and that information would have justified a less stringent standard. In October 2020, the EPA posted its notice of proposed rulemaking to set standards for 20 types of vessel discharges incidental to normal operations. The discharge standards are organized into three categories: (1) general operation and maintenance; (2) biofouling management; and (3) oil management. These standards mandate overall minimization of discharges and prescribe associated best management practices. No training or education requirements are included, as these will be set by the USCG in its rulemaking once EPA's standards are finalized. Notably, EPA incorporated discharge standards applicable to exhaust gas cleaning system discharges based substantially on applicable IMO guidelines, which better harmonizes the VGP and IMO requirements. While the proposed rule provides clarity into the likely structure of VIDA, there is uncertainty over the mechanism through which state-specific standards may be implemented.

We are subject to the requirements of the U.S. Resource Conservation and Recovery Act for the disposal of both hazardous and non-hazardous solid wastes that are generated by our ships. In general, vessel owners are required to determine if their wastes are hazardous and, when landing waste ashore, comply with certain standards for the proper management of hazardous wastes, including the use of hazardous waste manifests for shipments to approved disposal facilities.

The U.S. National Invasive Species Act ("NISA") was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. waters through ballast water taken on by vessels in foreign waters. The USCG adopted regulations under NISA that impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters. Depending on a vessel's compliance date for installation of a USCG type-approved ballast water management system, these requirements may now be met by performing mid-ocean ballast exchange, by retaining ballast water onboard the vessel or by using a ballast water management system authorized or approved by the USCG. In the near future, ballast exchange will no longer be permissible. These USCG regulations, however, will ultimately be replaced with the new regulatory regime being developed under VIDA, which is expected to contain similar requirements.

The state of Alaska has enacted legislation that prohibits certain discharges in designated Alaskan waters and sets effluent limits on others, which are applicable to cruise ships. Further, the state of Alaska requires that certain discharges be reported and monitored to verify compliance with the standards established by the legislation. Environmental regimes in Alaska are more stringent than the U.S. federal requirements with regard to discharges from vessels. The legislation also provides that repeat violators of the regulations could be prohibited from operating in Alaskan waters. The state of California also has environmental requirements significantly more stringent than federal requirements for water discharges and air emissions.

iii. EU Regulations

The EU has adopted a broad range of substantial environmental measures aimed at improving the quality of the environment for European citizens. To support the implementation and enforcement of European environmental legislation, the EU has adopted directives on environmental liability and enforcement and a recommendation providing for minimum criteria for environmental inspections.

The European Commission's ("EC") strategy is to reduce emissions from ships. The EC strategy seeks to implement SOx Emission Control Areas set out in MARPOL, as discussed above.

The EC has also implemented regulations aimed at reducing GHG emissions from maritime shipping through a Monitoring, Reporting and Verification regulation, which involves collecting emissions data from ships over 5,000 gross tons to monitor and report carbon emissions on all voyages to, from and between European Union ports.

The EU has a series of significant carbon reforms as a part of its Fit for 55 package to meet its 2030 emissions reduction goal. The main instruments for reducing emissions are the Emissions Trading System ("ETS"), Energy Taxation Directive ("ETD") and the newly proposed FuelEU Maritime initiative.

The ETS regulates carbon emissions through a "cap and trade" principle, where a cap is set on the total amount of certain greenhouse gases that can be emitted. The proposed updates to the ETS could lead to carbon allowances being introduced in the maritime sector.

The ETD is a framework for the taxation of energy products and sets minimum rates of excise duty to encourage a low-carbon economy. Proposed amendments to the ETD will introduce new tax rates based on the energy content and environmental impact rather than volume. These amendments will also widen the directive to include maritime fuels, which were previously exempt.

The recently proposed FuelEU Maritime initiative is a long-term framework to reduce maritime emissions by increasing the use of sustainable alternative fuels and for the cruise industry the use of shore power. The proposal also requires compliance with the maximum limits of GHG intensity of energy used on board. The stringency of these limits increase over time and there are financial penalties for non-compliance.

If enacted, the Fit for 55 regulations may individually and collectively result in increased costs and have a material impact on our profitability beginning in 2023.The exact impact is uncertain as the proposals have not yet been finalized and enacted.

Compliance with such regulations and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change.

5. Maritime Health Regulations

We are committed to providing a healthy environment for all of our guests and crew. We collaborate with public health inspection programs throughout the world, such as the Centers for Disease Control and Prevention ("CDC") in the U.S. and the SHIPSAN Project in the EU as well as CLIA's Public Health and Medical Policy, to ensure that development of these programs leads to enhanced health and hygiene onboard our ships. Through our collaborative efforts, we work with the authorities to develop and revise guidelines, review plans and conduct on-site inspections for all newbuilds and significant ship renovations. During the COVID-19 pandemic, the cruise industry has been subject to various enhanced regulations from the various regulatory bodies of worldwide health authorities resulting in the issuance of prescriptive protocols we are required to comply with to operate. We continue to work closely with governments and health authorities around the world to ensure that our health and safety protocols comply with the requirements of each location. In addition, we continue to maintain our ships by meeting, and often exceeding, applicable public health guidelines and requirements, complying with inspections, reporting communicable illnesses and conducting regular crew training and guest education programs.

6. Maritime Labor Regulations

The International Labor Organization develops and oversees international labor standards and includes a broad range of requirements, such as the definition of a seafarer, minimum age of seafarers, medical certificates, recruitment practices, training, repatriation, food, recreational facilities, health and welfare, hours of work and rest, accommodations, wages and entitlements.

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended, establishes additional minimum standards relating to training, including security training, certification and watchkeeping for our seafarers.

b. Other Governmental Regulations

In most countries where we source the majority of our guests, we are required to establish financial responsibility, such as obtaining a guarantee from stable financial institutions and insurance companies, to satisfy liability in cases of our non-performance of obligations to our guests. The amount of financial responsibility varies by jurisdiction based on the amount mandated by the applicable local regulatory agency or association.

In Australia and most of Europe, we may be obligated to honor our guests' cruise payments made by them to their travel agents and tour operators regardless of whether we receive these payments.

We are also subject to many other laws and regulations which require our compliance, including those addressing antitrust, anti-money laundering, data privacy, securities, sanctions, bribery and corruption, as well as human resources related matters.

XVIII. Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

a. U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

1. Application of Section 883 of the Internal Revenue Code

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an "equivalent exemption jurisdiction") and (ii) the foreign corporation meets a defined publicly-traded corporation stock ownership test (the "publicly-traded test"). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation's income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the Internal Revenue Service ("IRS") does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

2. Exemption Under Applicable Income Tax Treaties

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

3. U.S. State Income Tax

Carnival Corporation, Carnival plc and certain subsidiaries are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

b. UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

c. Italian and German Income Tax

In 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2021 and 2020.

Substantially all of AIDA's earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

d. Asian Countries Income and Other Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties. In addition, the income is exempt from indirect taxes in China under relevant income tax treaties and other circulars.

e. Other

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure.

XIX. Trademarks and Other Intellectual Property

We own, use and/or have registered or licensed numerous trademarks, patents and patent pending designs and technology, copyrights and domain names, which have considerable value and some of which are widely recognized throughout the world. These intangible assets enable us to distinguish our cruise products and services, ships and programs from those of our competitors. We own or license the trademarks for the trade names of our cruise brands, each of which we believe is a widely-recognized brand in the cruise industry, as well as our ship names and a wide variety of cruise products and services.

XX. Competition

We compete with land-based vacation alternatives throughout the world, such as hotels, resorts (including all-inclusive resorts), theme parks, organized tours, casinos, vacation ownership properties, and other internet-based alternative lodging sites. Based on 2021 Cruise Industry News statistics, as of December 31, 2021, we, along with our principal cruise competitors Royal Caribbean Group, Norwegian Cruise Line Holdings, Ltd. and MSC Cruises, represented approximately 80% of the cruise industry capacity, including ships operating with guests onboard and ships in pause status expected to return to guest cruise operations.

D. Website Access to Carnival Corporation & plc SEC Reports

We use our websites as channels of distribution of company information. Our Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, joint Proxy Statement related to our annual shareholders meeting, Section 16 filings and all amendments to those reports are available free of charge at www.carnivalcorp.com and www.carnivalplc.com and on the SEC's website at www.sec.gov as soon as reasonably practicable after we have electronically filed or furnished these reports with the SEC. In addition, you may automatically receive email alerts and other information when you enroll your email address by visiting the Investor Services section of our websites. The content of any website referred to in this document is not incorporated by reference into this document.

E. Industry and Market Data

This document includes market share and industry data and forecasts that we obtained from industry publications, third-party surveys and internal company surveys. Industry publications, including those from Cruise Industry News, and surveys and forecasts, generally state that the information contained therein has been obtained from sources believed to be reliable. Cruise Industry News is a for profit magazine company that covers all aspects of cruise operations. Their magazines and annual report cover all cruise lines and shipyards and report on all aspects of cruise operations including relevant issues, financial results, ship building, ship reviews, etc. All other references to third party information are publicly available at nominal or no cost. We use the most currently available industry and market data to support statements as to our market positions. Although we believe that the industry publications and third-party sources are reliable, we have not independently verified any of the data. Similarly, while we believe our internal estimates with respect to our industry are reliable, they have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented herein, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under Item 4. Risk Management and/or Mitigation of Principal and Emerging Risks within this Strategic Report.

F. Properties

As of November 30, 2021, the Carnival Corporation and Carnival plc headquarters and our larger shoreside locations are as follows:

Location	Square Footage *(in thousands)*	Own/Lease	Principal Operations
Miami, FL, U.S.A.	463/61	Own/Lease	Carnival Corporation & plc and Carnival Cruise Line
Genoa, Italy	246/66	Own/Lease	Costa and AIDA
Santa Clarita, CA, U.S.A.	311	Lease	Princess Cruises, Holland America Line and Seabourn
Almere, Netherlands	253	Own	Arison Maritime Center
Rostock, Germany	224	Own	Costa and AIDA
Seattle, WA, U.S.A.	175	Lease	Princess Cruises, Holland America Line and Seabourn
Southampton, England	150	Lease	Carnival plc, P&O Cruises (UK) and Cunard
Hamburg, Germany	140	Lease	Costa and AIDA
Sydney, NSW, Australia	37	Lease	Princess Cruises and P&O Cruises (Australia)

Information about our cruise ships, including the number each of our cruise brands operate, as well as information regarding our cruise ships under construction may be found under Part I. Item 1. Business. C. "Our Global Cruise Business." In addition, we own, lease or have controlling interests in port destinations, private islands, hotels, and lodges.

G. Legal Proceedings

The legal proceedings described in Note 7 — "Contingencies" of our DLC Financial Statements, including those described under "COVID-19 Matters," are shown in our IFRS Financial Statements in Note 23 — "Contingencies" and are incorporated by reference into this Strategic Report.

As previously disclosed, Princess Cruises entered into a plea agreement in December 2016 with the U.S. Department of Justice with respect to violations of federal laws related to illegal discharges of oily bilge water for incidents occurring in 2013 and prior, which resulted in a five-year term of probation that started in 2017 and the adoption of a court-supervised environmental compliance plan. On November 23, 2021, a petition for revocation of probation was filed by the U.S. Probation Officer, alleging a violation of probation. On January 7, 2022, the court approved a settlement pursuant to which Princess Cruises pled guilty to a violation of a condition of probation, agreed to take additional actions to enhance Carnival Corporation & plc's environmental compliance program and pay a $1 million criminal penalty.

H. Executive Officers and Corporate Governance

Information About Our Executive Officers

The table below sets forth the name, age, years of service and title of each of our executive officers as of January 27, 2022. Titles listed relate to positions within Carnival Corporation and Carnival plc unless otherwise noted.

	Age	Years of Service (a)	Title
Peter C. Anderson	58	2	Chief Ethics and Compliance Officer
David Bernstein	64	23	Chief Financial Officer and Chief Accounting Officer
Enrique Miguez	57	24	General Counsel
Michael Thamm	58	28	Group Chief Executive Officer of Costa Group and Carnival Asia

(a) Years of service with us or Carnival plc predecessor companies.

Business Experience of Executive Officers

Peter C. Anderson has been Chief Ethics and Compliance Officer since 2019. From 2012 to 2019, he was a principal at the law firm of Beveridge & Diamond, PC.

David Bernstein has been Chief Financial Officer since 2007 and Chief Accounting Officer since 2016.

Enrique Miguez has been General Counsel since March 2021. He was Vice President and Deputy General Counsel from 2003 to March 2021.

Michael Thamm has been Group Chief Executive Officer of Costa Group since 2012 and of Carnival Asia since 2017.

Corporate Governance

We have adopted a Code of Business Conduct and Ethics that applies to our President and Chief Executive Officer and Chief Climate Officer and senior financial officers, including the Chief Financial Officer and Chief Accounting Officer and other persons performing similar functions. Our Code of Business Conduct and Ethics applies to all our other employees and to our directors as well. Our Code of Business Conduct and Ethics states our commitment to conduct business ethically, without the influence of bribes or acts of corruption. We are committed to complying with the laws prohibiting bribery and other corrupt practices that apply everywhere we operate. Additionally, we provide trainings on anti-corruption laws and regulations and how to identify bribery to our employees. This Code of Business Conduct and Ethics is posted on our website, which is located at www.carnivalcorp.com and www.carnivalplc.com. We intend to satisfy the disclosure requirements regarding any amendments to, or waivers from, provisions of this Code of Business Conduct and Ethics by posting such information on our website, at the addresses specified above.

I. Dividends

On March 30, 2020, we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

2. Business Review.

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's Business Review is by reference to the DLC Financial Statements. Accordingly, the below presents the required Business Review for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

Results of Operations

We have historically earned substantially all of our cruise revenues from the following:

- Sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from airports near our ships' home ports and cancellation fees. We also collect fees, taxes and other charges from our guests. The cruise ticket price typically includes the following:
  - Accommodations
  - Most meals, including snacks at numerous venues
  - Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club and sun decks
  - Supervised youth programs
  - Entertainment, such as theatrical and comedy shows, live music and nightclubs
  - Visits to multiple destinations
- Sales of onboard goods and services not included in the cruise ticket price. This generally includes the following:
  - Beverage sales
  - Casino gaming
  - Shore excursions
  - Retail sales
  - Photo sales
  - Internet and communication services
  - Full service spas
  - Specialty restaurants
  - Art sales
  - Laundry and dry cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2021, we earned 45% of our cruise revenues from onboard and other revenue goods and services. In 2019, our most recent full year of guest cruise operations, we earned 30% of our cruise revenues from onboard and other revenues.

We earn our tour and other revenues from our hotel and transportation operations and other revenues.

We incur cruise operating costs and expenses for the following:

- The costs of passenger cruise bookings, which include travel agent commissions, cost of air and other transportation, port fees, taxes, and charges that directly vary with guest head counts and credit and debit card fees
- Onboard and other cruise costs, which include the costs of beverage sales, costs of shore excursions, costs of retail sales, internet and communication costs, credit and debit card fees, other onboard costs, costs of cruise vacation protection programs and pre- and post-cruise land packages
- Payroll and related costs, which include the costs of officers and crew in bridge, engineering and hotel operations. Substantially all costs associated with our shoreside personnel are included in selling and administrative expenses
- Fuel costs, which include fuel delivery costs
- Food costs, which include both our guest and crew food costs
- Other ship operating expenses, which include port costs that do not vary with guest head counts; repairs and maintenance, including minor improvements and dry-dock expenses; hotel costs; entertainment; gains and losses on ship sales; ship impairments; freight and logistics; insurance premiums and all other ship operating expenses

We incur tour and other costs and expenses for our hotel and transportation operations and other expenses.

Statistical Information

	Years Ended November 30,		
	2021	**2020**	**2019**
Passenger Cruise Days ("PCD") (a)	8,179	26,478	93,397
Available Lower Berth Days ("ALBDs") (in thousands) (b)	14,603	26,117	87,424
Occupancy percentage (c)	56.0%	101.0%	106.8%
Passengers carried (in thousands)	1,223	3,499	12,866
Fuel consumption in metric tons (in thousands)	1,336	1,915	3,312
Fuel cost per metric ton consumed	$515	$430	$472
Currencies (USD to 1)			
AUD	$0.75	$0.68	$0.70
CAD	$0.80	$0.74	$0.75
EUR	$1.19	$1.13	$1.12
GBP	$1.38	$1.28	$1.27
RMB	$0.15	$0.14	$0.14

We paused our guest cruise operations in mid-March 2020 and were in a pause for a majority of 2020. In 2021, we began the gradual resumption of guest cruise operations which is continuing to have a material impact on all aspects of our business, including the above statistical information.

Notes to Statistical Information

(a) PCD represents the number of cruise passengers on a voyage multiplied by the number of revenue-producing ship operating days for that voyage.

(b) ALBD is a standard measure of passenger capacity for the period that we use to approximate rate and capacity variances, based on consistently applied formulas that we use to perform analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.

(c) Occupancy, in accordance with cruise industry practice, is calculated by using a numerator of

PCDs and a denominator of ALBDs, which assumes two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

2021 Compared to 2020

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's Business Review is by reference to the consolidated Carnival Corporation & plc. Accordingly, the below presents the required disclosures for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

Consolidated

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 1,000	$ 3,684	$ (2,684)	(73)%
Onboard and other	908	1,910	(1,003)	(52)%
	1,908	5,595	(3,687)	(66)%
Operating Costs and Expenses				
Commissions, transportation and other	269	1,139	(870)	(76)%
Onboard and other	272	605	(334)	(55)%
Payroll and related	1,309	1,780	(471)	(26)%
Fuel	680	823	(142)	(17)%
Food	187	413	(226)	(55)%
Ship and other impairments	591	1,967	(1,376)	(70)%
Other operating	1,346	1,518	(172)	(11)%
	4,655	8,245	(3,590)	(44)%
Selling and administrative	1,885	1,878	6	—%
Depreciation and amortization	2,233	2,241	(8)	—%
Goodwill impairment	226	2,096	(1,870)	(89)%
	8,997	14,460	(5,462)	(38)%
Operating Income (Loss)	$ (7,089)	$ (8,865)	$ 1,776	(20)%

NAA

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 555	$ 2,334	$ (1,779)	(76)%
Onboard and other	553	1,293	(740)	(57)%
	1,108	3,627	(2,519)	(69)%
Operating Costs and Expenses	2,730	5,623	(2,893)	(51)%
Selling and administrative	953	1,066	(113)	(11)%
Depreciation and amortization	1,352	1,413	(60)	(4)%
Goodwill impairment	—	1,319	(1,319)	100%
	5,036	9,422	(4,386)	(47)%
Operating Income (Loss)	$ (3,928)	$ (5,794)	$ 1,867	(32)%

EA

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 491	$ 1,388	$ (897)	(65)%
Onboard and other	221	402	(181)	(45)%
	712	1,790	(1,078)	(60)%
Operating Costs and Expenses	1,807	2,548	(741)	(29)%
Selling and administrative	568	523	46	9%
Depreciation and amortization	728	672	56	8%
Goodwill impairment	226	777	(551)	(71)%
	3,329	4,519	(1,190)	(26)%
Operating Income (Loss)	$ (2,617)	$ (2,729)	$ 112	(4)%

We paused our guest cruise operations in March 2020 with minimal cruise related revenue recognized during the remainder of 2020. In addition, we incurred incremental COVID-19 related costs associated with repatriating guests and crew members, enhancing health protocols and sanitizing our ships, restructuring costs and defending lawsuits. As of November 30, 2021, eight of our nine brands had resumed guest cruise operations as part of our gradual return to service. The gradual resumption of guest cruise operations is continuing to have a material impact on all aspects of our business, including our liquidity, financial position and results of operations. The full extent of the impact will be determined by our gradual return to service and the length of time COVID-19 influences travel decisions.

As of November 30, 2021, 61% of our capacity was operating with guests on board, which is an increase from November 30, 2020 where we had one ship in service. Revenues for the year ended November 30, 2021 decreased $3.7 billion, or 66%, to $1.9 billion from $5.6 billion in 2020 as a result of the pause in guest cruise operations beginning March 2020 and the gradual resumption in guest cruise operations in 2021. Occupancy for 2021 was 56%, compared to 101% in 2020, due to the gradual resumption of guest cruise operations.

During 2021 we incurred, and we expect to continue incurring, incremental restart-related spend including the cost of returning ships to guest cruise operations and returning crew members to our ships as well as the incremental costs of maintaining enhanced health and safety protocols as we continue our gradual return to service. During 2020, while maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port, and staffed at a safe manning level.

We recognized goodwill impairment charges of $0.2 billion and $2.1 billion for the years ended November 30, 2021 and 2020.

We recognized ship impairment charges of $0.6 billion and $1.8 billion as of November 30, 2021 and 2020.

We believe the increasing cost of fuel, LNG and other related costs, inclusive of costs related to any potential future carbon emission related regulations, are reasonably likely to impact our profitability in both the short and long-term.

In addition, the increasing global focus on climate change, including the reduction of carbon emissions and new and evolving regulatory requirements, is reasonably likely to impact our future costs, capital expenditures and revenues and/or the relationship between them. The full impact of the focus on climate change is not yet known.

Nonoperating Income (Expense)

Interest expense, net of capitalized interest, increased by $0.7 billion to $1.6 billion in 2021 from $0.9 billion in 2020. The increase was caused by our higher average debt balance in 2021 compared to 2020.

Loss on debt extinguishment increased by $212 million to $670 million in 2021 from $459 million in 2020. The increase was caused by the repurchase of $4.0 billion of the aggregate principal of the 2023 Senior Secured Notes.

Key Performance Non-GAAP Financial Indicators

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's Key Performance Non-GAAP Financial Indicators is by reference to the consolidated Carnival Corporation & plc and is consistent with our debt covenant calculations. Accordingly, the below presents the required disclosures for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

The table below reconciles Adjusted net income (loss) and Adjusted EBITDA to Net Income (loss) and Adjusted earnings per share to Earnings per share for the periods presented:

	Years Ended November 30,		
(dollars in millions, except per share data)	**2021**	**2020**	**2019**
Net income (loss)			
U.S. GAAP net income (loss)	$ (9,501)	$ (10,236)	$ 2,990
(Gains) losses on ship sales and impairments	802	3,934	(6)
(Gains) losses on debt extinguishment, net	670	459	—
Restructuring expenses	13	47	10
Other	86	3	47
Adjusted net income (loss)	$ (7,931)	$ (5,793)	$ 3,041
Interest expense, net of capitalized interest	1,601	895	206
Interest income	(12)	(18)	(23)
Income tax expense, net	(21)	(17)	71
Depreciation and amortization	2,233	2,241	2,160
Adjusted EBITDA	$ (4,129)	$ (2,692)	$ 5,455
Weighted-average shares outstanding	1,123	775	692
Earnings per share			
U.S. GAAP earnings per share	$ (8.46)	$ (13.20)	$ 4.32
(Gains) losses on ship sales and impairments	0.71	5.08	(0.01)
(Gains) losses on debt extinguishment, net	0.60	0.59	—
Restructuring expenses	0.01	0.06	0.01
Other	0.08	—	0.07
Adjusted earnings per share	$ (7.06)	$ (7.47)	$ 4.40

Explanations of Non-GAAP Financial Measures

We use adjusted net income (loss) and adjusted earnings per share as non-GAAP financial measures of our cruise segments' and the company's financial performance. These non-GAAP financial measures are provided along with U.S. GAAP net income (loss) and U.S. GAAP diluted earnings per share.

We believe that gains and losses on ship sales, impairment charges, gains and losses on debt extinguishments, restructuring costs and other gains and losses are not part of our core operating business and are not an indication of our future earnings performance. Therefore, we believe it is more meaningful for these items to be excluded from our net income (loss) and earnings per share and, accordingly, we present adjusted net income (loss) and adjusted earnings per share excluding these items.

Adjusted EBITDA is a non-GAAP measure, and we believe that the presentation of Adjusted EBITDA provides additional information to investors about our operating profitability adjusted for certain non-cash items and other gains and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. Further, we believe that the presentation of Adjusted EBITDA provides additional information to investors about our ability to operate our business in compliance with the restrictions set forth in our debt agreements. We define Adjusted EBITDA as adjusted net income (loss) adjusted for (i) interest, (ii) taxes and, (iii) depreciation and amortization. There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income (loss). These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income (loss) as calculated in accordance with U.S. GAAP.

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

Liquidity, Financial Condition and Capital Resources

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's Liquidity, Financial Condition and Capital Resources is by reference to the consolidated Carnival Corporation & plc. Accordingly, the below presents the required disclosures for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

As of November 30, 2021, we had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. Through our debt management efforts, we have refinanced over $9 billion to date, reducing our future annual interest expense by approximately $400 million per year and extending maturities, optimizing our debt maturity profile. During 2022, we will continue to be focused on pursuing refinancing opportunities to reduce interest rates and extend maturities. Since December 2020, we have completed the following:

- In December 2020, we borrowed $1.5 billion under export credit facilities due in semi-annual installments through 2033.
- In February 2021, we issued an aggregate principal amount of $3.5 billion senior unsecured notes that mature on March 1, 2027. The 2027 Senior Unsecured Notes bear interest at a rate of 5.75% per year.
- In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of $25.10, resulting in net proceeds of $996 million.
- In June 2021, we entered into an amendment to reprice our $2.8 billion 2025 Secured Term Loan (the "2025 Secured Term Loan"). The amended U.S. dollar tranche bears interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3%. The amended euro tranche bears interest at a rate per annum equal to EURIBOR (with a 0% floor) plus 3.75%.
- In July 2021, we issued $2.4 billion aggregate principal amount of 4% first-priority senior secured notes due in 2028 (the "2028 Senior Secured Notes"). We used the net proceeds from the issuance to purchase $2.0 billion aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. The 2028 Senior Secured Notes mature on August 1, 2028.
- In July 2021, we borrowed $544 million under an export credit facility due in semi-annual installments through 2033.
- We amended our export credit facilities to defer approximately $1.0 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years.
- In October 2021, we borrowed an aggregate principal amount of $2.3 billion under a new term loan. We used the net proceeds from this borrowing to redeem $2.0 billion outstanding aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. Borrowings under the new term loan bear interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3.25% and will mature on October 18, 2028.
- In November 2021, we issued an aggregate principal amount of $2.0 billion senior unsecured notes that mature on May 1, 2029 (the "2029 Senior Unsecured Notes"), intended to refinance various 2022 maturities. The 2029 Senior Unsecured Notes bear interest at a rate of 6% per year and are callable beginning November 1, 2024.
- We extended loan maturities totaling approximately $650 million originally due in 2022 and 2023, to various dates in 2023 through 2026.

We have entered into amendments aligning the financial covenants of all our export credit facilities with our other facilities. Refer to Note 5 — "Debt" of the DLC Financial Statements, Note 15 — "Debt and Interest Expense" within the plc Financial Statements and "Funding Sources" below for additional details.

Certain of our debt instruments contain provisions that may limit our ability to incur or guarantee additional indebtedness.

We had a working capital deficit of $0.3 billion as of November 30, 2021 compared to a working capital surplus of $1.9 billion as of November 30, 2020. The decrease in working capital was driven by an increase in customer deposits and a decrease in cash. Historically we have operated with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts generally remain a current liability until the sailing date. The cash generated from these advance receipts is used interchangeably with cash on hand from other sources, such as our borrowings and other cash from operations. The cash received as advanced receipts can be used to fund operating expenses, pay down our debt, make long-term investments or any other use of cash. Included within our working capital are $3.1 billion and $1.9 billion of customer deposits as of November 30, 2021 and 2020, respectively. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the level of guest acceptance of FCCs and future cruise cancellations. We record a liability for FCCs only to the extent we have received cash from guests with bookings on cancelled sailings. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. In addition, we have a relatively low level of accounts receivable and limited investment in inventories. We expect that we will have greater working capital deficits in the future once we return to full guest cruise operations.

Sources and Uses of Cash

Operating Activities

Our business used $4.1 billion of net cash flows in operating activities during 2021, a decrease of $2.2 billion, compared to $6.3 billion used in 2020. This decrease was due to the reduction in cash outflows for refunds of customer deposits and credit card processor reserve funds provided. During 2020, our business used $6.3 billion of net cash from operations, a decrease of $11.8 billion, compared to $5.5 billion provided in 2019.

Investing Activities

During 2021, net cash used in investing activities was $3.5 billion. This was caused by:

- Capital expenditures of $3.0 billion for our ongoing new shipbuilding program
- Capital expenditures of $602 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships and other of $351 million
- Purchases of short-term investments of $2.9 billion
- Proceeds from maturity of short-term investments of $2.7 billion

During 2020, net cash used in investing activities was $3.2 billion. This was caused by:

- Capital expenditures of $2.8 billion for our ongoing new shipbuilding program
- Capital expenditures of $868 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of $334 million
- Proceeds of $220 million from the settlement of outstanding derivatives

During 2019, net cash used in investing activities was $5.3 billion. This was caused by:

- Capital expenditures of $3.8 billion for our ongoing new shipbuilding program
- Capital expenditures of $1.7 billion for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of $26 million

Financing Activities

During 2021, net cash provided by financing activities of $6.9 billion was caused by the following:

- Issuances of $13.0 billion of long-term debt
- Repayments of $6.0 billion of long-term debt
- Premium payments of $545 million related to the extinguishment of debt
- Net proceeds of $1.0 billion from Carnival Corporation common stock
- Purchases of $188 million of Carnival plc ordinary shares and issuances of $206 million of Carnival Corporation common stock under our Stock Swap Program
- Payments of $319 million related to debt issuance costs

During 2020, net cash provided by financing activities of $18.6 billion was caused by the following:

- Net proceeds from short-term borrowings of $2.9 billion in connection with our availability of, and needs for, cash at various times throughout the period, including proceeds of $3.1 billion from the Revolving Facility
- Repayments of $1.6 billion of long-term debt
- Issuances of $15.0 billion of long-term debt
- Payments of cash dividends of $689 million
- Net proceeds of $3.0 billion from our public offerings of Carnival Corporation common stock
- Net proceeds of $222 million from a registered direct offering of Carnival Corporation common stock used to repurchase a portion of the Convertible Notes

During 2019, net cash used in financing activities of $655 million was substantially all due to the following:

- Net proceeds of short-term borrowings of $605 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of $1.7 billion of long-term debt
- Issuances of $3.7 billion of long-term debt
- Payments of cash dividends of $1.4 billion
- Purchases of $603 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

Material Cash Requirements

The Directors consider that within the DLC arrangement, the most appropriate presentation of Carnival plc's Material Cash Requirements and Funding Sources is by reference to the consolidated Carnival Corporation & plc. Accordingly, the below presents the required disclosures for the combined group in order to satisfy reporting requirements of the Companies Act 2006.

	Payments Due by					
(in millions)	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
Debt (a)	$ 3,251	$ 4,035	$ 5,922 (c)	$ 5,472	$ 5,293	$ 23,973
Newbuild capital expenditures (b)	4,355	2,576	1,641	987	—	9,560
Total	$ 7,606	$ 6,611	$ 7,564	$ 6,459	$ 5,293	$ 33,533

(a) Includes principal as well as estimated interest payments and does not include the impact of any future possible refinancings. Excludes undrawn export credits.

(b) As of November 30, 2021, we have committed undrawn export credit facilities of $5.6 billion which fund a portion of our Newbuild contractual commitments.

(c) Includes borrowings under the Revolving Facility. As of November 30, 2021, borrowings under the Revolving Facility were $2.8 billion, which mature in 2024.

Funding Sources

As of November 30, 2021, we had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. In addition, we had $5.6 billion of undrawn export credit facilities to fund ship deliveries planned through 2024. We plan to use future cash flows from operations to fund our cash requirements including capital expenditures not funded by our export credit facilities.

(in billions)	**2022**	**2023**	**2024**
Future export credit facilities at November 30, 2021	$ 3.2	$ 1.8	$ 0.6

Our export credit facilities contain various financial covenants as described in Note 5 — "Debt" within the DLC Financial Statements. At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements.

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks, see the discussion below and the consolidated financial statements.

Fuel Price Risks

Substantially all our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We have installed Advanced Air Quality Systems on most of our ships, which has aided in the mitigation of the financial impact from the ECAs and global 0.5% sulfur requirements.

Foreign Currency Exchange Rate Risks

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates will affect our financial statements.

Investment Currency Risks

The foreign currency exchange rates were as follows:

	November 30,	
	2021	**2020**
USD to 1:		
AUD	$ 0.71	$ 0.74
CAD	$ 0.78	$ 0.77
EUR	$ 1.13	$ 1.20
GBP	$ 1.33	$ 1.33
RMB	$ 0.16	$ 0.15

If the November 30, 2020 currency exchange rates had been used to translate our November 30, 2021 non-U.S. dollar functional currency operations' assets and liabilities (instead of the November 30, 2021 U.S. dollar exchange rates), our total assets would have been higher by $667 million and our total liabilities would have been higher by $359 million.

As of November 30, 2021, we had a cross currency swap totaling of $201 million which settles through 2028. This cross currency swap is designated as a hedge of our net investments in foreign operations, which has a euro-denominated functional currency, thus partially offsetting the foreign currency exchange rate risk. Based on a 10% change in the U.S. dollar to euro exchange rate as of November 30, 2021, we estimate that the fair value of this cross currency swap and offsetting change in U.S. dollar value of our net investments would change by $22 million.

Newbuild Currency Risks

At November 30, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments, which represent a total unhedged commitment of $6.8 billion and relate to newbuilds scheduled to be delivered from 2021 through 2025 to non-euro functional currency brands. The functional currency cost of each of these ships will increase or decrease based on changes in the exchange rates until the unhedged payments are made under the shipbuilding contract. We may enter into additional foreign currency derivatives to mitigate some of this foreign currency exchange rate risk. Based on a 10% change in euro to U.S. dollar exchange rates as of November 30, 2021, the remaining unhedged cost of these ships would have a corresponding change of $675 million.

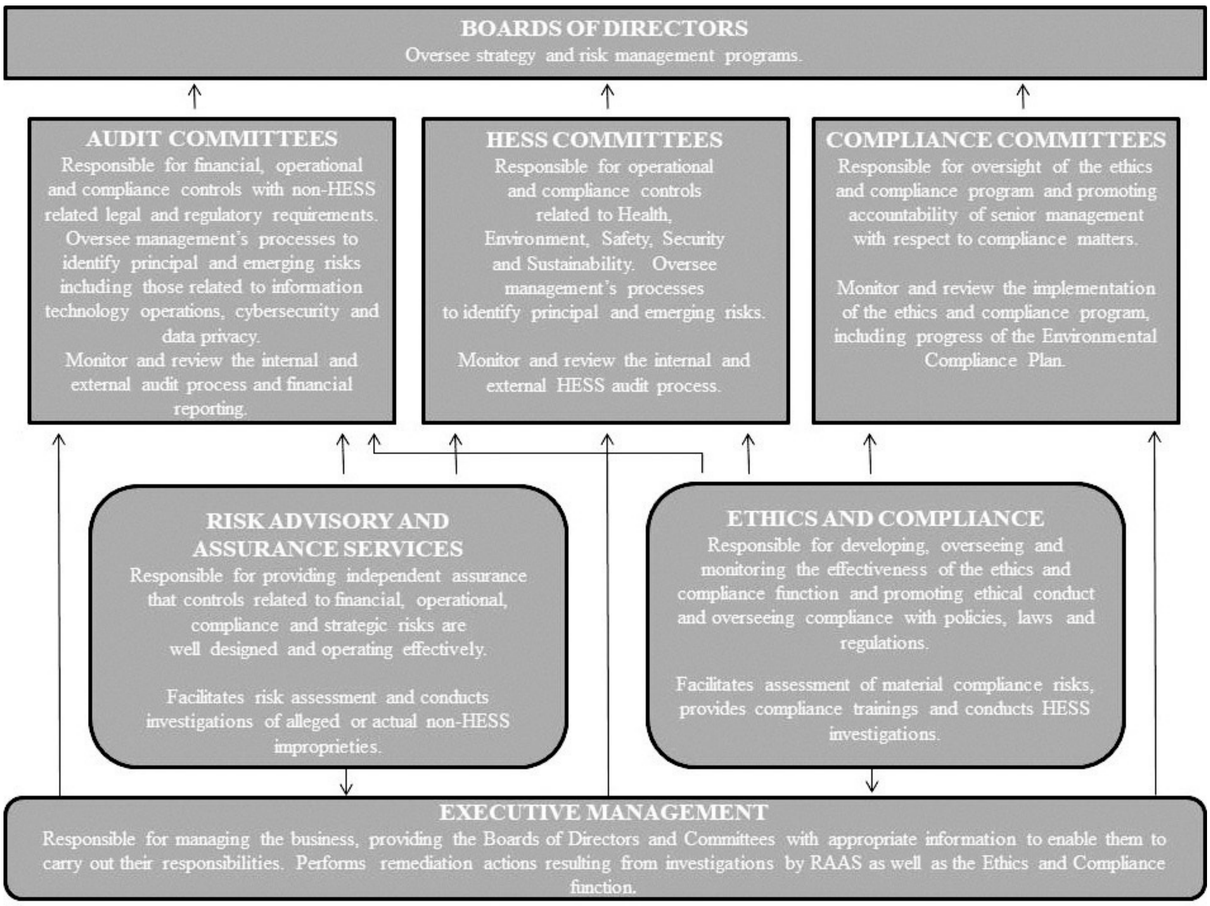
Interest Rate Risks

The composition of our debt, including the effect of cross currency swaps and interest rate swaps, was as follows:

	November 30, 2021
Fixed rate	45%
EUR fixed rate	13%
Floating rate	26%
EUR floating rate	14%
GBP floating rate	1%

At November 30, 2021, we had interest rate swaps that have effectively changed $160 million of EURIBOR-based floating rate euro debt to fixed rate euro debt. Based on a 10% change in the November 30, 2021 market interest rates, our 2021 interest expense on floating rate debt, including the effect of our interest rate swaps, would have changed by an insignificant amount.

3. Internal Control and Risk Assessment.



Note: The Boards of Directors Compensation and Nominating & Governance Committees are also responsible for some strategy and risk management programs.

Carnival Corporation & plc's Boards of Directors

The Boards of Directors have overall responsibility for determining the strategic direction of Carnival Corporation & plc and the nature and extent of the risk assumed by it. The Boards of Directors, through Executive Management and the Committees, have carried out a robust assessment to ensure that principal and emerging risks, including those that would threaten its business model, future performance, solvency or liquidity are effectively managed and/or mitigated to help ensure Carnival Corporation & plc is viable. As a result of this assessment, the Boards of Directors have identified principal and emerging risks and their management and/or mitigation as listed in Item 4 Risk Management and/or Mitigation of Principal and Emerging Risks within this Strategic Report. The Boards of Directors oversight includes briefings by management, review of audit results and corrective actions, and the results of risk assessment and risk monitoring activities. The framework above illustrates the interaction between the Boards of Directors, its Committees and Carnival Corporation & plc management in order to continuously and annually assess, manage and/or mitigate risks. In this regard, the Boards of Directors delegate certain risk management activities to its Committees and principally to the Audit, HESS and Compliance Committees as follows:

Audit Committees

The Audit Committees are responsible for oversight of Carnival Corporation & plc financial, operational and compliance controls (other than HESS related legal and regulatory requirements) and including information systems controls and security and oversee management's processes to identify principal and emerging risks, including those related to information technology operations, cybersecurity and data privacy. They monitor Carnival Corporation & plc's principal and emerging financial risks and non-HESS operational and compliance risks identified by the risk assessment processes and report their findings to the Boards of Directors. They are also responsible for overseeing the adequacy of Carnival Corporation & plc's system of internal controls for the identification, assessment and reporting of risk, including identifying new risks as they arise. They review and make recommendations arising from management reports on the effectiveness of internal controls and risk management systems. In addition, the Audit Committees review audit coverage, the audit plan for the upcoming year and results of any testing carried out by Carnival Corporation & plc's internal audit department called Risk Advisory & Assurance Services ("RAAS"), and its external auditors. The Audit Committees also review any concerns about improprieties in Carnival Corporation & plc's financial reporting and financial controls or other matters, which employees may confidentially raise. Finally, in connection with their risk oversight role, the Audit Committees regularly meet with representatives from Carnival Corporation & plc's independent auditors and registered certified public accounting firm, the Chief Audit Officer, the Chief Financial Officer and Chief Accounting Officer, the Chief Information Officer, Chief Information Security Officer and Chief Privacy Officer and as needed, with the General Counsel, the Chief Operations Officer and the Chief Ethics and Compliance Officer.

HESS Committees

The HESS Committees monitor Carnival Corporation & plc's performance in managing and/or mitigating principal and emerging non-financial risks, principally those arising in respect of health, environment, safety, security and sustainability and report their findings to the Boards of Directors on a regular basis. The HESS Committees oversee management's processes to identify principal and emerging HESS-related risks and review with management the actions required to minimize such risks. In addition, the HESS Committees review audit coverage, the HESS audit plan for the upcoming year, the HESS long-term strategic plan and the results of any testing carried out by RAAS in respect of HESS-related matters. In connection with their oversight role, the HESS Committees regularly meet privately with the Chief Operations Officer, the Chief Maritime Officer, the Chief Ethics and Compliance Officer, and the Chief Audit Officer.

Compliance Committees

The Compliance Committees are responsible for providing oversight of Carnival Corporation & plc's ethics and compliance function. Specifically, they receive regular reports from the Chief Ethics and Compliance Officer regarding the implementation of the ethics and compliance strategic plan, the effectiveness of the overall ethics and compliance function as well as the adequacy of staffing and resources. They monitor the implementation of the environmental compliance plan. In addition, they are responsible for taking steps, in coordination with the Audit and HESS Committees, to ensure that all allegations of material misconduct by management, employees or agents are reported and receive appropriate attention and remediation. They also make recommendations to the Boards of Directors for the framework, structure and design of the Boards of Directors' permanent, steady-state oversight of Carnival Corporation & plc's ethics and compliance function. In connection with their oversight role, the Compliance Committees regularly meet with the Chief HESS Investigation Officer.

RAAS

RAAS reports directly to the Chairs of the Audit and HESS Committees to maintain independence from management. RAAS supports the Audit and HESS Committees in fulfilling their governance and oversight responsibilities and are recognized as the Boards of Directors' primary partner for providing risk advisory and assurance services. RAAS is responsible for providing assurance that controls related to financial (including the U.S. Sarbanes-Oxley Act of 2002 ("SOX")), operational, compliance and strategic risks are well designed and operate effectively. RAAS' responsibilities include performing internal audits (including those related to HESS matters), conducting investigations into alleged or actual non-HESS related and non-HR related improprieties and performing other focused reviews that are designed to improve business performance. RAAS also coordinates with the Chief Ethics and Compliance Officer on the status and results of investigations. In support of compliance with maritime regulations, RAAS also conducts annual HESS audits of each brand's head office and of each ship in Carnival Corporation & plc's fleet.

The primary purpose of RAAS is to identify and evaluate how risks are managed by the business. In doing so, RAAS provides executive and senior management and the Boards of Directors with formal reports that include opportunities to improve Carnival Corporation & plc's risk management by evaluating the design of activities to manage risk and/or to assess compliance. The scope of RAAS' work covers all business processes within Carnival Corporation & plc's global operations. These reports also include management's action plans for addressing these opportunities and RAAS actively tracks the status of implementation of these plans. Any significant delays in plan implementations are highlighted and discussed with the Committees of the Boards of Directors. To the extent that opportunities at one of our business units are applicable to other areas of our other business units, RAAS has various mechanisms for facilitating sharing and "lessons learned." In carrying out its functions, RAAS works closely with the Global Accounting and Reporting Services and Global Legal Departments, the Chief Financial Officer and Chief Accounting Officer, the Chief Maritime Officer, the Global Chief Information Officer as well as the Chief Ethics and Compliance Officer.

Ethics and Compliance

The Ethics and Compliance governance function is responsible for promoting, maintaining, overseeing and monitoring the effectiveness of Carnival Corporation & plc ethics and compliance strategic plan, including promoting ethical conduct, and overseeing compliance with all relevant policies, laws and regulations. The primary focus of the Ethics and Compliance function is to promote and maintain compliance across safety and environmental protection and certain other risk-based compliance activities, through compliance risk management, environmental awareness and compliance training, HESS investigations and compliance communications. In order to refine this focus, Ethics and Compliance periodically performs broad company-wide risk assessments to evaluate and prioritize the compliance risks facing the business, as well as, more granular assessments and data-driven monitoring and analysis of those prioritized compliance risks. All of these efforts seek to promote and advance a strong corporate culture.

Executive Management

Executive Management is responsible for ensuring that Carnival Corporation & plc has active plans and adequate resources to manage and/or mitigate the principal and emerging financial and non-financial risks, including HESS and compliance related risks, identified by the business from the risk assessment processes that are integrated within Carnival Corporation & plc's operations to ensure ongoing viability. As new risks arise, Executive Management seeks to ensure they are properly reviewed and monitored.

Internal Control

The President and Chief Executive Officer and the Chief Financial Officer and Chief Accounting Officer file written certifications on a quarterly basis certifying, among other items, that they have disclosed to the auditors and the Audit Committees all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Carnival Corporation & plc's ability to record, process, summarize and report financial information and any fraud, whether or not material, that involves management or other employees who have a significant role in Carnival Corporation & plc's internal control over financial reporting.

Internal control and risk management within Carnival Corporation & plc is an ongoing process embedded in each of Carnival Corporation & plc's operations. It is designed to identify, evaluate and manage the principal and emerging risks faced by the business units. A system of internal controls designed to be capable of responding quickly to evolving risks in the business has been established, comprising procedures for the prompt reporting of significant and material internal control deficiencies together with the appropriate remedial actions.

Carnival Corporation & plc has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") guidance for implementing its internal controls as part of its SOX compliance plan.

COSO is considered to be the model internal control framework and references the same internal control objectives and components as are used by the UK Corporate Governance Code in assessing the effectiveness of a company's risk and control processes.

The system of internal control was in place throughout 2021 and has continued in place up to the date of approval of this Strategic Report. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Boards of Directors confirm that they have performed their annual review of its effectiveness and that it is in compliance with the UK Corporate Governance Code. The Boards of Directors review of the system of internal controls has not identified any significant failings or weaknesses, and therefore, no remedial actions are required.

4. <u>Risk Management and/or Mitigation of Principal and Emerging Risks</u>.

You should carefully consider the following discussion of material factors, events and uncertainties that make an investment in the Company's securities risky and provide important information for the understanding of the "forward-looking" statements discussed in this Form 10-K and elsewhere. These risk factors should be read in conjunction with other information in this Form 10-K.

The events and consequences discussed in these risk factors could have a material adverse effect on the Company's business, financial condition, operating results and stock price. These risk factors do not identify all risks that the Company faces; operations could also be affected by factors, events, or uncertainties that are not presently known to the Company or that the Company currently does not consider to present material risks to its operations. In addition to the effects of the COVID-19 pandemic and resulting global disruptions on our business and operations discussed in Item 7 of this Form 10-K and in the risk factors below, additional or unforeseen effects from the COVID-19 pandemic and the global economic climate may give rise to or amplify many of these risks discussed below. Some of the statements in this item and elsewhere in this document are "forward-looking statements." For a discussion of those statements and of other factors to consider see the "Cautionary Note Concerning Factors That May Affect Future Results" section below.

The ordering and lettering of the risk factors set forth below is not intended to reflect any Company indication of priority or likelihood.

<u>COVID-19 and Liquidity/Debt Related Risk Factors</u>

a. *COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations. The current, and uncertain future, impact of COVID-19, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.*

The COVID-19 global pandemic is having material negative impacts on all aspects of our business. We implemented a pause of our guest cruise operations in mid-March 2020 across all brands. We have been, and will continue to be, negatively impacted by travel advisories and evolving, conflicting and complex restrictions, recommendations and regulations set by various governmental authorities. These restrictions, recommendations and regulations have and may continue to impact our ability to operate our business in an optimal manner.

As we continue our gradual return to service, we expect to continue incurring incremental restart-related spend, including the cost of returning ships to guest cruise operations and returning crew members to our ships as well as the incremental costs of maintaining enhanced health and safety protocols. The industry is subject to and may be further subject to enhanced health and hygiene requirements in attempts to counteract future outbreaks, and these requirements may be costly, take a significant amount of time to implement across our global cruise operations and may result in disruptions in guest cruise operations, incremental costs and loss of revenue.

We intend to continue to make vaccines available to all of our shipboard employees, but there can be no assurances that we will be able to source sufficient vaccines for our global crew. In addition, although vaccines have proven to be effective in mitigating the risks of COVID-19, there is no guarantee that the vaccines will continue to be effective against future variants.

Due to COVID-19, we, as well as our industry, have been the subject of negative publicity, which could have a long-term impact on the appeal of our brands, which would diminish demand for vacations on our vessels. We cannot predict how long the negative impact of media attention on our brands or our industry will last, or the level of investment that will be required to address the concerns of potential travelers through marketing and pricing actions.

We have received, and may continue to receive, lawsuits, other governmental investigations and other actions stemming from COVID-19. We cannot predict the quantum or outcome of any such proceedings, some of which could result in the imposition of civil and criminal penalties in the future, and the impact that they will have on our financial results, but any such impact may be material.

In connection with our capacity optimization strategy, we have and may continue to accelerate the removal of ships from our fleet. Some agreements for the disposal of vessels have been for recycling. When we choose to dispose of a ship, there can be no assurance that there will be a viable buyer to purchase it at a price that exceeds our net book value, which could result in ship impairment charges and losses on ship disposals.

We cannot predict the timing of our complete return to service at historical occupancy levels and when certain ports will reopen to our ships. If our gradual resumption of guest cruise operations is delayed or there are future pauses or additional disruptions in the resumption of guest cruise operations, it could further negatively impact our liquidity. As our business is seasonal, the impact of such a delay or future pause in the resumption of guest cruise operations will be heightened if such delay or future pause occurs during the Northern Hemisphere summer months. Moreover, even as travel advisories and restrictions are lifted, demand for cruises may continue to be impacted and we cannot predict if and when each brand will return to pre-outbreak demand, occupancy or pricing. In addition, we cannot predict the impact COVID-19 will have on our partners, such as travel agencies, suppliers and other vendors, counterparties and joint ventures. We may be adversely impacted as a result of the adverse impact our partners, counterparties and joint ventures suffer.

We have never previously experienced a complete cessation and subsequent gradual resumption of our guest cruise operations, and as a consequence, our ability to be predictive regarding the impacts on our brands and future prospects is uncertain. In particular, we cannot predict the impact on our financial performance and cash flows (including as required for cash refunds of deposits) and the public's concern regarding the health and safety of travel, especially by cruise ship, and related decreases in demand for travel and cruising. As a result of the impact of COVID-19, we expect lower occupancy levels during our resumption of guest cruise operations and cannot predict when we will be able to achieve historical occupancy levels. Moreover, our ability to attract and retain guests and our ability to hire and the amounts we must pay our crew depend, in part, upon the perception and reputation of our company and our brands and the public's concerns regarding the health and safety of travel generally, as well as regarding the cruising industry and our ships specifically. In addition, our ability to re-hire crew may be negatively impacted as some have obtained alternative employment during the pause in guest cruise operations.

The extent of the effects of COVID-19 on our business and the cruising industry at large is highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and continued severity and the length of time it takes for operating conditions to return the company to profitability. To the extent COVID-19 continues to adversely affect our business, operations, financial condition and operating results, it may also have the effect of heightening many other risks.

Examples of how we manage and/or mitigate this risk:

- We have engaged leading medical and science experts and worked to develop and maintain new and enhanced protocols and procedures to facilitate a safe and healthy return to cruise vacations during the gradual resumption of guest cruise operations
- We have insurance coverage for certain liabilities, costs and expenses related to COVID-19 through our participation in Protection and Indemnity ("P&I") clubs
- We have accelerated the removal of ships from our fleet
- We have taken significant actions to preserve cash, obtain additional capital and reduce interest rates and extend maturities to increase liquidity

b. Our substantial debt could adversely affect our financial health and operating flexibility.

We have a substantial amount of debt and significant debt service obligations. Our substantial debt could have important negative consequences for us. Our substantial debt could:

- require us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;

- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- make us more vulnerable to downturns in our business, the economy or the industry in which we operate;
- limit our ability to raise additional debt or equity capital in the future to satisfy our requirements relating to working capital, capital expenditures, development projects, strategic initiatives or other purposes;
- restrict us from making strategic acquisitions, introducing new technologies or exploiting business opportunities;
- make it difficult for us to satisfy our obligations with respect to our debt; and
- expose us to the risk of increased interest rates as certain of our borrowings are (and may be in the future) at a variable rate of interest.

Examples of how we manage and/or mitigate this risk:

- We have taken significant actions to preserve cash, including efforts to reduce operating expenses, reduce interest rates and extend maturities to increase liquidity
- We have obtained additional capital through various equity offerings

c. Despite our leverage, we may incur more debt, which could adversely affect our business and prevent us from fulfilling our obligations with respect to our debt.

We may incur additional debt in the future. Although the instruments governing our existing indebtedness contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial and a portion of such debt currently is, and may in the future be, secured. The instruments governing our existing indebtedness do not prevent us from incurring liabilities that do not constitute "Indebtedness" as defined therein. If new debt is added to our existing debt levels, our business could be adversely affected, which may prevent us from fulfilling our obligations with respect to our debt.

Examples of how we manage and/or mitigate this risk:

- We have taken significant actions to preserve cash, including efforts to reduce operating expenses, reduce interest rates and extend maturities to increase liquidity
- We have obtained additional capital through various equity offerings

d. We are subject to maintenance covenants, as well as restrictive debt covenants, that may limit our ability to finance future operations and capital needs and pursue business opportunities and activities. We are also subject to financial covenants that could lead to an acceleration of the indebtedness of our debt facilities if we fail to comply. If we fail to comply with any of these covenants, it could have a material adverse effect on our business.

Certain of our debt instruments limit our flexibility in operating our business. For example, some of our debt instruments limit the ability of Carnival Corporation, Carnival plc and certain of their respective subsidiaries to, among other things:

- incur or guarantee additional indebtedness;
- pay dividends or distributions on or redeem or repurchase capital stock and make other restricted payments;
- make certain investments;
- consummate certain asset sales;
- engage in certain transactions with affiliates;
- grant or assume certain liens; and
- consolidate, merge or transfer all or substantially all of our assets.

All of these limitations are subject to significant exceptions and qualifications. Despite these exceptions and qualifications, we cannot provide assurance that the operating and financial restrictions and covenants in certain of our debt instruments will not adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. Any future indebtedness may include similar or other restrictive terms.

In addition, many of our debt agreements contain one or more financial covenants that require us to maintain a minimum liquidity, interest coverage, and shareholders' equity and/or limit our debt to capital percentage. Our ability to comply with our debt covenants, including the financial maintenance covenants described above, and restrictions may be affected by events beyond our control, including prevailing economic, financial and industry conditions, such as the continued resumption of our guest cruise operations and our ability to issue additional equity. If we breach any of these covenants or restrictions, we could be in default under the terms of certain of our debt facilities and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable (or cancel any unfunded commitments, if applicable) and proceed against any collateral, if any, securing that debt. If the debt under certain of our debt instruments that we enter into were to be accelerated, our assets may be insufficient to repay our debt in full. Borrowings under other debt instruments that contain cross-default provisions may also be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay our indebtedness then outstanding in full.

At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements, however, we cannot provide assurance that we will be able to maintain compliance for such debt facilities as of future testing dates. As a result, the failure to comply with the financial covenants of our debt facilities would have a material adverse effect as described above.

Examples of how we manage and/or mitigate this risk:

- We have taken significant actions to preserve cash, including efforts to reduce operating expenses, reduce interest rates and extend maturities to increase liquidity
- We have suspended the payment of dividends on, and the repurchase of, Carnival Corporation common stock and Carnival plc ordinary shares, except pursuant to the Stock Swap Program
- We have obtained and will continue to request necessary amendments for certain covenants on certain export credit facilities, loans and the Revolving Facility

e. We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt.

Our ability to meet our debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory and other factors beyond our control, such as the disruption caused by the COVID-19 pandemic. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay planned capital expenditures or sell assets. We cannot assure you that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt. Refer to "Liquidity, Financial Condition and Capital Resources".

Examples of how we manage and/or mitigate this risk:

- We have taken significant actions to preserve cash, including efforts to reduce operating expenses, reduce interest rates and extend maturities to increase liquidity
- We have suspended the payment of dividends on, and the repurchase of, Carnival Corporation common stock and Carnival plc ordinary shares, except pursuant to the Stock Swap Program
- We have obtained and will continue to request, if necessary, amendments for certain covenants for our export credit facilities, loans and the Revolving Facility
- We have accelerated the removal of ships from our fleet

f. Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly.

Borrowings under certain of our facilities are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

In addition, in July 2017, the United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate ("LIBOR"), announced that it will no longer persuade or compel banks to submit

LIBOR rates after 2021. At the end of 2021, the ICE Benchmark Administration, the administrator for LIBOR, ceased publishing one-week and two-month U.S. dollar LIBOR and will cease publishing all remaining U.S. dollar LIBOR tenors in mid-2023. Concurrently, the United Kingdom's Financial Conduct Authority announced the cessation or loss of representativeness of the U.S. dollar LIBOR tenors from those dates. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of, among other entities, large U.S. financial institutions, has recommended replacing U.S. dollar LIBOR with a new index that measures the cost of borrowing cash overnight, backed by U.S. Treasury securities ("SOFR"). SOFR is observed and backward-looking, which stands in contrast with LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. While we continue to monitor market developments to assess replacement rate options, the consequences of these developments with respect to LIBOR cannot be entirely predicted and may result in the level of interest payments on the portion of our indebtedness that bears interest at variable rates to be affected, which may adversely impact the amount of our interest payments under such debt.

Examples of how we manage and/or mitigate this risk:

- We have taken significant actions to preserve cash, including efforts to reduce operating expenses, reduce interest rates and extend maturities to increase liquidity
- We have obtained and will continue to request, if necessary, amendments for certain covenants for our export credit facilities, loans and the Revolving Facility
- We take advantage of natural offsets with our business and continuously evaluate the use of financial instruments

g. The covenants in certain of our debt facilities may require us to secure those facilities in the future.

Certain of our debt facilities contain provisions which may require that we provide a security interest in certain assets. In certain of our debt facilities, there is a requirement that if the credit rating of our senior indebtedness should fall below investment grade (which occurred on June 24, 2020) and at such time we have granted liens or security interests in respect of indebtedness in an amount exceeding 25% of our total assets (excluding for these purposes the value of any intangible assets) as shown in our most recent Consolidated Balance Sheet, then we will be required to provide a first-priority security interest in certain designated assets. In addition, under our export credit facilities, there is a requirement that if a security interest or lien is granted in respect of a vessel to secure borrowed money under certain other debt facilities, then a first-priority security interest will be required to be provided over certain designated vessels.

If the events described above were to occur, we may be unable to comply with this requirement and expect to seek covenant amendments from the lenders under the relevant facilities. Any such amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable to us under these debt facilities, and such increased costs, restrictions and modifications may vary among debt facilities. Our ability to give additional lender protections under these facilities, including the granting of security interests in collateral, will be limited by the restrictions in our indebtedness and security interest we have already granted. If we were not able to obtain amendments, the occurrence of such events may result in an event of default under these facilities and other debt facilities that contain cross default provisions that would be triggered.

Examples of how we manage and/or mitigate this risk:

- We have obtained and will continue to request, if necessary, amendments for certain covenants for our export credit facilities, loans and the Revolving Facility
- We constantly monitor the covenants for compliance

Operating Risk Factors

a. World events impacting the ability or desire of people to travel have and may continue to lead to a decline in demand for cruises.

We have been, and may continue to be, impacted by the public's concerns regarding the health, safety and security of travel, including government travel advisories and travel restrictions, political instability and civil unrest, terrorist attacks and other general concerns. Additionally, we have been, and may continue to be, impacted by heightened regulations around customs and border control, travel bans to and from certain geographical areas, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We may also be impacted by adverse changes in the perceived or actual economic climate, such as global or regional recessions, higher unemployment and underemployment rates and declines in income levels.

Examples of how we manage and/or mitigate this risk:

- We coordinate with law enforcement and intelligence agencies around the globe and endeavor to identify security-related threats at sea and ashore
- We have communications programs to help mitigate the adverse impacts of publicity
- We have engaged leading medical and science experts and worked to develop and maintain new and enhanced protocols and procedures to facilitate a safe and healthy return to cruise vacations during the gradual resumption of guest cruise operations

b. Incidents concerning our ships, guests or the cruise vacation industry have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.

Our operations involve the risk of incidents and media coverage thereof. Such incidents include, but are not limited to, the improper operation or maintenance of ships, motorcoaches and trains; guest and crew illnesses; mechanical failures, fires and collisions; repair delays, groundings and navigational errors; oil spills and other maritime and environmental issues as well as other incidents at sea, while in port or on land which may cause guest and crew discomfort, injury, or death. Although our commitment to the safety and comfort of our guests and crew is paramount to the success of our business, our ships have been involved in outbreaks, accidents and other incidents in the past and we may experience similar or other incidents in the future. Our ability to attract and retain guests, our ability to hire and the amounts we must pay our crew depend, in part, upon the perception and reputation of our company and our brands and the public's concerns regarding the health and safety of travel generally, as well as the cruising industry and our ships specifically. In addition, these and any other events which impact the travel industry more generally may negatively impact our guests' or crew's ability or desire to travel to or from our ships and/or interrupt the supply of critical goods and services.

Examples of how we manage and/or mitigate this risk:

- We provide training to employees related to their job responsibilities to ensure understanding of and compliance with our policies and procedures
- We report health, environmental, safety and security incidents and take appropriate action to reduce the risk of recurrence
- We have appropriate policies that govern behavior
- We have communications programs to help mitigate the adverse impacts of publicity

c. Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.

We are subject to numerous international, national, state and local laws, regulations, treaties and other legal requirements that govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, depending on the itineraries of our ships and the ports and countries visited. Implementing these and any subsequent requirements may be costly and take time to implement across our global cruise operations. In addition, the accelerating pace of regulatory changes may affect our ability to comply. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements we could be, and have previously been, fined or otherwise sanctioned by regulators. In addition, there is increased global focus on climate change, which may lead to additional regulatory requirements. Refer to Operating Risk Factor d. below for additional discussion on climate change regulation risks. We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

We are subject to laws and requirements related to the treatment and protection of personal, sensitive and/or other regulated data in the jurisdictions where we operate. Various governments, agencies and regulatory organizations have enacted or are considering new rules and regulations and we expect to continue to incur costs to comply with these rules and regulations. In the course of doing business, we collect guest, employee, company and other third-party data, including personally identifiable information and other sensitive data. We have incurred legal and other costs in connection with cyber incidents relating to such sensitive data. Refer to Operating Risk Factor f. below for additional discussion of data security risks.

Our operations subject us to potential liability under anti-corruption laws and regulations. We may also be affected by economic sanctions, trade protection laws, policies and other regulatory requirements affecting trade and investment.

We are subject to compliance with tax laws, regulations and treaties in the jurisdictions in which we are incorporated or operate. These tax laws, regulations and treaties are subject to change at any time, which may result in substantially higher tax expense. For example, the Organization for Economic Co-operation and Development ("OECD") has proposed a multi-jurisdictional inclusive framework to address base erosion and profit sharing that, if enacted by relevant jurisdictions, may result in increased tax expense.

Examples of how we manage and/or mitigate this risk:

- We monitor for changes in laws and regulations and changes in interpretation of these laws and regulations relating to our business. Where necessary, we obtain specialist advice to implement programs to help ensure compliance
- We have appropriate policies and procedures that govern behavior
- We provide training to employees related to their job responsibilities to ensure understanding of and compliance with our policies and procedures
- We have a system of internal controls to prevent and detect risks and we perform risk assessments, audits and other evaluations of our control design and performance
- We monitor our own compliance and where incidents occur, take appropriate action, including conducting investigations, to prevent recurrence

d. Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.

Growing concerns regarding climate change have resulted in increased global regulatory focus on greenhouse gas ("GHG") and other emissions which may have material impacts on our business. For example, we may be impacted by the EU's Fit for 55 package, which includes proposed updates to the ETS relating to the need to acquire carbon emission allowances, proposed reforms to the EU's ETD, which imposes taxes on fuel purchased in the EU, as well as a new regulatory proposal, the FuelEU Maritime initiative, which sets out a long-term framework to reduce emissions by increasing the use of sustainable alternative fuels and shore power. In addition, the IMO is currently considering various other proposals which aim to reduce emissions within the global shipping industry. If enacted, these regulations and reforms may individually or collectively have a material impact on our operating costs and profitability. Regulatory efforts, both internationally and in the U.S., are evolving, including the international alignment of such efforts, and we cannot determine what final regulations will be enacted or their ultimate impact on our business. Climate change-related regulatory activity and developments that require us to reduce our emissions, which includes both the EU and IMO proposals discussed above, may adversely affect our business and financial results by requiring us to make capital investments in new equipment or technologies, pay for carbon emissions, purchase carbon offset credits, or otherwise incur additional costs or take additional actions related to our emissions. Such activity may also impact us indirectly by increasing our operating costs, including fuel costs. Regulatory developments may also result in the inability to operate ships that do not meet certain standards, the acceleration of the removal of less fuel efficient ships from our fleet and impact the resale value of our ships in the future.

Growing recognition among consumers globally of the negative effects of climate change and the impact of GHG and other emissions may lead to material changes in consumer preferences. For instance, our guests may choose a vacation option that they perceive as operating in a manner that is more sustainable for the climate, seek alternative methods of travel, or reduce the amount and frequency of their travel. In addition, some environmental focused groups have and may continue to generate negative publicity regarding the environmental impact of the cruise vacation industry and are advocating for more stringent regulation of ship emissions while the ship is docked and at sea. Growing environmental scrutiny of our industry from the investment community, other stakeholders, and the media could impact how we are perceived which may have a material impact on our operations and financial results. Certain climate related actions and investments we make today may not lead us to our intended future emissions related goals or may not be favorably perceived in future years based on continuing evolving regulations and perceptions around effective emissions mitigation strategies and technologies.

Our cruise ships, hotels, land tours, port and related commercial facilities and shore excursions have been and may continue to be impacted by adverse weather patterns or other natural disasters, such as hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions. Climate change is expected to increase the frequency and intensity of certain adverse weather patterns, possibly making certain destinations less desirable or impacting our business in other ways. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises or tours due to these or other types of disruptions. The physical climate-related risks to our business include increased hurricane/typhoon intensity and frequency, increases in global temperatures and rising sea levels which may adversely impact our shoreside facilities, our investments in ports or the availability or desirability of ports and destinations in which we operate. These effects may also disrupt the supply of critical goods and services to our facilities and ships. Such activity could have a material impact on our business and profitability.

Examples of how we manage and/or mitigate this risk:

- We continue to investigate alternative lower carbon fuel options and invest in energy efficiency improvements
- We monitor for changes in laws and regulations and changes in interpretation of these laws and regulations relating to our business. Where necessary, we obtain specialist advice to implement programs to help ensure compliance
- We provide training to employees related to their job responsibilities to ensure understanding of and compliance with our policies and procedures
- We monitor weather conditions and have the ability to change our ship itineraries to avoid adverse weather or regions impacted by adverse weather
- We partner with key organizations and stakeholders on research and development to support carbon emissions reduction efforts

e. Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.

We have developed and will continue to establish goals, targets, and other objectives related to sustainability matters. These statements reflect our current plans and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets, and objectives expose us to numerous operational, reputational, financial, legal, and other risks, any of which could have a negative impact on our business. Our ability to achieve any stated goal, target, or objective, particularly with respect to environmental emissions, is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include the availability and costs of low- or non-carbon-based energy sources, evolving regulatory requirements affecting sustainability standards or disclosures, the availability of future financing and the availability of suppliers that can meet our sustainability standards.

Our business may face increased scrutiny from our guests, employees, investment community and destinations that we serve related to our sustainability activities, including the goals, targets, and objectives that we adopt, and our methodologies and timelines for pursuing them. If our sustainability practices do not meet the expectations of our guests, employees, investors or other stakeholders, demand for cruising, our reputation, our ability to attract or retain employees, and our attractiveness as an investment could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets, and objectives within the timelines we announce, or at all, could have the same negative impacts as well as expose us to government enforcement actions and private litigation.

Examples of how we manage and/or mitigate this risk:

- We continue to make investments in technology related to our sustainability initiatives
- We provide training to employees related to their job responsibilities to ensure understanding of and compliance with our policies and procedures
- We have HESS policies in place that govern our approach to sustainability
- We partner with key organizations and stakeholders on research and development to support carbon emissions reduction efforts

f. Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.

We have and may continue to be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from motivated driven attacks to malicious attacks intended to disrupt or compromise our shoreside and shipboard operations by targeting our key operating systems. Breach or circumvention of our systems or the systems of third parties, including by ransomware, through vulnerabilities in licensed software or hardware, or as a result of other attacks, results in disruptions to our business operations; unauthorized access to (or the loss of company access to) competitively sensitive, confidential or other critical data (including sensitive financial, medical or other personal or business information) or systems; loss of customers; financial losses; regulatory investigations, enforcement actions and fines; litigation and misuse or corruption of critical data and proprietary information, any of which could be material.

We have been subject to past attacks which resulted in unauthorized access to systems and/or data and continue to work with regulators regarding such incidents. We have incurred legal and other costs in connection with cyber incidents that have impacted us. While at this time we do not believe that these incidents will have a material adverse effect on our business, operations or financial results, no assurances can be given about past or future incidents, and we may be subject to future attacks or incidents and related litigation or regulatory investigations that could have such a material adverse effect.

Our principal offices, information technology operations, system networks and various remote work locations may be impacted by actual or threatened natural disasters (for example, hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions) or other disruptive events. Our maritime and/or shoreside operations, including our ability to manage our inventory of cabins held for sale and set pricing, control costs and serve our guests, depends on the reliability of our information technology operations and system networks, as well as our ability to refine and update to more advanced systems and technologies.

Examples of how we manage and/or mitigate this risk:

- We have policies and procedures that govern data security, data privacy and disaster recovery
- We provide training to employees related to their job responsibilities to ensure understanding of and compliance with our policies and procedures related to data security, data privacy and disaster recovery
- We incorporate security and privacy-by-design in the development of new systems and infrastructure
- We monitor and test our own ability to detect and respond to an incident which could cause a breach in data security, lapse in data privacy or natural disaster and where incidents occur, take appropriate remedial action
- We continue to align our technology planning, infrastructure, security, data privacy and applications to maximize the business value of our information technology investments

g. The loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs could have an adverse effect on our business and results of operations.

Our success depends, in large part, on the skills and contributions of our employees, and on our ability to recruit, develop and retain high quality, diverse employees. We may not be successful in recruiting, developing or retaining key or other highly qualified employees. As a result of COVID-19, the reduction in our workforce during our pause in guest cruise operations, general macroeconomic factors and an increasingly competitive labor market, we are experiencing difficulty in hiring sufficient qualified employees to support our return to full operations. For example, there is particularly high competition for recruiting and retaining qualified employees needed to support our information technology systems and infrastructure which are critical to our successful operations.

In addition, we hire a significant number of qualified shipboard employees each year and, thus, our ability to adequately recruit, develop and retain these individuals is critical to our success. Incidents involving cruise ships, including COVID-19 outbreaks on our ships and increasing demand as a result of the industry's projected growth could negatively impact our ability to recruit, develop and retain sufficient qualified shipboard employees. Our ability to re-hire crew may be negatively impacted by increasing demands related to our comprehensive health and safety protocols, including mask and vaccine requirements and by reduced labor supply as many have obtained alternative employment during the pause in guest cruise operations. For example, we are experiencing difficulty in hiring sufficient qualified shipboard medical employees to support our return to full operations.

A prolonged shortage of qualified shoreside and shipboard employees and/or increased turnover rates could decrease our ability to operate our business in an optimal manner. The shortage and competitive labor market is resulting in increased costs from the need to hire temporary personnel and we are often required to increase wages and/or benefits in order to attract and retain employees, all of which may negatively impact our results of operations. In connection with our gradual resumption of guest cruise operations we have and intend to continue hiring a significant number of qualified employees for the foreseeable future, and we expect to continue to face significant challenges in hiring such employees.

Examples of how we manage and/or mitigate this risk:

- We have programs to attract, develop and retain top talent and use employee feedback tools to monitor employees' perspectives and take appropriate actions
- We provide training to continue the development of our employees related to their job responsibilities and to ensure understanding of our top priorities which are compliance, environmental protection as well as the health, safety and well-being of our guests, team members and partners
- We provide total compensation that allows us to be competitive in the labor markets in which we operate
- We continue to expand the number of countries from which we recruit our employees

h. *Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.*

We may be impacted, and have been impacted in the past, by economic, market and political conditions around the world, such as fuel demand, regulatory requirements, supply disruptions and related infrastructure needs, which make it difficult to predict the future price and availability of fuel. The supply and availability of different fuel types in various markets in which we operate may result in increased volatility and could lead to increased fuel prices and reduced profitability. Future increases in the global price of fuel would increase the cost of our cruise ship operations as well as some of our other expenses, such as crew travel, freight and commodity prices. Increases in airfares, which could result from increases in the price of fuel, would increase our guests' overall vacation costs as many of our guests depend on airlines to transport them to or from the airports near the ports where our cruises embark and disembark.

Many of our vessels have exhaust gas cleaning systems that allow them to operate on high sulfur fuel oil that is less expensive than low sulfur fuel; however, the significant drop in demand for higher sulfur fuel directly related to COVID-19 could make it more difficult to source going forward which may result in higher operating costs. As a result of changes in regulations, we consumed a larger percentage of low sulfur fuel in 2021, which will likely increase our fuel costs during our gradual resumption of guest cruise operations. Additionally, certain of our ships are designed to use LNG as their primary fuel source. At this time, the marine LNG distribution infrastructure is in the early stages of development with a limited number of suppliers. Refer to Operating Risk Factor d. for additional discussion on the impact of climate change and regulation changes on fuel costs.

Examples of how we manage and/or mitigate this risk:

- We manage fuel consumption through ship maintenance practices
- We have the ability to change our itineraries to reduce fuel consumption
- We research and implement innovative technologies to reduce fuel consumption
- We are adding new, more fuel-efficient ships to our fleet and have accelerated the removal of smaller, less fuel efficient ships
- We enter into supply agreements to help ensure availability
- Our LNG ships are all dual fuel and can burn marine gasoil ("MGO")

i. *We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers are also affected by COVID-19 and may be unable to deliver on their commitments which could impact our business.*

We rely on supply chain vendors to deliver key products to the operations of our businesses around the world. Any event impacting a vendor's ability to deliver quality goods at the location and time needed could negatively impact our ability to operate our business. Events impacting our supply chain could be caused by factors beyond the control of our suppliers or us, including labor actions, increased demand, problems in production or distribution and/or disruptions in third-party logistics, information technology or transportation systems. In addition, the COVID-19 pandemic has resulted in widespread global supply chain disruptions to vendors including critical supply shortages, significant material cost inflation and extended lead times for items that are required for our operations. Any such interruptions to our supply chain could increase our costs and could limit the availability of products critical to our operations.

Examples of how we manage and/or mitigate this risk:

- We enter into supply agreements to help ensure availability

- We have extended our demand planning and are placing purchase orders earlier to compensate for current extended lead times
- We leverage corporate contracts and our supplier relationships
- We utilize short-term contracts

j. Fluctuations in foreign currency exchange rates may adversely impact our financial results.

We earn revenues, pay expenses, purchase and own assets and incur liabilities in currencies other than the U.S. dollar. Additionally, our shipbuilding contracts are typically denominated in euros. Movements in foreign currency exchange rates will affect our financial results.

Examples of how we manage and/or mitigate this risk:

- We net certain exposures to take advantage of natural offsets with our business and continuously evaluate the use of financial instruments
- We consider and may hedge certain of our ship commitments and net investments in foreign operations
- We sell/buy foreign currencies throughout the year to manage the economic impact of foreign currency exchange volatility
- We adjust our procurement activities

k. Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.

We may be impacted by increases in capacity in the cruise and land-based vacation industry, which may result in capacity growth beyond demand, either globally or for a region, or for a particular itinerary. We face competition from other cruise brands on the basis of overall experience, destinations, types and sizes of ships and cabins, travel agent preferences and value. We also compete with land-based vacation alternatives throughout the world on the basis of overall experience, destinations and value. In addition, certain ports and destinations have faced a surge of both cruise and non-cruise tourism and in certain destinations, countermeasures to limit the number of tourists have been contemplated and/or put into effect, including proposed limits on cruise ships and cruise passengers. Potential restrictions in ports and destinations could limit the itinerary and destination options we can offer our passengers going forward.

Examples of how we manage and/or mitigate this risk:

- We have the ability to change our itineraries to alternative regions of the world
- We offer a wide variety of brands, itineraries, products and services to our guests

l. Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

We may be impacted by unforeseen events, such as work stoppages, insolvencies, “force majeure” events or other financial difficulties experienced by shipyards, their subcontractors and our suppliers. This may result in less shipyard availability resulting in delays or preventing the delivery of our ships under construction and/or the completion of the repair, maintenance or refurbishment of our existing ships. This may lead to potential delays or cancellations of cruises. In addition, the prices of various commodities that are used in the construction of ships and for repair, maintenance and refurbishment of existing ships, such as steel, are subject to volatility.

Examples of how we manage and/or mitigate this risk:

- We ensure access and priority for ship repairs as part owners and part of the governance teams of two shipyards
- We require shipyards to obtain insurance
- Certain of our shipbuilding contracts include refund and performance guarantees

5. Going Concern Confirmation and Viability Statement and COVID-19.

The Boards of Directors consider that, within the DLC arrangement, the most appropriate presentation of Carnival plc’s viability is by reference to the consolidated viability of Carnival Corporation & plc. Accordingly, this going concern confirmation and viability statement presents the combined group. The Boards of Directors have assessed the prospects of our company over a longer period than the twelve months required by the going concern basis of preparation. In addition, whilst the Boards of Directors have no reason to believe we will not be viable over a longer period, the period over which the Boards of Directors considered viability is three years. The principal reasons why this period was selected are as follows:

- It aligns with management's typical strategic planning cycle
- Management typically plans its guest sourcing and ship itinerary strategies over a two to three year horizon

The effects of COVID-19 have had a significant impact on our operations and liquidity. The extent of the effects of COVID-19 on our business are highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and continued severity and the length of time it takes for operating conditions to return the company to profitability.

Management took actions to improve liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions, and accelerated the removal of certain ships from the fleet. Management remains confident in the long-term strategy and viability of the company's business model and has taken actions to return 61% of capacity to guest cruise operations as of November 30, 2021 and expects the full fleet back in operation for our summer season where we historically generate the largest share of our operating income. In addition, management has worked closely with health and medical experts globally and nationally, as well as with authorities in destination countries, to put in place comprehensive health and safety protocols for protection against and mitigation of COVID-19 across the entire cruise experience for all of the company's nine brands. This includes cross-industry learnings and best practices based on the proven health and safety record of industry-wide sailings, and input from top scientists and public health, epidemiological and policy experts. Protocols have been and will continue to be updated based on evolving scientific and medical knowledge related to mitigation strategies. Management also believes that the continued availability and widespread distribution and use of COVID-19 vaccines, boosters and therapies will be important to achieving historical occupancy levels over time.

In performing their going concern and viability assessments, the Boards of Directors have considered the circumstances impacting our company during the year, current liquidity, projected compliance with our financial covenants and the successful completion of our return to guest cruise operations.

In performing their assessments, the Boards of Directors highlighted forecast uncertainty during the viability period. Uncertainty exists over future forecasts caused by the impact of COVID-19 and the increasing friction in travel impacting the ability or desire of people to vacation, including on a cruise, changing regulations from various governmental authorities, including those related to climate change and taxes, increases in commodity prices, including fuel, foreign currency and possible negative impacts from adverse changes in the perceived or actual economic climate.

Given the significant direct and indirect impacts of COVID-19 on our business, management has prepared various planning scenarios using a range of potential outcomes and assumptions. Management has performed a robust assessment analyzing the various scenarios in an effort to address the high degree of uncertainty surrounding the current environment and principal and emerging risks identified in light of COVID-19. This includes "stress tests" or "downside" scenario type assessments on the various critical assumptions and uncertainties identified.

Management's three-year financial plan ("base case") considers the following critical assumptions among others:

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in our occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and support the resumption of guest cruise operations, including the return of crew members to our ships
- Ability to obtain additional financial covenant amendments, if needed
- Maintaining collateral and reserves at reasonable levels

In addition, the base case makes certain assumptions about new ship deliveries, improvements and disposals that are likely to occur during the viability period, and considers the future export credit financings that are associated with the ship deliveries.

Certain of these assumptions were subject to sensitivity analysis. As a severe but plausible scenario, management considered the effects of a slower build in 2022 occupancy levels and, as result, lower expected revenues, and an increase in fuel price as compared to the base case. In this downside case, management modeled a 5% reduction in occupancy levels in the third quarter of 2022 and a 1% decrease in pricing in 2022 as compared to the base case, representing a slower return to pre-COVID occupancy and pricing levels. In addition, management modeled an approximately 10% increase in fuel price as compared to the base case. Management also considered other scenarios (including disruptions in guest cruise operations) and the impact on liquidity and covenant headroom. In addition to these scenarios, while making their final conclusions on going concern and viability, which are summarized below, management considered its available liquidity, including cash, short-term investments and borrowings available under our multi-currency revolving credit facility, at November 30, 2021.

Going Concern Statement

Based on these actions and assumptions regarding the impact of COVID-19, and considering our $9.4 billion of liquidity including cash, short-term investments and borrowings available under our multi-currency revolving credit facility, at November 30, 2021, the Boards of Directors have concluded that we have sufficient liquidity to satisfy our obligations and are forecasted to be in compliance with our debt covenants for at least the next twelve month period ending January 27, 2023. Accordingly, we continue to adopt the going concern basis in preparing the Carnival plc consolidated IFRS financial statements.

Viability Statement

In addition, having undertaken their robust assessment as described above, including a review of their risk appetite and how these risks are managed or mitigated, the Boards of Directors have a reasonable expectation that we will be able to continue in operation and meet our liabilities as they fall due over the three-year period of their assessment. In making such statement the Boards of Directors highlight forecasting uncertainty concerning the impact of COVID-19 and the increasing friction in travel impacting the ability or desire of people to vacation, including on a cruise, changing governmental regulations, including those related to climate change and taxes, increases in commodity prices including fuel, foreign currency and possible negative impacts from adverse changes in the perceived or actual economic climate in the three-year plan. The Boards of Directors have considered that management expects to have access to additional capital and obtain additional financial covenant amendments, if needed, to maintain its target level of minimum liquidity through the measurement period ending February 29, 2024.

The Boards of Directors cannot make assurances that assumptions used to estimate liquidity requirements may not change because they have never previously experienced a complete cessation and subsequent gradual resumption of guest cruise operations, and as a consequence, the ability to be predictive is uncertain. In addition, the magnitude, duration and speed of the global pandemic are uncertain. Refer to "Carnival Corporation & plc's Liquidity, Financial Condition and Capital Resources" Section for further discussion.

6. Repurchase Authorizations.

I. Stock Swap Program

We have a program that allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the "Stock Swap Program"). Under the Stock Swap Program, we may elect to offer and sell shares of Carnival Corporation common stock at prevailing market prices in ordinary brokers' transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market.

II. Carnival plc Shareholder Approvals

Carnival plc ordinary share repurchases under the Stock Swap Program require annual shareholder approval. The existing shareholder approval was limited to a maximum of 18.4 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2022 annual general meeting or October 19, 2022.

7. Non-Financial Information Statement.

Non-financial information related to anti-corruption and anti-bribery is included in our Code of Business Conduct and Ethics, refer to section H. Executive Officers and Corporate Governance on page 26 and the Risk Management and/or Mitigation of Principal and Emerging Risks section on page 39. Refer to

Annex A — Carnival plc Directors' Report: Corporate and Social Responsibility section for additional information related to: health, environmental, safety and security matters; employee matters; and social matters on page A-6. Refer to Annex C — Carnival plc Corporate Governance Report of the Proxy Statement for additional information related to governance matters on page C-1.

8. <u>Section 172(1) Statement</u>.

This statement describes how the Directors have performed their duty in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Company's Act of 2006. This statement sets out the Directors' approach to decision-making, its stakeholder engagement and details some of the key decisions made during 2021. To give greater understanding to this, we have provided clear cross-referencing to where more detailed information can be found in this Annual Report.

Discussions between management and the Directors regarding the Carnival Corporation & plc consolidated business results, capital structure, and other business-related activities include a discussion of the risks associated with the particular item under consideration. The Directors oversight includes regular briefings by management and its Committees. The Directors work closely with management to sustain the business while balancing the needs of its stakeholders. We have a long-standing shareholder outreach program and routinely interact with shareholders on a number of matters, including executive compensation.

In response to the significant operational and financial impact of COVID-19 on our organization, the Directors continued to have bi-weekly meetings until mid-2021 and then continued with monthly meetings. The Directors received regular reports from management regarding liquidity, status of the gradual return to service, including returning ships to guest cruise operations, returning crew members to our ships as well as maintaining the enhanced health and safety protocols, compliance status and transparency, our ESG performance and other critical matters. The Company, with the full support of the Directors, achieved important milestones during the return to service including broadening its commitment to ESG with the introduction of our 2030 sustainability goals and 2050 aspirations. Refer to the following sections within the strategic report for additional information:

2021 Executive Overview	Page 1
Section 1. Business II. Recent Developments	Page 2
XIII. Sustainability	Page 11

For details on how the Directors operate and the way in which we reach decisions, including the matters we discussed and debated during 2021, the key stakeholder considerations that were central to those discussions and the way in which we have had regard to the need to foster our business relationship with guests, suppliers and other stakeholders, please see the following as listed by reference to the matters set out in section 172(1) (a) to (f):

a) the likely consequences of any decision in the long-term

During 2021, the Directors focused on resuming operations as quickly as practical, while at the same time demonstrating prudent stewardship of capital, and in a way that serves the best interests of public health. In addition, we positioned the Company well on our path to profitability and established effective protocols for COVID-19. The Company achieved all of this while honoring its commitment to strive for excellence in compliance, environmental protection and the health, safety and well-being of everyone. To date, through debt management efforts, the Company refinanced over $9 billion, reducing our future annual interest by approximately $400 million per year and extending maturities, optimizing our debt maturity profile.

In addition, the Directors' focused on advancing the Company's six critical sustainability areas — climate action; circular economy; sustainable tourism; good health and well-being; diversity, equity and inclusion; and biodiversity and conservation. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and aspires to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets.

Refer to 2021 Executive Overview on page 1, Section 1. Business II. Recent Developments on page 2, Note 1 — "Liquidity and Management's Plans" on page 62, Going Concern Confirmation and Viability Statement and COVID-19 on page 50, "Liquidity, Financial Condition and Capital Resources" on page 32 and XIII. Sustainability on page 11.

b) the interests of our employees

Our goal is to foster a positive and just corporate culture based on inclusion and the power of diversity that supports the recruitment, development and retention of the finest employees. We have implemented our Culture Essentials, which are the key actions and behaviors we are encouraging and reinforcing to further strengthen the Company's culture. In addition, to ensure the health, safety and security of our employees, The Company has made substantial progress in developing new protocols, installation of filters and testing equipment, and new awareness training to respond to the COVID-19 health crisis and to comply with governmental regulations.

The Company has entered into agreements with unions covering certain employees on our ships and in our shoreside hotel and transportation operations and continues to invest in our team members through training and development. Further, in 2021, with the full support of the Directors, the Company continued to build upon and expand its initiatives designed to engage with and care for our workforce in light of the heavy impact of the COVID-19 pandemic on the workforce. Key areas of focus include Outreach & Wellness, Culture, Staffing and Motivation.

Refer to Section 1. Business II. Recent Developments on page 2, XII. Ethics and Compliance on page 11, XIV. Human Capital Management and Employees on page 14 and Workforce Engagement in Annex C — Carnival plc Corporate Governance Report of the Proxy Statement on page C-13.

c) the need to foster our business relationships with guests, suppliers and regulators

Guests

Guest feedback and research supports the development of our overall strategies to exceed our guests' expectations and at the same time, drive demand for cruises and increase the number of first time cruises. Although the Company has significantly reduced marketing activities during the year as a result of COVID-19, the Company has delivered exceptional guest experience with historically high net promoter scores. We have worked closely with health and medical experts globally and nationally, as well as with authorities in destination countries, to put in place health and safety protocols to protect our guests.

Suppliers

Our relationships with suppliers are key to our business as we incur expenses for goods and services to deliver cruise experiences to our guests, for materials to support the refurbishment and enhancements of our ships and to build new ships. The Company engages with suppliers to build relationships where it can mutually benefit and to create strategic partnerships.

Governments and Regulators

We have, and continue to, work closely with governments and regulators as we continue the resumption of guest cruise operations. Our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees

Refer to Section 1. Business II. Recent Developments on page 2, Section 1. Business III. Vision, Goals and Related Strategies on page 3, X. Marketing Activities on page 10, XV. Supply Chain on page 15 and XVII. Governmental Regulation on page 16.

(d) the impact of our operations on the community and the environment

We believe that engaging stakeholders in a mutually beneficial manner is critical to our long term success and as part of this effort, we believe that we continue to be an outstanding corporate citizen in the communities we operate. In addition, our actions to keep our guests and crew members safe and comfortable, protect the environment, develop and provide opportunities for our workforce, strengthen stakeholder relations and enhance the communities where we work, as well as the ports that our ships visit, is vital to our success.

In 2021, we established new goals which focused on advancing six critical sustainability areas — climate action; circular economy; sustainable tourism; good health and well-being; diversity, equity and inclusion; and biodiversity and conservation. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and has aspirations to achieve net carbon-neutral ship operations by 2050, well ahead of current International Maritime Organization's ("IMO") target, while minimizing the use of carbon offsets. While there is currently no known answer to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, the Company is partnering with key organizations to help identify and scale new technologies. The Company has and expects to continue to demonstrate leadership in executing carbon reduction strategies. The Directors believe the Company's scale will support its effort to lead the industry in climate action. The Company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Refer to Section 1. Business III. Vision, Goals and Related Strategies on page 3 and XIII. Sustainability on page 11.

(e) the desirability of maintaining a reputation for high standards of business conduct

Our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other and we aspire to be an exemplary corporate citizen.

Refer to Section 1. Business III. Vision, Goals and Related Strategies on page 3, XIII. Sustainability on page 11, XII. Ethics and Compliance on page 11 and Annex C — Carnival plc Corporate Governance Report of the Proxy Statement: Corporate and Social Responsibility on page A-6.

(f) the need to act fairly between our members

It is critical that our existing and potential investors and other stakeholders understood our strategy as we resumed our guest cruise operations and continued to take actions to improve our liquidity. The health, safety and well-being of our guests, the communities we serve, and our employees are crucial to the reputation of our business. In addition, access to capital is vital to the long-term performance of our business.

Refer to Section 1. Business II. Recent Developments on page 2, Section 1. Business III. Vision, Goals and Related Strategies on page 3 and Annex C — Carnival plc Corporate Governance Report of the Proxy Statement: Relations with Shareholders on page C-12.

This Strategic Report has been approved by the Board.

By order of the Board

Micky Arison
Chair of the Board of Directors
January 27, 2022

INTRODUCTORY NOTE TO THE CARNIVAL PLC IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2021

The Carnival plc consolidated IFRS Financial Statements on pages 56 to 113 are required to satisfy reporting requirements of the Companies Act 2006, incorporate the results of Carnival plc and its subsidiaries and, accordingly, do not include the IFRS consolidated results and financial position of Carnival Corporation and its subsidiaries.

The Directors of Carnival plc consider that within the Carnival Corporation and Carnival plc dual listed company arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the Carnival Corporation & plc U.S. GAAP consolidated financial statements ("DLC Financial Statements"), which are included in Annex 1, but do not form part of these Carnival plc financial statements.

CARNIVAL PLC
GROUP STATEMENTS OF INCOME (LOSS)
(in millions, except per share data)

	Years Ended November 30, 2021	2020
Revenues		
Passenger ticket	$ 491	$ 1,750
Onboard and other	270	663
	760	2,413
Operating Costs and Expenses		
Commissions, transportation and other	104	567
Onboard and other	79	187
Payroll and related	557	682
Fuel	257	367
Food	72	169
Ship and other impairments (a)	607	1,030
Other operating	566	926
	2,242	3,929
Selling and administrative	658	608
Depreciation and amortisation	795	767
Goodwill impairment	280	310
	3,975	5,613
Operating Income (Loss)	(3,215)	(3,201)
Nonoperating Income (Expense)		
Interest income	—	3
Interest expense, net of capitalised interest	(96)	(81)
Other income (expense), net	(82)	(141)
	(178)	(220)
Income (Loss) Before Income Taxes	(3,393)	(3,421)
Income Tax Benefit (Expense), Net	(13)	1
Net Income (Loss)	$ (3,406)	$ (3,419)
Earnings (Loss) Per Share		
Basic	$ (18.49)	$ (18.73)
Diluted	$ (18.49)	$ (18.73)

(a) November 30, 2020 includes $128 million of impairment on receivables related to ship sales. Refer to Note 13 — "Other Assets" for additional discussion.

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation. In accordance with Section 408 of the Companies Act 2006, the Company has not presented its own Statements of Income (Loss) or Statements of Comprehensive Income (Loss).

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements. Under the contracts governing the DLC arrangement, the Carnival Corporation & plc consolidated earnings accrue equally to each share of Carnival Corporation common stock and each Carnival plc ordinary share and for this reason we also provide the U.S. GAAP earnings per share for Carnival Corporation & plc in the Group Statements of Income. Set out below is the U.S. GAAP consolidated earnings (loss) per share included within the DLC Financial Statements in the Carnival Corporation & plc Form 10-K for the years ended November 30:

	2021	2020
DLC basic earnings (loss) per share	$ (8.46)	$ (13.20)
DLC diluted earnings (loss) per share	$ (8.46)	$ (13.20)

CARNIVAL PLC
GROUP STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Years Ended November 30,	
	2021	**2020**
Net Income (Loss)	$ (3,406)	$ (3,419)
Other Comprehensive Income (Loss)		
Items that will not be reclassified through the Statements of Income (Loss)		
Remeasurements of post-employment benefit obligations	55	3
Items that may be reclassified through the Statements of Income (Loss)		
Changes in foreign currency translation adjustment	(332)	439
Gains (losses) on hedges of net investments in foreign operations and other	216	59
	(116)	499
Other Comprehensive Income (Loss)	(61)	501
Total Comprehensive Income (Loss)	$ (3,467)	$ (2,918)

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

CARNIVAL PLC
BALANCE SHEETS
(in millions)

	Group		Company	
	November 30,			
	2021	2020	2021	2020
ASSETS				
Current Assets				
Cash and cash equivalents	$ 434	$ 918	$ 99	$ 813
Trade and other receivables, net	140	187	50	82
Inventories	146	135	38	25
Prepaid expenses and other	109	219	46	34
Total current assets	829	1,459	232	955
Property and Equipment, Net	14,953	15,225	4,408	4,409
Right-of-Use Assets	333	315	253	201
Amount Owed from Subsidiaries	—	—	3,105	3,552
Goodwill	—	284	—	146
Other Assets	737	966	465	660
Investments in Subsidiaries	—	—	7,141	6,240
	$16,851	$18,250	$15,605	$16,162
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Current portion of long-term debt	$ 486	$ 350	$ 264	$ 304
Current portion of lease liabilities	35	43	22	19
Amount owed to the Carnival Corporation group	6,204	6,183	6,255	6,212
Accounts payable	376	345	108	54
Accrued liabilities and other	487	368	203	142
Customer deposits	831	595	489	312
Total current liabilities	8,419	7,884	7,341	7,044
Long-Term Debt	5,484	4,023	4,738	2,794
Long-Term Lease Liabilities	298	277	241	188
Other Long-Term Liabilities	304	275	149	104
Shareholders' Equity				
Share capital	361	361	361	361
Share premium	143	185	143	185
Retained earnings	4,092	7,568	4,559	7,609
Other reserves	(2,249)	(2,323)	(1,926)	(2,122)
Total shareholders' equity	2,347	5,791	3,136	6,032
	$16,851	$18,250	$15,605	$16,162

Net income (loss) for the Company was ($3.0) billion in 2021 ($(1.4) billion in 2020).

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

The Carnival plc Group financial statements (registered number 04039524) were authorised for issue by the Boards of Directors on January 27, 2022 and signed on their behalf by

Micky Arison

Chair of the Boards of Directors

Arnold W. Donald

President and Chief Executive Officer and Chief Climate Officer and Director

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

CARNIVAL PLC
STATEMENTS OF CASH FLOWS
(in millions)

	Group		Company	
	Years Ended November 30,			
	2021	2020	2021	2020
OPERATING ACTIVITIES				
Income (Loss) before income taxes	$(3,393)	$(3,421)	$(2,979)	$(1,363)
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities				
Depreciation and amortisation	795	767	273	223
Impairments	904	1,340	2,236	462
Share-based compensation	30	20	14	8
Interest expense, net	110	99	73	28
Debt modifications	(9)	55	17	—
(Gain) loss on ship sales and other, net	81	(105)	33	4
(Income) loss from equity-method investments	129	19	9	10
	(1,352)	(1,224)	(325)	(627)
Changes in operating assets and liabilities				
Receivables	18	87	32	(29)
Inventories	(50)	96	(14)	62
Prepaid expenses and other	(182)	56	(142)	24
Accounts payable	53	(45)	56	(57)
Accrued liabilities and other	273	(196)	179	(78)
Customer deposits	260	(1,295)	187	(822)
Cash provided by (used in) operations before interest and income taxes	(978)	(2,523)	(28)	(1,527)
Interest received	—	3	—	2
Interest paid	(96)	(98)	(62)	(29)
Income taxes paid, net	—	(27)	(1)	(4)
Net cash (used in) provided by operating activities	(1,075)	(2,644)	(91)	(1,557)
INVESTING ACTIVITIES				
Purchases of property and equipment	(1,687)	(2,092)	(643)	(1,025)
Proceeds from sales of ships and other	255	261	231	215
Purchase of minority interest	(90)	(81)	(90)	(81)
Contributions to subsidiaries, net	—	—	(2,501)	(1,171)
Other, net	128	(202)	25	(63)
Net cash provided by (used in) investing activities	(1,395)	(2,113)	(2,979)	(2,126)
FINANCING ACTIVITIES				
Changes in amounts owed to the Carnival Corporation group and from Group companies	207	5,498	306	4,386
Proceeds from (repayments of) short-term borrowings, net	—	(231)	—	(232)
Principal repayments of long-term debt	(792)	(118)	(274)	(77)
Proceeds from issuance of long-term debt	2,798	610	2,504	610
Dividends paid	—	(187)	1	(186)
Purchases of treasury shares	—	(12)	—	(12)
Finance lease principal payments	(45)	(55)	(22)	(19)
Debt issuance cost and other, net	(174)	(70)	(172)	(66)
Net cash provided by (used in) financing activities	1,995	5,435	2,342	4,403
Effect of exchange rate changes on cash and cash equivalents	(10)	22	13	11
Net increase (decrease) in cash and cash equivalents	(484)	699	(715)	731
Cash and cash equivalents at beginning of year	918	219	813	82
Cash and cash equivalents at end of year	$ 434	$ 918	$ 99	$ 813

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

CARNIVAL PLC
GROUP STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

	Share capital	Share premium	Retained earnings	Reserves: Translation reserve	Reserves: Cash flow hedges	Reserves: Treasury shares	Reserves: Other reserves	Reserves: Merger reserve	Reserves: Total	Total shareholders' equity
At November 30, 2019	$ 358	$ 186	$ 11,076	$ (2,371)	$ (49)	$ (1,935)	$ (109)	$ 1,503	$ (2,961)	$ 8,659
Comprehensive income (loss)										
Net income (loss)	—	—	(3,419)	—	—	—	—	—	—	(3,419)
Changes in foreign currency translation adjustment	—	—	—	439	—	—	—	—	439	439
Net gains on cash flow derivative hedges	—	—	—	—	57	—	—	—	57	57
Net gains on hedges of net investments in foreign operations	—	—	—	2	—	—	—	—	2	2
Remeasurements of post-employment benefit obligations	—	—	3	—	—	—	—	—	—	3
Total comprehensive income	—	—	(3,416)	441	57	—	—	—	499	(2,918)
Purchase of treasury shares	—	—	—	—	—	(10)	—	—	(10)	(10)
Share repurchase obligations	—	—	—	—	—	—	129	—	129	129
Cash dividends declared	—	—	(91)	—	—	—	—	—	—	(91)
Other, net	2	—	—	—	—	—	21	—	21	23
At November 30, 2020	361	185	7,568	(1,930)	8	(1,945)	41	1,503	(2,323)	5,791
Comprehensive income (loss)										
Net income (loss)	—	—	(3,406)	—	—	—	—	—	—	(3,406)
Changes in foreign currency translation adjustment	—	—	—	(332)	—	—	—	—	(332)	(332)
Net gains on cash flow derivative hedges	—	—	—	—	3	—	—	—	3	3
Net gains on hedges of net investments in foreign operations	—	—	—	213	—	—	—	—	213	213
Remeasurements of post-employment benefit obligations	—	—	55	—	—	—	—	—	—	55
Total comprehensive income (loss)	—	—	(3,351)	(119)	3	—	—	—	(116)	(3,467)
Issuance of treasury shares for vested share-based awards	—	—	(126)	—	—	126	—	—	126	—
Other, net	—	(42)	—	—	—	—	64	—	64	22
At November 30, 2021	$ 361	$ 143	$ 4,092	$ (2,049)	$ 11	$ (1,818)	$ 105	$ 1,503	$ (2,249)	$ 2,347

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

CARNIVAL PLC
COMPANY STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)

				Reserves						
	Share capital	Share premium	Retained earnings	Translation reserve	Cash flow hedges	Treasury shares	Other reserves	Merger reserve	Total	Total shareholders' equity
At November 30, 2019	$ 358	$ 185	$ 9,060	$ (327)	$ (49)	$ (1,935)	$ (109)	$ 36	$ (2,384)	$ 7,219
Comprehensive income (loss)										
Net income	—	—	(1,363)	—	—	—	—	—	—	(1,363)
Changes in foreign currency translation adjustment	—	—	—	68	—	—	—	—	68	68
Net gains on cash flow derivative hedges	—	—	—	—	57	—	—	—	57	57
Net gains on hedges of net investments in foreign operations	—	—	—	2	—	—	—	—	2	2
Remeasurements of post-employment benefit obligations	—	—	3	—	—	—	—	—	—	3
Total comprehensive income	—	—	(1,360)	70	57	—	—	—	127	(1,233)
Purchases of treasury shares	—	—	—	—	—	(10)	—	—	(10)	(10)
Share repurchase obligations	—	—	—	—	—	—	129	—	129	129
Cash dividends declared	—	—	(91)	—	—	—	—	—	—	(91)
Other, net	2	—	—	—	—	—	16	—	16	18
At November 30, 2020	361	185	7,609	(257)	8	(1,945)	36	36	(2,122)	6,032
Comprehensive income (loss)										
Net income (loss)	—	—	(2,980)	—	—	—	—	—	—	(2,980)
Changes in foreign currency translation adjustment	—	—	—	(4)	—	—	—	—	(4)	(4)
Net gains on cash flow derivative hedges	—	—	—	—	3	—	—	—	3	3
Remeasurements of post-employment benefit obligations	—	—	55	—	—	—	—	—	—	55
Total comprehensive income (loss)	—	—	(2,925)	(4)	3	—	—	—	(2)	(2,926)
Issuance of treasury shares for vested share-based awards	—	—	(126)	—	—	126	—	—	126	—
Other, net	—	(42)	1	—	—	—	71	—	71	30
At November 30, 2021	$ 361	$ 143	$ 4,559	$ (261)	$ 11	$ (1,818)	$ 107	$ 36	$ (1,926)	$ 3,136

The accompanying notes are an integral part of these financial statements. These financial statements only present the Carnival plc consolidated IFRS Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

NOTE 1 — General

Description of Business

Carnival plc was incorporated in England and Wals in 2000 and is domiciled in the UK with its headquarters located at Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST, UK (registration number 04039524). Carnival plc (the "Company") and its subsidiaries and associates are referred to collectively in these financial statements as the "Group," "our," "us" and "we." Carnival Corporation and Carnival plc, together with their consolidated subsidiaries, are referred to collectively in these financial statements as "Carnival Corporation & plc."

Carnival Corporation & plc is a leisure travel company with a portfolio of nine of the world's leading cruise lines. With operations in North America, Australia, Europe and Asia, its portfolio features — Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

DLC Arrangement

Carnival Corporation and Carnival plc operate a dual listed company ("DLC") arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association. The two companies operate as a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Each company's shares are publicly traded on the New York Stock Exchange ("NYSE") for Carnival Corporation and the London Stock Exchange for Carnival plc. The Carnival plc American Depositary Shares are traded on the NYSE.

The constitutional documents of each company provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. The Equalization and Governance Agreement between Carnival Corporation and Carnival plc provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC arrangement. Because the equalization ratio is 1 to 1, one share of Carnival Corporation common stock and one Carnival plc ordinary share are generally entitled to the same distributions.

Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other. Once the written demand is made, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor.

Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary.

The Boards of Directors consider that, within the DLC arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. generally accepted accounting principles ("U.S. GAAP") DLC Financial Statements because all significant financial and operating decisions affecting the DLC companies are made on a joint basis to optimize the consolidated performance as a single economic entity. Accordingly, the DLC Financial Statements are provided to shareholders as supplementary information, which are included in Annex 1, but do not form part of these Carnival plc financial statements.

Liquidity and Management's Plans

In the face of the global impact of COVID-19, Carnival Corporation & plc paused its guest cruise operations in mid-March 2020. As of January 13, 2022, eight of its nine brands, or 67% of capacity had resumed guest cruise operations as part of its gradual return to service. The extent of the effects of COVID-19 on its business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. Carnival Corporation & plc believes that the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on its financial results and liquidity.

The estimation of Carnival Corporation & plc's future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate its future liquidity requirements consist of:

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships
- Maintaining collateral and reserves at reasonable levels

In addition, Carnival Corporation & plc makes certain assumptions about new ship deliveries, improvements and disposals, and considers the future export credit financings that are associated with the ship deliveries.

Carnival Corporation & plc cannot make assurances that its assumptions used to estimate its liquidity requirements may not change because it has never previously experienced a complete cessation and subsequent gradual resumption of its guest cruise operations, and as a consequence, its ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. Carnival Corporation & plc has made reasonable estimates and judgments of the impact of COVID-19 within its financial statements and there may be changes to those estimates in future periods. Carnival Corporation & plc has taken actions to improve its liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from its fleet. In addition, it expects to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Based on these actions and Carnival Corporations & plc's assumptions regarding the impact of COVID-19, considering Carnival Corporation & plc's $9.4 billion of liquidity including cash, short-term investments and borrowings available under its revolving facility at November 30, 2021, as well as its expected continued gradual return to service, it has concluded that it has sufficient liquidity to satisfy its obligations and is forecasted to be in compliance with its debt covenants for at least the next twelve months.

Refer to the Strategic Report — Item 5. "Going Concern Confirmation and Viability Statement and COVID-19" for additional discussion regarding Carnival Corporation & plc's liquidity assessment.

NOTE 2 — Summary of Significant Accounting Judgements and Significant Accounting Policies

Significant Accounting Judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported and disclosed amounts in these financial statements.

COVID-19

The full extent to which the effects of COVID-19 will directly or indirectly impact our business, operations, results of operations and financial condition, including our valuation of our investment in subsidiaries, impairment of ships, collectability of trade and notes receivables, reserve funds related to customer deposits as well as provisions for pending litigation, will depend on future developments that are highly uncertain. Management has made reasonable estimates and judgements of the impact of COVID-19 within the consolidated financial statements and there may be changes to those estimates in future periods. The estimates and underlying assumptions are based on historical experience and various other factors that we believe to be reasonable under the circumstances and form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates used in preparing these financial statements.

Climate change

In preparing these financial statements, management has considered the expected impacts of climate change and expected impacts of achieving the Carnival Corporation & plc 2030 sustainability goals. Management has considered the expected impacts of climate change on a number of key estimates within the financial statements, including:

- Estimates related to our future liquidity requirements and viability (Item 5. "Going Concern Confirmation and Viability Statement and COVID-19" of the Strategic Report)
- Estimates of future cash flows used in the valuation of goodwill, investment in subsidiaries and ships (refer to Note 12 — "Goodwill", Note 14 — "Investments in Subsidiaries" and Note 10 — "Property and Equipment")
- Estimates relating to the useful life and residual value of ships (refer to Note 10 — "Property and Equipment")

The following specific points were considered:

- Carnival Corporation & plc continues to invest in energy efficiency improvements with expected future investments consistent with its historical annual level of investment.
- Carnival Corporation & plc's ongoing newbuild program, which includes deliveries of larger and more efficient ships over the coming years, and the natural retirement of less efficient ships has been and will continue to be a factor in management's expected ability to achieve Carnival Corporation & plc's 2030 carbon intensity reduction goals.
- The current status of various pending environmental regulations which, if enacted, will materially impact our future cash flows.

Key areas of judgement and sources of estimation uncertainty

Key judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant areas of accounting judgments and the related sources of estimation uncertainty for fiscal 2021 were as follows:

Area	Key Judgements	Key Sources of estimation uncertainty	Reference (a)
COVID-19 and Liquidity		• Forecasting uncertainty • Determination of the timing and pace of return to guest cruise operations	Item 5 of Strategic Report — "Going Concern Confirmation and Viability Statement and COVID-19"
Valuation of Ships	Determination of whether a triggering event occurred	• Determination of recoverable value of our ships	Note 10 — "Property and Equipment"
Ship Useful Life and Residual Value		• Determination of useful life and residual value	Note 10 — "Property and Equipment"
Impairment reviews of EA Segment CGUs' Goodwill and Investments in Subsidiaries	Determination of whether a triggering event occurred warranting an impairment assessment	• Determination of the timing and pace of return to guest cruise operations • Estimates of the weighted average cost of capital ("WACC")	Note 12 — "Goodwill" Note 14 — "Investments in Subsidiaries"
Contingencies	Determination of whether a loss from litigation or claims is probable	• Determination of estimated losses	Note 23 — "Contingencies"

(a) Further details, together with sensitivities for key sources of estimation uncertainty, where appropriate and practicable, are included within the references in the table.

Significant Accounting Policies

Basis of Preparation

The Carnival plc Group and Company financial statements are presented in U.S. dollars unless otherwise noted. They are prepared on the historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are stated at fair value.

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies to the European Union. The financial statements have been prepared on a going concern basis. The Boards of Directors of the Group have a reasonable expectation that, based on liquidity actions taken and Carnival Corporation & plc's assumptions regarding the impact of COVID-19, considering Carnival Corporation & plc's $9.4 billion of liquidity, including cash, short-term investments and borrowings available under its revolving facility at November 30, 2021, as well as its expected continued gradual return to service, Carnival Corporation & plc has sufficient liquidity to satisfy its obligations and is forecasted to be in compliance with its debt covenants for at least the next twelve months.

Basis of Consolidation

The Carnival plc Group financial statements include the results of the Company and all of its controlled subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All significant intra-Group balances and transactions are eliminated in consolidation. These financial statements are required to satisfy reporting requirements of the Companies Act 2006 and do not include the IFRS consolidated results and financial position of Carnival Corporation and its subsidiaries.

The following are included as part of the 2021 Carnival plc annual accounts and reports:

- Strategic Report (a)
- Notice of Annual Meetings and Proxy statement ("Proxy Statement") dated January 27, 2022

Included in or annexed to the Proxy Statement are:

- Carnival plc Directors' Remuneration Report Part I
- Annex A — Carnival plc Directors' Report (a)
  Annex B — Carnival plc Directors' Remuneration Report Part II
- Annex C — Carnival plc Corporate Governance Report (a)

(a) Additional information related to environmental, social and governance issues are included in these documents.

The above mentioned Proxy Statement information can be found at the Carnival Corporation & plc website at www.carnivalcorp.com or www.carnivalplc.com.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition that are readily convertible to known amounts of cash, which are stated at cost and present insignificant risk of changes in value.

Inventories

Inventories consist substantially of food, beverages, hotel supplies, fuel and retail merchandise, which are all carried at the lower of cost or net realisable value. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment charges. Depreciation is computed using the straight-line method over our estimates of useful lives and residual values, as a percentage of original cost, as follows:

	Years	Residual Values
Ships	30	15%
Ship improvements	3 – 30	0%
Buildings and improvements	10 – 40	0%
Computer hardware and software	2 – 12	0%
Transportation equipment and other	3 – 20	0%
Leasehold improvements, including port facilities	Shorter of the remaining lease term or related asset life (3 – 30)	0%

The cost of ships under construction includes progress payments for the construction of new ships, as well as design and engineering fees, capitalised interest, construction oversight costs and various owner supplied items. We account for ship improvement costs, including replacements of certain significant components and parts, including those that take place during dry-docks, by capitalising those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. We have a capital program for the improvement of our ships and for asset replacements in order to enhance the effectiveness and efficiency of our operations; to comply with, or exceed, all relevant legal and statutory requirements related to health, environment, safety, security and sustainability; and to gain strategic benefits or provide improved product innovations to our guests.

We capitalise interest as part of the cost of capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalised ship components are written-off upon retirement, which may result in a loss on disposal that is also included in other operating expenses. Liquidated damages received from shipyards as a result of late ship delivery are recorded as reductions to the cost basis of the ship.

The costs of repairs and maintenance, including minor improvement costs and minor expenses related to dry-docks, are charged to expense as incurred and included in other operating expenses. These minor dry-dock expenses primarily represent maintenance activities that are incurred when a ship is taken out-of-service for scheduled maintenance.

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of its recoverable amount, which is the higher of the fair value less costs of disposal and its value in use. This is determined based on the asset's estimated sales proceeds as well as its estimated discounted future cash flows. If the estimated recoverable amount is less than the carrying value of the asset, an impairment charge is recognized for the excess. The lowest level for which we maintain identifiable cash flows is at the individual ship level. If subsequent to the impairment, there has been a change in the estimates used to determine our ships' recoverable amount, then the carrying amount of the ship may be increased by the reversal of the impairment. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the ship in prior years. Judgement is required in estimating the future cash flows and fair values of our cruise ships.

Our ships' recoverable value is typically estimated based either on ship sales price negotiations and/or estimated sales prices based on experience with other ship sales and the expected time to sale and/or discounted future cash flows. We believe that we have made reasonable estimates and judgements in determining whether ships have been impaired, or reversals have been recognized. However, if there is a change in assumptions used or if there is a change in the conditions or circumstances influencing fair values in the future, we may need to recognize an impairment loss or reversal.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business acquisition. We review our goodwill for impairment as of July 31 every year, or more frequently if events or circumstances dictate. All of our goodwill has been allocated to our cash-generating units ("CGUs") and is stated at cost less accumulated impairment charges. The recoverability of goodwill is determined by comparing the carrying amount of the net assets allocated to each CGU with its recoverable amount. The estimated recoverable amount is the higher of the cruise brands' fair value less costs of disposal and its value in use. If the recoverable amount is greater than the cruise brand net asset carrying value, then the goodwill amount is deemed recoverable. A significant amount of judgement is required in estimating the recoverable amounts of our cruise brands' goodwill.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgement to determine the appropriate amounts to record in our consolidated financial statements. We accrue a liability and establish a reserve when we believe a loss is probable and the amount of the loss can be reasonably estimated. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves and the estimated timing of settlement are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverage. Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such changes in our estimates could materially impact our results of operations and financial position.

Investments in Subsidiaries

Investments in subsidiaries are stated at cost, less any provision for impairment. Judgement is required in assessing whether the Company's investment carrying values are impaired. We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. In determining the recoverable amount of investments in subsidiaries, we first consider if the investment balance exceeds the net asset value of the subsidiary and if it does, we determine the recoverable amount by assessing the higher of the fair value less cost to sell of the investment and its value in use. We perform a fair value assessment of the subsidiary using discounted cash flows and applying a terminal growth rate consistent with the valuation methodology used in our goodwill impairment analyses. Refer to Note 14 — "Investments in Subsidiaries" for additional information related to our impairments on investments in subsidiaries.

Minority Interest Investments

Minority interest investments (associates and joint ventures) are accounted for using the equity method of accounting and are initially recognized at cost. Interest in the net assets of such investments is included in other assets in the Consolidated Balance Sheets and our proportionate interest in their results is included in other income (expense), net in the Consolidated Statements of Income.

Debt and Debt Issuance Costs

Debt is recorded at initial fair value, which normally reflects the proceeds received by us, net of debt issuance costs. Debt is subsequently stated at amortized cost. Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the debt. Debt issue discounts and premiums are generally amortized to interest expense using the effective interest rate method over the term of the debt.

Derivatives and Other Financial Instruments

We utilize derivative and non-derivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates. We use interest rate swaps primarily to manage our interest rate exposure to achieve a desired proportion of fixed and floating rate debt. Our policy is to not use financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. If a derivative is designated as a cash flow hedge, then the change in the fair value of the derivative is recognized as a component of accumulated other comprehensive income ("AOCI") until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a non-derivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the effective portion of the fair value of the financial instrument are recognized as a component of AOCI to offset the change in the translated value of the designated portion of net investment being hedged until the investment is sold or substantially liquidated, while the impact attributable to components excluded from the assessment of hedge effectiveness is recorded in interest expense, net of capitalized interest, on a systematic and rational basis. For derivatives that do not qualify for hedge accounting treatment, the change in fair value is recognized in earnings.

We classify the fair value of all our derivative contracts as either current or long-term, depending on the maturity date of the derivative contract. The cash flows from derivatives treated as cash flow hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged.

Derivative valuations are based on observable inputs such as interest rates forward currency exchange rates, credit spreads, maturity dates, volatilities, and cross currency basis spreads. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and cross currency swaps using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact.

Foreign Currency Translation and Transactions

The Carnival plc Group and Company financial statements are presented in U.S. dollars. Each foreign entity determines its functional currency by reference to its primary economic environment. Our most significant foreign entities utilize the U.S, dollar, the Euro, Sterling or the Australian dollar as their functional currencies. We translate the assets and liabilities of our foreign entities that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign entities are translated at the average rate for the period. Equity is translated at historical rates and the resulting foreign currency translation adjustments are included in the translation reserve, which is a separate component of other reserves within shareholders' equity. Therefore, the U.S. dollar value of the non-equity translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the U.S. dollar versus these currencies.

We execute transactions in a number of different currencies. At the date that the transaction is recognized, each asset, liability, revenue, expense, gain or loss arising from the transaction is measured and recorded in the functional currency of the recording entity using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than the functional currency are adjusted using the exchange rate at the balance sheet date, with gains or losses recorded in other income or other expense, unless such monetary balances have been designated as hedges of net investments in our foreign entities. The net gains or losses resulting from foreign currency transactions, and included in other income (expense), net, were net gains of $67 million in 2021 and net losses of $117 million in 2020. The unrealised gains or losses on our long-term intercompany receivables and payables which are denominated in a non-functional currency and are not expected to be repaid in the foreseeable future are recorded in translation reserves.

Revenue and Expense Recognition

Guest cruise deposits are initially included in customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities, and all associated direct costs and expenses of a voyage are recognized as cruise costs and expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The impact of recognizing these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not material. Certain of our product offerings are bundled and we allocate the value of the bundled services and goods between passenger ticket revenues and onboard and other revenues based upon the estimated standalone selling prices of those goods and services. Guest cancellation fees, when applicable, are recognized in passenger ticket revenues at the time of cancellation.

Our sales to guests of air and other transportation to and from airports near the home ports of our ships are included in passenger ticket revenues, and the related costs of purchasing these services are included in transportation costs. The proceeds that we collect from the sales of third-party shore excursions are included in onboard and other revenues and the related costs are included in onboard and other costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and other revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. These fees, taxes and charges included in commissions, transportation and other costs were immaterial in 2021 and $52 million in 2020. The remaining portion of fees, taxes and charges are expensed in other operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed.

Customer Deposits

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. We have provided flexibility to guests with bookings on sailings cancelled due to itinerary disruptions by allowing guests to receive enhanced future cruise credits ("FCC") or elect to receive refunds in cash. Enhanced FCCs provide the guest with an additional credit value above the original cash deposit received, and the enhanced value is recognized as a discount applied to the future cruise in the period used. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the continued level of guest acceptance of FCCs and future cruise cancellations. We record a liability for unexpired FCCs to the extent we have received and not refunded cash from guests for cancelled bookings. We had total customer deposits of $929 million and $693 million as of November 30, 2021 and 2020 with the increase driven by new bookings. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During 2021 and 2020, we recognized revenues of an immaterial amount and $1.3 billion, respectively, related to our customer deposits as of November 30, 2020 and 2019. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refunds of customer deposits and foreign currency translation.

Contract Receivables

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. These reserve funds are included in other assets.

Contract Assets

Contract assets are amounts paid prior to the start of a voyage, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We have contract assets of an immaterial amount as of November 30, 2021 and 2020.

Insurance

We maintain insurance under Carnival Corporation & plc's insurance programs to cover a number of risks including illness and injury to crew, guest injuries, pollution, other third-party claims in connection with our cruise activities, damage to hull and machinery for each of our ships, war risks, workers' compensation, directors' and officers' liability, property damage and general liability for shoreside third-party claims. We recognize insurance recoverables from third-party insurers for recorded losses at the time the recovery is virtually certain or upon settlement for amounts in excess of the recorded losses. All of our insurance policies are subject to coverage limits, exclusions and deductible levels. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, marketing and promotional expenses. Advertising is charged to expense as incurred. Selling expenses totaled $153 million in 2021 and $156 million in 2020.

Administrative expenses represent the costs of our shoreside support, reservations and other administrative functions, and include salaries and related benefits, professional fees and building occupancy costs, which are typically expensed as incurred.

Share-Based Compensation

We recognize compensation expense for all, equity settled, share-based compensation awards using the fair value method. For time-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if earlier than the vesting period. For performance-based share awards, we estimate compensation cost based on the probability of the performance condition being achieved and recognize expense ratably using the straight-line attribution method over the expected vesting period. If all or a portion of the performance condition is not expected to be met, the appropriate amount of previously recognized compensation expense is reversed and future compensation expense is adjusted accordingly. For market-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period. If the target market conditions are not expected to be met, compensation expense will still be recognized.

Earnings Per Share

Basic earnings per share is computed by dividing net income (loss) by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income (loss) by the weighted-average number of shares and common stock equivalents outstanding during each period.

Pensions

The Group operates both defined benefit and defined contribution plans. The net deficit or surplus for each defined benefit pension plan is calculated based on the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The calculation is performed by a qualified external actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on AA credit rated bonds or local equivalents that have maturity dates approximating the terms of the pension plans' obligations.

Actuarial gains and losses that arise in calculating the defined benefit pension plans' obligations are recognized in the period in which they arise directly in the Group's and Company's comprehensive income (loss).

The operating and financing costs of defined benefit pension plans are recognized in the Statements of Income (Loss); current service costs are spread systematically over the expected average remaining service lives of employees and financing costs are recognized in the periods within which they arise. To the extent that the benefits vest immediately, the expense is recognized immediately.

Defined contribution plan expenses are recognized in the period to which they relate. We contribute to these plans based on employee contributions, salary levels and length of service. The assets of these plans are held separately from the Group in independently administered funds.

Income Taxes

Deferred income taxes are provided using the balance sheet liability method. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Deferred income taxes are measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Current income taxes are the taxes payable on the taxable income for the year, applying current rates and any adjustments in respect of previous years.

Dividends

Dividend distributions are recognized in the period in which the dividends are declared because, under the DLC arrangement, the declaration of a dividend by the Boards of Directors of Carnival Corporation & plc establishes a liability for Carnival plc.

Accounting Pronouncements

The International Accounting Standards Board ("IASB") has issued amendments to the standard, IAS 1, *Presentation of Financial Statements — Classification of Liabilities as Current or Non-current*, providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. These amendments are required to be adopted by us for the financial year commencing on December 1, 2022 and must be applied retrospectively. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

The IASB issued amendments to the standards, IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases,* that address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative interest rate. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting. This guidance is required to be adopted by us for the financial year commencing on December 1, 2022. We are evaluating the impact of this guidance on our consolidated financial statements.

NOTE 3 — Segment Information

As previously discussed, within the DLC arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the DLC Financial Statements, which are included in Annex 1, but do not form part of these Carnival plc financial statements. The operating segments are reported on the same basis as the internally reported information that is provided to the chief operating decision maker ("CODM"), who is the President and Chief Executive Officer of Carnival Corporation and Carnival plc. The CODM assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of the segments. Carnival Corporation & plc has four reportable segments comprised of (1) NAA cruise operations, (2) EA cruise operations, (3) Cruise Support and (4) Tour and Other.

The operating segments within each of the NAA and EA reportable segments have been aggregated based on the similarity of their economic and other characteristics. The Cruise Support segment includes Carnival Corporation & plc's portfolio of leading port destinations and other services, all of which are operated for the benefit of its cruise brands. The Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

Selected information for the Carnival Corporation & plc segments and the reconciliation to the corresponding Carnival plc amounts as of and for the years ended November 30 was as follows:

(in millions)	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortisation	Operating income (loss)	Capital expenditures	Total assets
2021							
NAA	$ 1,108	$ 2,730	$ 953	$ 1,352	$ (3,928)	$ 2,397	$ 25,606
EA	712	1,807	568	728	(2,617) (b)	515	16,088
Cruise Support	42	55	335	129	(477)	660	11,014
Tour and Other	46	63	27	23	(67)	35	637
Carnival Corporation & plc – U.S. GAAP	1,908	4,655	1,885	2,233	(7,089)	3,607	53,344
Carnival Corporation – U.S. GAAP	(1,148)	(2,566)	(1,213)	(1,435)	4,067	(1,919)	(35,656)
Carnival plc – U.S. GAAP vs IFRS differences (a)	—	154	(13)	(3)	(192)	—	(837)
Carnival plc – IFRS	$ 760	$ 2,242	$ 658	$ 795	$ (3,215)	$ 1,687	$ 16,851
2020							
NAA	$ 3,627	$ 5,623	$ 1,066	$ 1,413	$ (5,794) (c)	$ 1,430	$ 25,257
EA	1,790	2,548	523	672	(2,729) (d)	2,036	16,505
Cruise Support	68	(10)	262	128	(313)	144	11,135
Tour and Other	110	84	27	28	(29)	11	696
Carnival Corporation & plc – U.S. GAAP	5,595	8,245	1,878	2,241	(8,865)	3,620	53,593
Carnival Corporation – U.S. GAAP	(3,182)	(4,124)	(1,258)	(1,507)	5,682	(1,528)	(34,677)
Carnival plc – U.S. GAAP vs IFRS differences (a)	—	(192)	(13)	33	(18)	—	(666)
Carnival plc – IFRS	$ 2,413	$ 3,929	$ 608	$ 767	$ (3,201)	$ 2,092	$ 18,250

(a) Carnival Corporation consists primarily of cruise brands that do not form part of the Group; however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items. The U.S. GAAP vs IFRS accounting differences principally relate to differences in leases, the carrying value of goodwill and other intangibles, ships and related depreciation expenses.

(b) Includes $226 million of goodwill impairment charges.

(c) Includes $1.3 billion of goodwill impairment charges.

(d) Includes $777 million of goodwill impairment charges.

Revenues by geographic areas, which are based on where our guests are sourced, were as follows:

	Years Ended November 30,	
(in millions)	**2021**	**2020**
Europe	$ 710	$ 1,486
North America	27	154
Australia and Asia	17	609
Others	6	163
	$ 760	$ 2,413

Substantially all of our long-lived assets consist of our ships and move between geographic areas. Segment information relating to liabilities is not reported to or used by the CODM in order to assess performance and allocate resources to a segment.

NOTE 4 — Other Income and Expense

	Years Ended November 30,	
(in millions)	2021	2020
Income (loss) from equity-method investments (a)	$ (129)	$ (19)
Foreign exchange remeasurements, net	67	(117)
Other income (expense), net and other	(20)	(6)
Other income (expense), net	$ (82)	$ (141)

(a) Refer to Note 13 — "Other Assets" for additional information on the equity-method investments to which this relates.

Auditors' remuneration was as follows:

	Years Ended November 30,	
(in millions)	2021	2020
Fees payable to the Company's auditor for the audit of the Group and Company financial statements	$ 2	$ 2
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	—	—
	$ 2	$ 2

In addition, non-audit service fees paid to our auditors in 2021 were $0.3 million (2020: $0.0 million), relating to audit-related assurance services. Audit-related fees for 2021 were principally for audit work related to government grants received.

NOTE 5 — Taxation

	Years Ended November 30,	
(in millions)	2021	2020
Current taxes	$ (36)	$ 21
Deferred taxes	24	(20)
Income tax benefit (expense), net	$ (13)	$ 1

Total income tax (expense) benefit is reconciled to income taxes calculated at the UK standard tax rate as follows:

	Years Ended November 30,	
(in millions)	2021	2020
Income (loss) before income taxes	$ (3,393)	$ (3,421)
Notional tax benefit (expense) at UK standard tax rate (19% in 2021 and 2020)	645	650
Effect of Italian and UK tonnage tax and other taxes at different rates	(657)	(649)
	$ (13)	$ 1

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

Italian and German Income Tax

In 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2021 and 2020.

Substantially all of AIDA's earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

Asian Countries Income Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties.

U.S. Income Tax

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

Other

We recognize income tax provisions for uncertain tax positions, based solely on their technical merits, and the most likely outcome to be sustained upon examination by the relevant tax authority. Based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our financial position. All interest expense related to income tax liabilities is included in income tax expense.

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes, fees and other charges are included in commissions, transportation and other costs and other operating expenses.

NOTE 6 — Earnings (Loss) Per Share

	Years Ended November 30,	
(in millions, except per share data)	**2021**	**2020**
Net income (loss) for basic and diluted earnings (loss) per share	$ (3,406)	$ (3,419)
Weighted-average shares outstanding	184	183
Diluted weighted-average shares outstanding	184	183
Basic earnings (loss) per share	$ (18.49)	$ (18.73)
Diluted earnings (loss) per share	$ (18.49)	$ (18.73)

Under the contracts governing the DLC arrangement, the Carnival Corporation & plc consolidated earnings accrue equally to each share of Carnival Corporation common stock and each Carnival plc ordinary share and for this reason we also provide the U.S. GAAP earnings (loss) per share for Carnival Corporation & plc in the Group Statements of Income (Loss).

Antidilutive shares excluded from our 2021 and 2020 diluted earnings (loss) per share computations were immaterial.

NOTE 7 — Cash and Cash Equivalents

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Cash	$ 343	$ 413	$ 20	$ 321
Cash equivalents (money market funds and time deposits)	92	505	78	492
	$ 434	$ 918	$ 99	$ 813

Substantially all material cash balances are held with financial institutions that are investment grade rated.

NOTE 8 — Trade and Other Receivables

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Trade	$ 89	$ 138	$ 43	$ 76
VAT, income taxes and other	51	49	7	6
	$ 140	$ 187	$ 50	$ 82

The ageing of trade receivables was as follows:

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Current	$ 59	$ 72	$ 28	$ 64
1 to 30 days	20	6	4	1
31 days and thereafter	35	73	17	12
	114	151	48	77
Allowance for expected credit losses	(26)	(12)	(6)	(1)
	$ 89	$ 138	$ 43	$ 76

NOTE 9 — Inventories

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Food, beverages and hotel supplies, net	$ 77	$ 58	$ 17	$ 14
Fuel	48	28	18	9
Other	21	49	3	2
	$ 146	$ 135	$ 38	$ 25

NOTE 10 — Property and Equipment

	Group			Company		
(in millions)	Ships and ship improvements	Other property and equipment	Total	Ships and ship improvements	Other property and equipment	Total
Cost						
At November 30, 2019	$ 19,313	$ 1,619	$ 20,932	$ 5,535	$ 203	$ 5,738
Exchange movements	1,321	64	1,385	185	13	198
Additions	1,977	67	2,044	1,019	21	1,040
Disposals	(2,798)	(74)	(2,872)	(807)	(9)	(816)
At November 30, 2020	19,813	1,676	21,489	5,932	228	6,160
Exchange movements	(829)	(40)	(869)	(26)	(3)	(29)
Additions	1,672	55	1,727	658	(41)	617
Disposals	(268)	(51)	(319)	(23)	(5)	(28)
At November 30, 2021	$ 20,388	$ 1,640	$ 22,028	$ 6,541	$ 179	$ 6,720
Accumulated depreciation						
At November 30, 2019	$ (5,795)	$ (860)	$ (6,655)	$ (1,862)	$ (71)	$ (1,933)
Exchange movements	(356)	(36)	(392)	(52)	(4)	(56)
Depreciation	(610)	(97)	(707)	(178)	(22)	(200)
Disposals	2,300	72	2,372	794	8	802
Ship impairments	(882)	—	(882)	(364)	—	(364)
At November 30, 2020	(5,343)	(921)	(6,264)	(1,662)	(89)	(1,751)
Exchange movements	229	23	252	15	2	17
Depreciation	(650)	(97)	(747)	(228)	(24)	(252)
Disposals	242	49	291	22	6	28
Ship impairments	(607)	—	(607)	(354)	—	(354)
At November 30, 2021	$ (6,129)	$ (946)	$ (7,075)	$ (2,207)	$ (105)	$ (2,312)
Net book value						
At November 30, 2020	$ 14,470	$ 755	$ 15,225	$ 4,270	$ 139	$ 4,409
At November 30, 2021	$ 14,259	$ 694	$ 14,953	$ 4,334	$ 74	$ 4,408

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the continued effect of COVID-19 on our business and our updated expectations for certain of our ships, we determined certain impairment triggers had occurred. Accordingly, we performed impairment reviews on certain ships in our fleet, selected utilizing our judgement through a risk-based approach taking into consideration the remaining life (less than 15 years) of each ship or an expectation of probable disposal significantly ahead of the end of its useful life. If the net carrying value of the ship exceeded its estimated recoverable amount, we recognized an impairment charge. The estimated recoverable amount reflects the higher of the ship's fair value less cost to sell and its value in use. In the majority of cases, this resulted in an impairment based on the ships estimated selling value, less cost of disposal. In total, we recognized $607 million and $882 million of ship impairment charges during 2021 and 2020.

We have considered the potential reasonably possible changes that would lead to further impairments on our long-lived assets, including ships. As explained in Note 12 — "Goodwill", our goodwill impairment assessments resulted in full impairments being recorded against both CGUs. Using the results of these assessments, a 5% reduction in capacity in service as a consequence of possible disruptions in guest cruise operations and an increase in the discount rate by 10 basis points would lead to an additional indicative impairment of $101 million against other long lived assets.

The expected realizable selling value less cost of disposal is considered a Level 3 input, and was estimated based on recent historical ship sale proceeds and, where applicable, negotiations for sale.

Refer to Note 2 — "Summary of Significant Accounting Judgements and Significant Accounting Policies" for additional discussion.

Key Judgement — Determination of whether a triggering event occurred

The Directors considered whether the carrying value of certain ships may be impaired. As a result of the continued effect of COVID-19 on the business, expected future operating cash flows and the expectation of probable disposal of certain ships significantly ahead of the end of their useful lives, management determined, based on their judgment, that certain impairment triggers had occurred. Management performed impairment assessments on certain ships in the fleet, selected utilizing management's judgement taking into consideration the remaining life of each ship and expectation of probable disposals before the end of its useful life.

Key Estimate — Determination of recoverable value of our ships

Management estimates its ships' recoverable value based either on ship sales price negotiations and/or estimated sales prices based on experience with other ship sales and the expected time to sale and/or discounted future cash flows. Management believes that it has made reasonable estimates and judgements in determining whether ships have been impaired, or reversals have been recognized. However, the Directors considered if there is a 10% change in the estimated sales price assumption used, the Company may need to recognize an impairment loss or reversal of $32 million amount.

Key Estimate — Determination of ship useful lives and residual values

Management estimates the useful lives of its ships based on the expected period over which the vessels will be of economic benefit to the company, including the impact of marketing and technical obsolescence, competition, physical deterioration, historical useful lives of similarly-built ships, regulatory constraints (including current climate change regulations) and maintenance requirements. In addition, management considers estimates of the weighted-average useful lives of the ships' major component systems, such as the hull, cabins, main electric, superstructure and engines. Taking all of this into consideration, we have estimated our new ships' useful lives at 30 years consistent with others in the cruise industry.

Management determines the residual value of ships based on our long-term estimates of their resale value at the end of their useful life to the company but before the end of their physical and economic lives to others, historical resale values of the company's and other cruise ships and the viability of the secondary cruise ship market. The pre-COVID-19 historical re-sale ship values approximated their book values. Since the start of COVID-19, ship sales have taken place at values significantly below their book value. Management has estimated that this trend will normalize in the coming years. In addition, future climate change related regulations may have an impact on the period over which the vessels will be of economic benefit to the company. Management determined that there were no changes in residual values of ships which are assigned at 15% of the original ship cost.

The Directors considered, if materially different conditions existed, or if there was a material change in assumptions of ship useful lives and residual values, depreciation expense, loss on retirement of ship components and net book value of ships would be materially different. 2021 ship depreciation expense would have increased by approximately $18 million assuming management reduced its estimated 30-year ship useful life estimate by one year at the time it took delivery or acquired each of its ships. In addition, the 2021 ship depreciation expense would have increased by approximately $91 million assuming management had estimated its ships to have no residual value.

At November 30, 2021, the cost of assets under construction, which are included in the above table, totaled $1.1 billion ($0.9 billion at November 30, 2020).

At November 30, 2021, the net book value of assets is shown after deducting government construction grants of $50 million ($57 million at November 30, 2020).

Capitalised interest amounted to $43 million in 2021 ($33 million in 2020). The interest capitalisation rate is based on the weighted-average interest rates applicable to borrowings within the DLC during each period. During 2021, the average capitalisation rate was 5.8% (2020 3.7%).

Sales of Ships

During 2021, we completed the sale of one EA segment ship, which represents a passenger-capacity reduction of 1,180 berths for our EA segment.

NOTE 11 — Leases

Substantially all of our leases for which we are the lessee are leases of port facilities and real estate and are included within right-of-use assets, long-term lease liabilities and the current portion of lease liabilities in our Consolidated Balance Sheet as of November 30, 2021.

We have port facilities and real estate lease agreements with lease and non-lease components, and in such cases, we account for the components as a single lease component.

We do not recognize lease assets and lease liabilities for any leases with an original term of less than one year. For some of our port facilities and real estate lease agreements, we have the option to extend our current lease term by 1 to 10 years. Generally, we do not include renewal options as a component of our present value calculation as we are not reasonably certain that we will exercise the options.

As most of our leases do not have a readily determinable implicit rate, we estimate the incremental borrowing rate ("IBR") to determine the present value of lease payments. We apply judgement in estimating the IBR including considering the term of the lease, the currency in which the lease is denominated, and the impact of collateral and our credit risk on the rate.

Certain of our agreements stipulate potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The balance sheet shows the following amounts related to leases:

(in millions)	November 30, 2021	November 30, 2020
Right-of-use assets		
Port facilities	$ 185	$ 149
Real estate	132	148
Other	16	19
	$ 333	$ 315
Lease liabilities		
Current	$ 35	$ 43
Non-current	298	277
	$ 333	$ 320

We depreciate our lease assets on a straight-line basis over the shorter of the asset's useful life and the lease term. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Statements of Income (Loss) shows the following amounts relating to leases:

(in millions)	Year Ended November 30, 2021	2020
Depreciation charge of right-of-use assets		
Port facilities	$ 23	$ 17
Real estate	17	16
Other	2	18
	$ 42	$ 52
Interest expense	$ 14	$ 8
Impairment charges (a)	$ —	$ 20

(a) Due to the pause in guest cruise operations, during 2020 we fully impaired one of our right-of-use assets from which we no longer expect to realize any economic benefit prior to the end of the lease.

Variable and short-term costs related to leases were not material to our consolidated financial statements. The cash outflow for leases was materially consistent with lease expense recognized during 2021 and 2020. Refer to Note 25 — "Supplemental Cash Flow Information" for more details.

During 2021, we obtained $61 million of right-of-use assets in exchange for new lease liabilities.

As of November 30, 2021, maturities of lease liabilities were as follows:

(in millions)	
2022	$ 50
2023	48
2024	44
2025	39
2026	35
Thereafter	206
Total lease payments	$ 423

NOTE 12 — Goodwill

The changes in the carrying amounts of our goodwill were as follows:

	Goodwill	
(in millions)	Group	Company
At November 30, 2019	$ 582	$ 142
Impairment charges	(310)	—
Exchange movements	13	4
At November 30, 2020	284	146
Impairment charges	(280)	(148)
Exchange movements	(5)	2
At November 30, 2021	$ —	$ —

As a result of the gradual resumption of guest cruise operations and its effect on our expected future operating cash flows, we performed interim discounted cash flow analyses for all cash-generating units with goodwill as of May 31, 2021, and determined there was no impairment. As of July 31, 2021, we performed our annual goodwill and impairment reviews and determined there was no impairment.

As of November 30, 2021, as a result of the continued gradual resumption of guest cruise operations, ongoing impacts of COVID-19 and its effect on our expected future operating cash flows and the heightened risk of future regulatory costs associated with climate change, we performed impairment analyses using discounted cash flows for two of our EA segment CGUs as of November 30, 2021 and accordingly we have determined their estimated fair values no longer exceeded their carrying values. As a result, we recognized goodwill impairment charges of $280 million and accordingly have no remaining goodwill for our EA segment CGUs.

During 2020, we performed interim discounted cash flow analysis for one of our EA segment CGUs as of February 29, 2020 and for all CGUs with goodwill as of May 31, 2020 and recognized goodwill impairment charges of $310 million. As of July 31, 2020, we performed our annual goodwill impairment reviews and determined there was no incremental impairment for goodwill at our annual test date.

For the impairment reviews, the estimated recoverable amounts were based on the higher of the cruise brands' fair value less cost of disposal and its value in use. Recoverable amounts for our brands that carried goodwill were determined using a discounted future cash flow analysis, after which a terminal growth rate was applied.

The determination of our CGUs' fair value includes numerous estimates and underlying assumptions that are subject to various risks and uncertainties. The effect of COVID-19 and the gradual resumption of guest cruise operations have created additional uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. We believe that we have made reasonable estimates and judgments. The assumptions resulting in key sources of estimation uncertainty, all of which are considered Level 3 inputs, used in our cash flow analyses consisted of:

- The timing and pace of our full return to guest cruise operations

- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate (“WACC”), ranged from 8.6% to 9.4% in the most recent analyses (from 10.5% to 12.6% in 2020)

Other assumptions used in our cash flow analyses consists of:

- Medium term growth in net cruise revenue (cruise revenue net of our most significant variable costs) at a level that approximates historical increases
- Increased operating costs due to enhanced COVID-19 related health and safety protocols
- Capital expenditures for our ships in order to comply with, or exceed, all relevant legal and statutory requirements related to HESS and sustainability
- Fuel price
- Climate change related regulatory costs within a range of current market expectations (starting at $50 per metric ton of carbon emissions and increasing over time)

The cash flows were estimated based on those a market participant would expect to derive from the businesses. In determining an estimate of future cash flows for all the cruise brands, we considered relevant past experience.

Refer to Note 2 — “Summary of Significant Accounting Judgements and Significant Accounting Policies” for additional discussion.

Key Judgement — Determination of whether a triggering event occurred

The Directors considered whether the carrying value of our EA segment CGUs’ goodwill and the investment in Costa Crociere held by Carnival plc should be impaired. As a result of the continued gradual resumption of guest cruise operations, ongoing impacts of COVID-19 and its continued effect on our expected future operating cash flows, management made the judgement that interim triggering events had occurred and performed discounted cash flow analyses for these cash-generating units and investment in subsidiary as of November 30, 2021.

Key Estimate — Determination of the timing and pace of return to guest cruise operations and WACC

The estimates in relation to the impairment assessments largely relate to the assumptions underlying the calculation of the CGU’s recoverable amounts which were based on the higher of the respective cruise brands’ fair value less the cost of disposal and its value in use. The Directors evaluated the key assumptions which consisted of the timing and pace of our full return to guest cruise operations and the WACC. The Directors performed this evaluation using information received from management outlining the basis for assumptions used, including cash flow projections.

NOTE 13 — Other Assets

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Investments in associates and joint ventures	$ 222	$ 545	$ 76	$ 377
Credit card reserves	110	44	110	44
VAT receivables	84	71	—	—
Debt issuance costs	71	53	71	53
Pension Assets	56	22	56	22
Other long-term assets and other receivables	194	230	152	164
	$ 737	$ 966	$ 465	$ 660

The Group had gross deferred tax assets of $132 million at November 30, 2021 ($145 million at November 30, 2020) and the Company had gross deferred tax assets of $105 million at November 30, 2021 ($105 million at November 30, 2020), which were not recognized.

We have a minority interest in the White Pass & Yukon Route (“White Pass”) that includes port, railroad and retail operations in Skagway, Alaska. White Pass provided an immaterial amount of services to us in 2021, White Pass provided no services to us in 2020. Due to the effects of COVID-19 on the 2021 Alaska season, we evaluated whether our investment in White Pass was impaired and performed an impairment assessment. As a result of our assessment, we recognized an impairment charge of $17 million, for our investment in White Pass in other income (expense), net. As of November 30, 2021, our investment in White Pass was $76 million, consisting of $49 million in equity and a loan of $27 million. As of November 30, 2020, our investment in White Pass was $94 million, consisting of $75 million in equity and a loan of $19 million.

We have a minority interest in CSSC Carnival Cruise Shipping Limited ("CSSC-Carnival"), a China-based cruise company which will operate its own fleet designed to serve the Chinese market. As of November 30, 2021 and 2020, our investment in CSSC-Carnival was $119 million and $140 million. During 2020, we sold to CSSC-Carnival a controlling interest in an entity with full ownership of two EA segment ships and recognized a related gain of $107 million, included in other operating expenses in our Consolidated Statements of Income (Loss). During 2021, we sold to CSSC-Carnival our remaining $283 million investment in the minority interest of the same entity. During 2021 and 2020, we made capital contributions to CSSC-Carnival in the amount of $90 million and $81 million, respectively. For the years ending November 30, 2021 and 2020, we paid CSSC-Carnival a total of $55 million for the lease of ships.

During 2020, in connection with sales of certain ships, we recognized impairment charges related to outstanding receivable balances of $128 million.

Refer to Note 23 — "Contingencies" for discussion regarding credit card processor reserve funds which are also included in the other assets balance on the Consolidated Balance Sheets.

NOTE 14 — Investments in Subsidiaries

	Investments in Subsidiaries	
(in millions)	**2021**	**2020**
At December 1	$ 6,240	$ 5,457
Additions	2,647	1,282
Impairments	(1,717)	(134)
Disposals	—	(473)
Exchange movements	(29)	108
At November 30	$ 7,141	$ 6,240

At November 30, 2021, the Company's principal operating subsidiary was Costa Crociere S.p.A. ("Costa Crociere"), which owns and operates the Costa and AIDA cruise brands. In 2020, the Company reduced its investment in this subsidiary by $428 million as part of the sale to CSSC-Carnival of its remaining interest in an entity with full ownership of two EA segment ships. During 2021 and 2020, the Company made capital contributions of $2.3 billion and $1.2 billion, respectively, to Costa Crociere to provide liquidity, including financing of new ships, due to the global impact of COVID-19. As of November 30, 2021, as a result of the continued gradual resumption of guest cruise operations, ongoing impacts of COVID-19 and its effect on our expected future operating cash flows, we performed impairment analyses using discounted cash flows for our investment in Costa Crociere. As a result, we recognized an impairment charge of $1.6 billion. The Directors considered a 5% reduction in capacity in service as a consequence of possible disruptions in guest cruise operations and an increase in the discount rate by 10 basis points would lead to an additional indicative impairment of $124 million against our investment in Costa Crociere. Refer to Note 12 — "Goodwill" for additional discussion on estimates and assumptions used in determining fair value.

During 2021 and 2020, the Company made capital contributions of $90 million and $81 million, respectively, to a subsidiary. In 2021 the Company recognized an impairment of $104 million in this subsidiary.

During 2021 and 2020, the Company recorded impairments of $8 million and $134 million, respectively, to one of its subsidiaries that formerly owned the ships operated by the Ibero Cruise brand and ceased trading during 2020. During 2020, the Company also recorded a reduction in its investment in this subsidiary of $44 million to reflect cash returned from the subsidiary.

During 2021, the Company made capital contributions of $163 million of cash to a newly formed subsidiary which was used to acquire assets from Costa Crociere, contributed assets with a value of $55 million to another newly formed subsidiary and contributed cash of $50 million to another one of its subsidiaries to provide liquidity.

Cunard, P&O Cruises (Australia) and P&O Cruises (UK) are divisions of the Company.

The Company's undertakings, whose ownership interest is through ordinary shares, including the UK subsidiaries exempt from the requirement to prepare individual audited accounts or individual accounts at November 30, 2021 were as follows:

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
United Kingdom			
Carnival (UK) Limited	100.0%	03141044	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
Carnival Port Holdings Limited (a) (b)	100.0%	11523367	Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST
Carnival Technical Services (UK) Limited (b)	100.0%	10613960	Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST
Costa Cruise Lines UK Limited (a) (c)	99.9%	02482631	Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST
P&O Princess American Holdings (a)	100.0%	01453164	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
P&O Princess Cruises International Limited (b)	100.0%	03902746	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
P&O Princess Cruises Pension Trustee Limited (a)	100.0%	04069014	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
P&O Travel Limited (a) (b) (c)	100.0%	00773151	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
SeaVacations Limited (a) (b)	100.0%	03681272	Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST
SeaVacations UK Limited (b) (c)	100.0%	03633566	Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST
Argentina			
Costa Cruceros S.A. (c)	99.9%		Avenida Corrientes, 327, Piso 10º, Buenos Aires
Australia			
A. C. N. 098 290 834 Pty. Ltd.	100.0%		Level 5, 465 Victoria Avenue Chatswood NSW 2067

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
Bermuda			
Fleet Maritime Services (Bermuda) Limited	100.0%		3rd Floor, Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton
Fleet Maritime Services Holdings (Bermuda) Limited	100.0%		3rd Floor, Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton
Fleet Maritime Services International Limited	100.0%		3rd Floor, Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton
Brazil			
Costa Cruzeiros Agencia Maritime e Turismo Ltda. (c)	99.9%		Av. Paulista, 460, 9º — 10º andar, Bela Vista, São Paulo, SP 01310.100
Ibero Cruzeiros Ltda. (c)	99.9%		Av. Paulista, 460, 10º andar, Bela Vista, São Paulo, SP 01310.100
Canada			
Westmark Hotels of Canada, Ltd. (c)	100.0%		2900-550 Burrard Street, Vancouver, British Columbia, V6C0A3
China			
Carnival Corporation Hong Kong Limited	100.0%		Unit 1207, The Gateway Tower 1, Harbour City, Kowloon, Hong Kong
Costa Cruises Shipping Services (Shanghai) Company Limited (c)	99.9%		Room 276, No 58 Wu Hua Road, Hongkou District, Shanghai
Costa Cruises Travel Agency (Shanghai) Co., Ltd. (c)	99.9%		Room 712, Floor 7, No 710 Siping Road, Hongkou District, Shanghai
CSSC Carnival Cruise Operations Limited (c)	40.0%		3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
CSSC Carnival Cruise Shipping Limited (c)	40.0%		3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
CSSC Carnival (Shanghai) Cruise Shipping Limited (c)	40.0%		Floor 1, Building 2, No. 1328 Yixian Road, Baoshan District, Shanghai, 200439
Global Shipping Service (Shanghai) Co., Ltd.	100.0%		Room 3601L, No. 9, Lane 360 Feihong Road, Hongkou District, Shanghai
Shanghai Coast Cruise Consulting Co. Lda (c)	50.0%		Room 274, No 58 WuHua Road, Hongkou District, Shanghai
World Leading Cruise Management (Shanghai) Co., Ltd. (c)	99.5%		Room 1501-36, No. 8, Lane 803, Shuang Cheng Road, Baoshan District, Shanghai
Curacao			
Cruise Ships Catering & Services International N.V. (c)	99.9%		Kaya Flamboyan 9, Curaçao, P.O. Box 812
Milestone N.V. (c)	99.9%		Kaya Flamboyan 9, Curaçao, P.O. Box 812
Prestige Cruises N.V. (c)	99.9%		Kaya Flamboyan 9, Curaçao, P.O. Box 812
Spanish Cruise Services N.V. (c)	99.9%		Kaya Flamboyan 9, Curaçao, P.O. Box 812
Dominican Republic			
Operadora Catalina S.r.L. (c)	99.9%		Muelle Turistico Buena Vista Sur

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
			S/n La Romana
Finland			
Carnival Technical Services Finland Limited (c)	100%		Telakkakatu 1, 20240 Turku, FI-20240
France			
Chantier Naval de Marseille SAS (c)	33.3%		Terre Plein de Mourepiane — Porte 4, 13015 Marseille
Marseille Provence Cruise Terminal SAS (c)	50.0%		Marseille Provence Cruise Terminal, Terminal Croisieres, 13016 Marseille
French Polynesia			
F.P.M. SAS (c)	100.0%		C/O Mamao Bureaux, 121 Avenue Georges Clemenceau, BP 43503 Fare Tony, Papeete
Germany			
AIDA Kundencenter GmbH (c)	99.9%		Am Strande 4, 18055 Rostock
Carnival Maritime GmbH (c)	99.9%		Großer Grasbrook 9, 20457 Hamburg
Carnival Technical Services GmbH (c)	100.0%		Am Strande 4, 18055 Rostock
AIDAradio GmbH (c)	99.9%		Seilerstrasse 41-43, 20359 Hamburg
HSE Hamburg School of Entertainment GmbH (c)	99.9%		Seilerstraße 41-43, 20359 Hamburg
India			
Carnival Support Services India Private Limited (c)	100.0%		Kohinoor City, Tower 2, Floor 5, Kirol Road, Off. LBS. Marg, Kurla West, Mumbai — 400070
Italy			
APVS S.r.L. (c)	12.0%		Fondamenta San Basilio, Fabbricato 16, 30123 Venezia
Costa Crociere S.p.A.	99.9%		Piazza Piccapietra 48, 16121 Genova
Costamed Ship Services S.r.L. (c)	50.0%		Calata delle Vele, Darsena Nuova, Palacrociere, 17100 Savona
CSSC Carnival Italy Cruise Investment S.r.L (c)	40.0%		Piazza Piccapietra, 48 , 16121 Genova
Ecospray Technologies S.r.L. (c)	31.9%		Via Ricotti, 5, 27058, Voghera, Pavia
Finpax S.r.L. (c)	21.5%		Ses San Marco 2568, 30124 Venezia
Navitrans S.R.L.	100.0%		Via Alcide de Gaspari 45, 80311 Napoli
Piccapietra Finance S.r.l.	100.0%		Piazza Piccapietra, 48 , 16121 Genova
Roma Cruise Terminal S.r.L. (c)	33.3%		Via Darsena Romana, 11, 00053 Civitavecchia, Rome
Spezia & Carrara Terminal S.R.L. (c)	33.0%		Largo Michele Fiorillo 19124 La Spezia
Stazioni Maritime S.p.A. (c)	13.3%		Ponte Dei Mille 1, 16126 Genova
Terminal Napoli S.p.A. (c)	22.5%		Stazione Marittima Molo

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
			Angioino, 80133 Napoli
Trieste Adriatic Maritime Initiatives S.r.L. (c)	34.5%		Punto Franco Vecchio SNC, 34145, Capannone 1, Trieste
Venezia Investimenti S.r.L (c)	25.0%		Via Domenico Fiasella 16/5, 16121, Genova
Venezia Terminal Passeggeri S.p.A. (c)	11.1%		Fabbricato 248, 30100 Venezia
Welcome Travel Group S.p.A. (c)	50.0%		Via Ernesto Lugaro 15, 10100 Torino
West Sicily Gate S.r.L. (c)	50.0%		Via Trapani 1/D, 90141, Palermo
Zena Cruise Terminal S.R.L (c)	40.0%		Piazza Piccapietra 48, 16121 Genova
Japan			
Carnival Corporation Ports Group Japan KK (c)	99.9%		Sanno Park Tower 12F, 2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Carnival Japan, Inc.	100.0%		Daiwa Ginza Bldg., 6F., 6-2-1 Ginza Chuo-Ku, Tokyo 104-0061
Korea			
Carnival Corporation Korea Ltd.	100.0%		6F (Mugyo-dong), 21 Mugyo-ro, Jung-gu, Seoul, South Korea
Mexico			
Cozumel Cruise Terminal S.A. de C.V.	100.0%		Carretera a Chankannab Km 4.5 Interior Puerta Maya Cozumel, Quintana Roo
Cruise Terminal Services S.A. de C.V. (c)	100.0%		Carretera a Chankannab Km 4.5 Interior Puerta Maya Cozumel, Quintana Roo
International Cruise Services, S.A. de C.V.	100.0%		c/o RVA Abogados, S.C., Rio Duero 31, Col. Cuauhtemoc, Del. Cuauhtemoc, Mexico City 06500
International Maritime Recruitment Agency, S.A. de C.V.	100.0%		c/o RVA Abogados, S.C., Rio Duero 31, Col. Cuauhtemoc, Del. Cuauhtemoc, Mexico City 06500
Monaco			
Prestige Cruises Management S.A.M. (c)	96.0%		Siège de la liquidation: 42 Boulevard d'Italie Monte-Carlo
Netherlands			
Costa International B.V. (c)	99.9%		Telestone 8 — Teleport, Naritaweg 165, 1043 BW, Amsterdam
CSMART Real Estate B.V. (c)	99.9%		Zeeduinweg 9, 1361BG Almere
CSMART Real Estate C.V.	100.0%		Zeeduinweg 9, 1361BG Almere
Portugal			
Grand Cruise Shipping Unipessoal LdA	100.0%		Rua Dr. Brito Câmara nº20, 1º — 9000-039 Funchal, Madeira
Singapore			
Carnival Corporation & plc Asia Pte. Ltd.	100.0%		80 Raffles Place #32-01 UOB Plaza, 048624
Costa Crociere PTE Ltd. (c)	99.9%		160 Robinson Road #26 — 04 Singapore 068914
Spain			
Barcelona Cruise Terminal SLU (c)	99.9%		Vial Moll Adossat, 122 Terminal

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
			D&E. Port de Barcelona 08039 Barcelona
Costa Cruises Customer Center SLU (c)	99.9%		Calle Roc Boronat nº 147, Planta 10, 08018, Barcelona
Holding Division Iberocruceros SLU (c)	99.9%		Avda. De burgos, 89c edificio 3 planta 4°, Las Tablas, Ciudad Empresarial Adequa, 28050 Madrid
Iberocruceros SLU (c)	99.9%		Avda. De burgos, 89c edificio 3 planta 4°, Las Tablas, Ciudad Empresarial Adequa, 28050 Madrid
Santa Cruz Terminal, S.L (c)	99.9%		Muelle de Ribera de la Dársena de Anaga del Puerto de Santa Cruz de Tenerife — 38001 Santa Cruz de Tenerife
Switzerland			
Air-Sea Holiday GmbH (c)	99.9%		Dornacherplatz 7, 4500 Solothurn
Costa Kreuzfahrten GmbH (c)	99.9%		Stampfenbachstrasse 61, 8006 Zurich
Turkey			
Costa Cruises Turkey Turizm Gelisim A.S. (c)	90.0%		Beştepe Mah., Mertebe Sok., Cavcav Apt. No 13/3, Yenimahalle / Ankara
United Arab Emirates			
Shamal Venture Cruise Terminal LLC (c)	49.0%		303 Emaar Square Building Bur Dubai Burj Khalifa, Dubai
United States			
1972 Productions, Inc. (c)	100.0%		3655 N.W. 87th Avenue, Miami, Florida 33178
A.J. Juneau Dock, LLC (c)	50.0%		1429 Tongass Avenue, Ketchikan, Alaska 99901
Alaska Hotel Properties LLC (c)	100.0%		Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
CC U.S. Ventures, Inc. (c)	100.0%		3655 N.W. 87th Avenue, Miami, Florida 33178
Costa Cruise Lines Inc. (c)	99.9%		880 SW 145th Ave, Suite 102, Pembroke Pines, Florida 33027
Gibs, Inc. (c)	100.0%		1209 Orange Street, Wilmington, Delaware, 19801
Global Experience Innovators, Inc. (c)	100.0%		3655 N.W. 87th Avenue, Miami, Florida 33178
Global Fine Arts, Inc. (c)	100.0%		24305 Town Center Drive, Santa Clarita, California 91355
Holland America Line Inc. (c)	100.0%		450 Third Avenue West, Seattle, Washington 98119
Holland America Line U.S.A., Inc. (c)	100.0%		450 Third Avenue West, Seattle, Washington 98119
Ketchikan Dock Company, LLC (c)	30.0%		55 Schoenbar Ct, Suite 201, Ketchikan, Alaska 99901

Companies (Countries of Incorporation)	Ownership Interest	UK Companies House Registration Number	Address of Companies' Registered Office
Klondike Holdings, LLC	45.0%		251 Little Falls Drive, Wilmington, Delaware 19808
Odds On Gaming Corporation	100.0%		Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
P&O Properties (California), Inc. (c)	100.0%		24305 Town Center Drive, Santa Clarita, California 91355
Princess Cruises and Tours, Inc. (c)	100.0%		1201 North Market Street, 18th Floor, Wilmington, Delaware 19081
Princess U.S. Holdings, Inc. (c)	100.0%		24305 Town Center Drive, Santa Clarita, California 91355
Royal Hyway Tours, Inc. (c)	100.0%		C/O CT Corporation System, 9630 Glacier Highway, Suite 202, Juneau, Alaska 99801
Skagway Port & Rail, Inc. (c)	45.0%		601 Union Street #3920, Seattle, Washington 98101
Tour Alaska, LLC (c)	100.0%		Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
Westmark Hotels, Inc. (c)	100.0%		C/O CT Corporation System, 9630 Glacier Highway, Suite 202, Juneau, Alaska 99801
Westours Motor Coaches, LLC (c)	100.0%		CT Corporation System, 711 Capitol Way S STE 204, Olympia, Washington 98501
Vanuatu			
Carnival Vanuatu Limited	100.0%		Law Partners House, Kumul Highway, Port Vila, Vanuatu

(a) Exempt from preparing individual accounts by virtue of Section 394A of the Companies Act 2006 and from filing individual accounts by virtue of Section 448A of the Companies Act 2006.

(b) Exempt from preparing individual audited accounts by virtue of Section 479A of the Companies Act 2006.

(c) Not directly owned by Carnival plc.

In order to obtain the above filing exemptions, the Company will guarantee the outstanding liabilities to which each of the above companies is subject at November 30, 2021.

NOTE 15 — Debt and Interest Expense

	Group			
			November 30,	
(in millions)	**Maturity**	**Rate (a) (c)**	**2021**	**2020**
Secured Debt				
Loans				
EUR fixed rate (b)	Jul 2024 – May 2025	5.5 – 6.2%	$ 98	$ 136
EUR floating rate (b)	Oct 2026	EURIBOR + 2.7%	57	72
Total Secured Debt			155	207
Unsecured Debt				
Notes				
EUR Notes	Oct 2029	1.0%	679	718
Loans				
EUR fixed rate	Mar 2021 – Sep 2021	0.3 – 3.9%	—	32
Floating rate	Feb 2023	LIBOR + 4.5%	290	—
GBP floating rate	Feb 2025	GBP LIBOR + 0.9%	467	466
EUR floating rate	Dec 2022 – Mar 2026	EURIBOR + 0.3 – 4.4%	1,132	1,555
Export Credit Facilities				
Floating rate	Dec 2026	LIBOR + 1.5%	26	—
EUR floating rate	May 2024 – Dec 2032	EURIBOR + 0.2 – 1.6%	1,200	260
Fixed rate	Dec 2032	2.7%	623	—
EUR fixed rate	Feb 2031 – Jul 2033	1.1 – 1.6%	1,551	1,159
Total Unsecured Debt			5,967	4,190
Total Debt			6,122	4,398
Less: unamortized debt issuance costs			(198)	(81)
Plus: debt modification loss			45	56
Total Debt, net of unamortized debt issuance costs and debt modification loss			5,969	4,373
Less: current portion of long-term debt			(486)	(350)
Long-Term Debt			$ 5,484	$ 4,023

	Company			
			November 30,	
(in millions)	**Maturity**	**Rate (a) (c)**	**2021**	**2020**
Unsecured Debt				
Notes				
EUR Notes	Oct 2029	1.0%	$ 679	$ 718
Loans				
EUR fixed rate	Sep 2021	3.9%	—	30
Floating rate	Feb 2023	LIBOR + 4.5%	290	—
EUR floating rate	Apr 2023	EURIBOR + 1.8%	340	538
GBP floating rate	Feb 2025	GBP LIBOR + 0.9%	467	466
Export Credit Facilities				
Floating rate	Dec 2026	LIBOR + 1.5%	26	—
EUR floating rate	May 2024 – Dec 2032	EURIBOR + 0.2 – 1.6%	1,200	260
Fixed rate	Dec 2032	2.7%	623	—
EUR fixed rate	Feb 2031 – Jul 2033	1.1% – 1.6%	1,551	1,159
Total Unsecured Debt			5,175	3,172
Total Debt			5,175	3,172
Less: unamortized debt issuance costs			(194)	(77)
Plus: debt modification loss			20	4
Total Debt, net of unamortized debt issuance costs and debt modification loss			5,001	3,099
Less: current portion of long-term debt			(264)	(304)
Long-Term Debt			$ 4,738	$ 2,794

The scheduled maturities of our debt are as follows:

	November 30, 2021	Group					
(in millions)	**Rate (a) (c)**	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Secured Debt							
Loans							
EUR fixed rate (b)	5.5 – 6.2%	$ 30	$ 30	$ 30	$ 8	$ —	$ —
EUR floating rate (b)	EURIBOR + 2.7%	11	11	11	11	11	—
Total Secured Debt		41	41	41	19	11	—
Unsecured Debt							
Notes							
EUR Notes	1.0%	—	—	—	—	—	679
Loans							
Floating rate	LIBOR + 4.5%	—	290	—	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	93	374	—	—
EUR floating rate	EURIBOR + 0.3 – 4.4%	170	490	189	189	94	—
Export Credit Facilities							
Floating rate	LIBOR + 1.5%	5	10	10	10	10	5
EUR floating rate	EURIBOR + 0.2 – 1.6%	106	212	198	149	121	484
Fixed rate	2.7%	29	54	54	54	54	352
EUR fixed rate	1.1 – 1.6%	74	144	144	144	144	832
Total Unsecured Debt		383	1,200	688	919	423	2,353
Total Debt		$ 425	$ 1,242	$ 730	$ 938	$ 434	$ 2,353

	November 30, 2021	Company					
(in millions)	**Rate (a) (c)**	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Unsecured Debt							
Notes							
EUR Notes	1.0%	$ —	$ —	$ —	$ —	$ —	$ 679
Loans							
Floating rate	LIBOR + 4.5%	—	290	—	—	—	—
EUR floating rate	EURIBOR + 1.8%	—	340	—	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	93	374	—	—
Export Credit Facilities							
Floating rate	LIBOR + 1.5%	5	10	10	10	10	5
EUR floating rate	EURIBOR + 0.2 – 1.6%	106	212	198	149	121	484
Fixed rate	2.7%	29	54	54	54	54	352
EUR fixed rate	1.1 – 1.6%	74	144	144	144	144	832
Total Unsecured Debt		214	1,049	500	730	329	2,353
Total Debt		$ 214	$ 1,049	$ 500	$ 730	$ 329	$ 2,353

(in millions)	November 30, 2020 Rate (a) (c)	Group 2021	2022	2023	2024	2025	Thereafter
Secured Debt							
Loans							
EUR fixed rate (b)	5.5 – 6.2%	$ 32	$ 32	$ 32	$ 32	$ 8	$ —
EUR floating rate (b)	EURIBOR + 2.7%	12	12	12	12	12	12
Total Secured Debt		43	44	44	44	20	12
Unsecured Debt							
Notes							
EUR Notes	1.0%	—	—	—	—	—	718
Loans		—					
EUR fixed rate	0.3% – 3.9%	32	—	—	—	—	—
EUR floating rate	EURIBOR + 0.3 – 4.4%	179	748	628	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	—	93	373	—
Export Credit Facilities							
EUR floating rate	EURIBOR + 0.2 – 1.5%	43	86	86	72	25	—
EUR fixed rate	1.1%	52	103	103	103	103	644
Total Unsecured Debt		306	937	817	268	500	1,362
Total Debt		$ 350	$ 981	$ 861	$ 312	$ 520	$ 1,374

(in millions)	November 30, 2020 Rate (a) (c)	Company 2021	2022	2023	2024	2025	Thereafter
Unsecured Debt							
Notes							
EUR Notes	1.0%	$ —	$ —	$ —	$ —	$ —	$ 718
Loans							
EUR fixed rate	3.9%	30	—	—	—	—	—
EUR floating rate	EURIBOR + 1.8 – 2.5%	179	—	359	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	—	93	373	—
Export Credit Facilities							
EUR floating rate	EURIBOR + 0.2 – 1.5%	43	86	86	72	25	—
EUR fixed rate	1.1%	52	103	103	103	103	644
Total Unsecured Debt		305	189	548	268	500	1,362
Total Debt		$ 305	$ 189	$ 548	$ 268	$ 500	$ 1,362

(a) Substantially all of our variable debt has 0% floors.

(b) Secured by collateral, which includes vessels and material intellectual property of Carnival Corporation & plc with a net book value of $25.6 billion and $27.8 billion as of November 30, 2021 and 2020, respectively.

(c) The above debt tables do not include the impact of our interest rate swaps. The interest rates on some of our debt, and in the case of Carnival Corporation & plc's Revolving Facility, fluctuate based on the applicable rating of senior unsecured long-term securities of Carnival Corporation or Carnival plc.

Revolving Credit Facilities

Amounts outstanding under Carnival Corporation & plc's ($1.7 billion, €1.0 billion and £0.2 billion) multi-currency revolving credit facility (the "Revolving Facility") were drawn by Carnival Corporation in 2020 for an initial six-month term. Carnival Corporation & plc may continue to re-borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility. Carnival Corporation & plc had $0.2 billion available for borrowing under our Revolving Facility as of November 30, 2021. The Revolving Facility also includes an emissions linked margin adjustment whereby, after the initial applicable margin is set per the margin pricing grid, the margin may be adjusted based on performance in achieving certain agreed annual carbon emissions goals. Carnival Corporation & plc is required to pay a commitment fee on any unutilized portion.

Debt Holidays

In 2021, we amended all of our export credit facilities to defer approximately $0.3 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years. The cumulative deferred principal amount of the debt holiday amendments, inclusive of the amendments entered into in 2020, is approximately $0.5 billion. In addition, these amendments aligned the financial covenants of all our export credit facilities with our other facilities.

Covenant Compliance

Carnival Corporation & plc's Revolving Facility, unsecured loans and our export credit facilities, as of January 13, 2022, contain one or more covenants that require Carnival Corporation & plc to:

- Maintain minimum interest coverage (EBITDA to consolidated net interest charges (the "Interest Coverage Covenant")) at the end of each fiscal quarter from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 for the February 28, 2024 testing date onwards, or through their respective maturity dates
- Maintain minimum shareholders' equity of $5.0 billion
- From the November 30, 2021 testing date until the May 31, 2023 testing date, the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards
- Maintain minimum liquidity of $1.0 billion through February 29, 2024
- Adhere to certain restrictive covenants through November 30, 2024
- Restrict the granting of guarantees and security interests for certain of our outstanding debt through November 30, 2024
- Limit the amounts of our secured assets as well as secured and other indebtedness

At November 30, 2021, Carnival Corporation & plc was in compliance with the applicable covenants under its debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of its outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. Any financial covenant amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable.

Carnival Corporation or Carnival plc and certain of our subsidiaries have guaranteed substantially all of our indebtedness.

During the years-ended November 30, 2021 and November 30, 2020, we recognized a gain on modification of debt of $9 million and a loss on modification of $55 million, respectively, as part of interest expense, net of capitalized interest in the accompanying Group Statements of Income (Loss). During the year-ended November 30, 2021, we recognized a loss on modification of debt of $17 million as part of interest expense, net of capitalized interest in the accompanying Company Statements of Income (Loss). During the year-ended November 30, 2020, there was no gain or loss on modification of debt recognized as part of interest expense, net of capitalized interest in the accompanying Company Statements of Income (Loss). Our interest expense, net of capitalized interest is primarily related to our debt balance.

NOTE 16 — Other Long-Term Liabilities

	Group		Company	
	November 30,			
(in millions)	2021	2020	2021	2020
Customer deposits	$ 98	$ 97	$ 79	$ 76
Guest, crew and other claims	94	70	47	19
Income taxes	50	43	—	—
Deferred income taxes	17	12	—	—
Post-employment benefits	32	18	16	—
Other long-term liabilities	13	34	6	10
	$ 304	$ 275	$ 149	$ 104

The Group and Company guest, crew and other claims include estimated liabilities for crew, guest and other third-party claims. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions.

Refer to Note 2 — "Summary of Significant Accounting Judgements and Significant Accounting Policies" for additional information.

The changes in our guest, crew and other claims were as follows:

	Claims Reserves	
(in millions)	Group	Company
At November 30, 2020	$ 70	$ 19
Additional provisions	47	30
Paid losses	(13)	(1)
Reversals	(10)	—
At November 30, 2021	$ 94	$ 47

Deferred income taxes are principally related to differences between (1) the book and tax methods of calculating depreciation expense in our Holland America Princess Alaska Tours business and other North America operations and (2) the timing of recognizing our Cozumel, Mexico port hurricane insurance settlement.

NOTE 17 — Share Capital

(in millions)	Number of Shares	Share Capital
At November 30, 2019	217.3	$ 358
Ordinary shares issued and fully paid	0.1	2
At November 30, 2020	217.4	361
Ordinary shares issued and fully paid	—	—
At November 30, 2021	217.4	$ 361

There were 32.4 million shares held as treasury stock at November 30, 2021 (34.7 million shares were held as treasury stock at November 30, 2020).

The Company has two allotted and issued subscriber shares of £1 each, that carry no voting rights and no right to receive any dividend or any amount paid on return of capital. The Company has one special voting share of £1 issued to Carnival Corporation in connection with the DLC transaction to enable Carnival Corporation's shareholders to vote as a group on Company shareholder matters. At November 30, 2021 and 2020, the Company had 50,000 allotted but unissued redeemable preference shares of £1 each. The preference shares, which carry no voting rights, rank behind other classes of shares in relation to the payment of capital on certain types of distributions from the Company.

NOTE 18 — Reserves and Other Equity Activity

The Group merger reserve arose from the difference between the book value and the fair value of certain businesses sold to Carnival Corporation during 2004 as part of a DLC corporate restructuring, which was accounted for as a group reconstruction.

The income attributable to shareholders of the Company was $3.0 billion loss in 2021 ($1.4 billion loss in 2020). The 2021 loss did not include dividends from subsidiaries. The 2020 loss included $15 million of dividends from subsidiaries.

Share Repurchase Program

Under a share repurchase program effective 2004 (as revised periodically thereafter), we had been authorized to repurchase Carnival Corporation common stock and Carnival plc ordinary shares (the "Repurchase Program"). On June 15, 2020, to enhance our liquidity and comply with restrictions in our recent financing transactions, the Boards of Directors terminated the Repurchase Program.

Our repurchases under the Repurchase Program were as follows:

	Carnival plc	
(in millions)	**Number of Shares Repurchased**	**Dollar Amount Paid for Shares Repurchased**
2020	0.2	$ 10

To enhance our liquidity, as well as to comply with the dividend restrictions contained in our debt agreements, in 2020 we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc. We previously declared quarterly cash dividends on all of our ordinary shares of $0.50 per share which resulted in $91 million of dividends declared for the quarter ended February 29, 2020.

Carnival plc dividends are declared in U.S. dollars. If declared, holders of Carnival plc American Depositary Shares receive a dividend payable in U.S. dollars.

At November 30, 2021 there were 3.2 million ordinary shares of Carnival plc (4.4 million at November 30, 2020) authorized for future issuance under its employee benefit plans.

NOTE 19 — Post-Employment Benefits

Employee Benefit Plans

Carnival plc is a contributing employer to three defined benefit pension plans: the P&O Princess Cruises (UK) Pension Scheme ("Company's UK Plan"), the multiemployer Merchant Navy Officers Pension Fund ("MNOPF") and the multiemployer Merchant Navy Ratings Pension Fund ("MNRPF"). The defined benefit plans are formally valued triennially by external qualified actuaries as required by the applicable UK regulations.

The Company's UK Plan's assets are managed on behalf of the trustee by independent fund managers. The Company's UK Plan is closed to new membership and to future benefit accrual and is undergoing its triennial valuation. Based on the most recent valuation of the Company's UK Plan at March 31, 2019, it was determined that this plan was 98% funded.

The MNOPF is a funded defined benefit multiemployer plan in which British officers employed by companies within the Group have participated and continue to participate. The MNOPF is divided into two sections, the "Old Section" and the "New Section", each of which covers a different group of participants. Both the Old Section and New Section are closed to new membership and to future benefit accrual.

The Old Section covers predecessor employers' officers employed prior to 1978 and is fully funded. In December 2012, the fund's trustee completed a buy-in of the Old Section liabilities with a third-party insurer, whereby the insurer will pay the officers' pension liabilities as they become due. Therefore, we have no further obligation to fund this Section.

The New Section is accounted for as a defined benefit plan. Based on the most recent valuation of the New Section at March 31, 2018, it was determined that this plan was 98% funded and the deficits are to be recovered through funding contributions from participating employers. The valuation of the MNOPF at March 31, 2021 is currently in process and accordingly, the results are not available at January 27, 2022.

The MNRPF is also a defined benefit multiemployer pension plan available to certain of P&O Cruises (UK)'s shipboard British personnel. This plan is closed to new membership and to future benefit accrual and based on the most recent valuation at March 31, 2020, it was determined that this plan was 93% funded and the deficits are to be recovered through funding contributions from participating employers.

The recorded long-term assets (liabilities) on the Balance Sheets for the Company's UK Plan, the Group's share of the MNOPF New Section and the MNRPF and other post-employment benefit liabilities were as follows:

	November 30,	
(in millions)	**2021**	**2020**
Employee benefit plans' assets (deficits)	$ 47	$ 22
Other post-employment benefits	(24)	(18)
	$ 24	$ 4

The employee benefit plans' information provided below relates to the Company's UK Plan, the Group's share of the MNOPF New Section and the MNRPF.

The pension liabilities for accounting purposes were calculated by the Group's qualified external actuary. The principal assumptions used were as follows:

	Company's UK Plan (%)		**MNOPF New Section (%)**		**MNRPF (%)**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Discount rates	1.6	1.6	1.6	1.5	1.6	1.5
Expected rates of salary increases	2.7	2.3	n/a	n/a	n/a	n/a
Pension increases						
Deferment	2.7	2.3	2.7	2.3	2.7	2.3
Payment	2.6	2.8	3.1	2.8	3.1	2.9
Inflation	2.7 – 3.4	3.0	3.4	3.0	3.4	3.0

Assumptions regarding future mortality experience are set based on the Self-Administered Pension Schemes tables for the "base" mortality tables. The weighted-average life expectancy in years of a 65-year old pensioner on the balance sheet dates was as follows:

	November 30,	
	2021	**2020**
Male	21.2	21.3
Female	23.5	23.6

The weighted-average life expectancy in years of a 45-year old future pensioner retiring at age 65 was as follows:

	November 30,	
	2021	**2020**
Male	22.6	23.2
Female	25.1	25.6

The amounts recognized in the Balance Sheets for these plans were determined as follows:

(in millions)	November 30, 2021	November 30, 2020
Present value of obligations	$ (623)	$ (629)
Fair value of plans' assets	684	669
Net assets (liabilities) before restriction on assets	61	40
Restriction on assets	(13)	(18)
Net assets (liabilities) recognized in Balance Sheets	$ 47	$ 22

The amounts recognized in the Statements of Income (Loss) for these plans were as follows:

(in millions)	November 30, 2021	November 30, 2020
Service cost	$ 26	$ —
Interest cost on defined benefit obligation	10	11
Interest income on plans' assets	(10)	(12)
Interest income not recognized due to asset ceiling	—	1
Net interest on defined benefit liability	—	—
Administrative expenses	4	2
Cost recognized in Statements of Income (Loss)	$ 30	$ 2

Our estimated contribution to be paid into the Company's UK Plan during 2022 is immaterial. We do not expect to make contributions into the MNOPF or MNRPF in 2022.

The weighted average duration of the defined benefit obligation of all employee benefit plans is 18 years. Estimated future benefit payments to be made during each of the next five fiscal years and in the aggregate during the succeeding five fiscal years for all employee benefit plans are as follows:

(in millions)	
2022	$ 21
2023	$ 21
2024	$ 22
2025	$ 22
2026	$ 22
2027 – 2031	$ 117

Analysis of the movements in the Balance Sheet assets (liabilities) for these plans was as follows:

(in millions)	November 30, 2021	November 30, 2020
Net assets (liabilities) at December 1,	$ 22	$ 13
Expenses (see above)	(30)	(2)
Amounts recognized in the Group Statements of Comprehensive Income (Loss)	54	4
Employer contributions	1	6
Exchange movements	—	—
Net assets (liabilities) at November 30,	$ 47	$ 21

The cumulative actuarial gains recognized in the Group or Company Statements of Changes in Shareholders' Equity at November 30, 2021 for these plans were $16 million ($38 million of losses at November 30, 2020).

Changes in the present value of defined benefit obligations for these plans were as follows:

(in millions)	November 30, 2021	November 30, 2020
Present value of obligations at December 1,	$ (629)	$ (595)
Past Service Costs	(26)	—
Interest cost	(9)	(11)
Benefits paid	25	31
Gain (loss) due to experience	15	(5)
Gain (loss) due to changes in financial assumptions	(2)	(40)
Gain (loss) due to changes in demographic assumptions	5	10
Exchange movements	(2)	(19)
Present value of obligations at November 30,	$ (623)	$ (629)

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk, inflation risk and market (investment) risk, including currency risk.

The sensitivity of the plans' liabilities to reasonable changes in certain key assumptions were as follows:

- 0.5% reduction in the discount rate results in an increase of $55 million
- 0.5% increase in inflation rate results in an increase of $41 million
- 1 year increase in life expectancy would result in an increase of $34 million

Changes in the fair value of these plans' assets were as follows:

(in millions)	November 30, 2021	November 30, 2020
Fair value of plans' assets at December 1,	$ 669	$ 640
Interest income on plans' assets	10	12
Return on plans' assets greater than discount rate	32	25
Employer contributions	1	6
Benefits paid	(25)	(31)
Administrative expenses	(4)	(2)
Exchange movements	1	20
Fair value of plans' assets at November 30,	$ 684	$ 669

The actual gains (losses) on these plans' assets in 2021 were $42 million ($37 million in 2020).

These plans' assets were comprised as follows:

(in millions, except percentages)	November 30, 2021		November 30, 2020	
Equities	$ 133	19%	$ 120	18%
Fixed interest gilts	—	—%	278	42%
Liability matching investments	551	81%	272	41%
	$ 684	100%	$ 669	100%
Restriction on assets (a)	(13)		(18)	
	$ 671		$ 651	

(a) These assets are restricted in line with the trustee agreements of the two multiemployer schemes.

The Company's net pension balance represents substantially all of the Group's funded employee benefit plans.

Defined Contribution Plans

The Group has several defined contribution plans available to its employees. During 2021, the Group expensed $11 million ($12 million in 2020) for these plans.

NOTE 20 — Employees and Directors

The average number of our employees, which excludes shipboard employees who are on leave, was as follows:

	Years Ended November 30,	
	2021	2020
Shore employees	5,174	6,107
Shipboard employees	13,536	24,052
	18,710	30,159

The aggregate payroll and related expenses included in both cruise operating expenses and selling and administrative expenses were as follows:

	Years Ended November 30,	
(in millions)	2021	2020
Salaries, wages and benefits	$ 713	$ 798
Social security and payroll taxes	50	47
Pensions	49	25
Share-based compensation	29	20
	$ 842	$ 889

Carnival Corporation & Carnival plc operate as if they are a single economic enterprise with a single senior executive management team and identical Boards of Directors. These individuals have the responsibility and authority for controlling, directing and planning Carnival Corporation and Carnival plc's activities. Their aggregate compensation includes amounts paid by both Carnival Corporation and Carnival plc and was as follows:

	Years Ended November 30,	
(in millions)	2021	2020
Fees	$ 1	$ 1
Salaries and benefits	5	4
Total short-term employment benefits	7	5
Share-based compensation	16	29
	$ 23	$ 34

Government Assistance

For the year ended November 30, 2021, the Group received government assistance as part of the Coronavirus Job Retention Scheme implemented by the UK Government. Under this scheme, assistance may be claimed for up to 80 percent of eligible furloughed employee wage costs. For the year ended November 30, 2021, the Group also received government assistance under similar schemes provided by governments in Australia, Italy, France, Germany, Austria, Switzerland, Argentina, Brazil, Singapore and China. The total amounts recognized by the Group for the year ended November 30, 2021 and 2020 from these schemes was $19 million and $34 million respectively and is offset in payroll and related expense and selling and administrative expenses in the accompanying Statements of Income (Loss).

Equity Plans

We issue our share-based compensation awards, which at November 30, 2021 included time-based share awards (restricted stock awards and restricted stock units), performance-based share awards and market-based share awards (collectively "equity awards") under the Carnival plc stock plan. Equity awards are principally granted to management level employees and members of our Boards of Directors. The plan is administered by a committee of independent directors (the "Committee") that determines which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. We had an aggregate of 3.2 million shares available for future grant at November 30, 2021. We fulfill our equity award obligations using shares purchased in the open market or with unissued or treasury shares. Our equity awards generally vest over a three-year period, subject to earlier vesting under certain conditions.

The Group granted 1,595,820 equity awards at a weighted-average price of £14.01 in 2021 (2,482,302 equity awards at a weighted-average price of £13.74 in 2020).

NOTE 21 — Related Party Transactions

Transactions with Carnival Corporation and its Subsidiaries

During 2021 and 2020, Holland America Line and Princess Cruises did not purchase land tours from us. In addition, during 2021, the Group did not sell pre- and post-cruise vacations, shore excursions and transportation services to the Carnival Corporation group. During 2020, the Group sold pre- and post-cruise vacations, shore excursions and transportation services to the Carnival Corporation group.

During 2021, the Company did not have ship charter agreements. In 2020, the Company had ship charter agreements with Princess Cruises and Carnival Cruise Line for ships operating in Australia and/or Asia. Princess Cruises and Carnival Cruise Line are subsidiaries of Carnival Corporation. The total charter expense in 2020 was $391 million, which was included in other operating expenses. The Company did not have ship charter expense in 2021. These ship charter agreements were terminated effective May 2020.

During 2021, the Company purchased two ships from Princess Cruises totaling $492 million. This value represented the U.S. GAAP carrying value of the assets. Following the purchase, the ships were assessed for impairment and were impaired by $344 million to their IFRS recoverable amount.

During 2021, the Company continued to provide a guarantee to the MNOPF for certain employees who have transferred from the Company to a subsidiary of Carnival Corporation.

At November 30, 2021, amounts owed by the Group and Company to the Carnival Corporation group were unsecured and repayable on demand.

At November 30, 2021 and 2020, Carnival Corporation owned 9.7 million and 0.8 million, or 4.5% and 0.4%, respectively, of the Company's ordinary shares, which are non-voting. At November 30, 2021 and 2020, Carnival Investments Limited, a subsidiary of Carnival Corporation, owned 24.9 million, or 12%, of the Company's ordinary shares, which are also non-voting.

Carnival Corporation & plc has a program that allows it to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the "Stock Swap Program"). Under the Stock Swap Program, Carnival Corporation & plc may elect to offer and sell shares of Carnival Corporation common stock at prevailing market prices in ordinary brokers' transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market.

Within the DLC arrangement, there are instances where the Group provides services to Carnival Corporation group companies and also where Carnival Corporation group companies provide services to the Group. Additional disclosures of related party transactions are discussed in Note 1 — "General, DLC Arrangement".

Transactions with Subsidiaries

The Company enters into loans with its subsidiaries at floating rates of interest, generally at rates agreed to between the parties from time to time.

In 2021, the Company received total dividends of an immaterial amount ($15 million in 2020) from its subsidiaries.

In 2021, the Company did not receive a return of investment ($44 million in 2020) from one of its subsidiaries.

In 2021, the Company made capital contributions of $2.3 billion ($1.2 billion in 2020) to Costa Crociere S.p.A.. Additionally, in 2021, a third-party loan with a principal amount of $296 million was transferred from Costa Crociere S.p.A. to the Company.

Refer to Note 14 — "Investments in Subsidiaries" for additional related party transactions.

Key Management Personnel

Within our operational and organisational structure, the key management personnel consists of a senior executive management team and members of the Boards of Directors of the Company. Except for some share-based compensation and some fees for UK-based services, the majority of the Directors' and the senior executive management team's remuneration was borne by other companies within the DLC. Details of the Company's Directors' remuneration and share-based compensation are disclosed in the Carnival plc Directors' Remuneration Report and any relevant transactions are given in the "Related Person Transactions" section, both of which are included within the Proxy Statement.

NOTE 22 — Commitments

Group

(in millions)	November 30,						
November 30, 2021	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Newbuild capital expenditures	$ 1,947	$ 1,030	$ 583	$ —	$ —	$ —	$ 3,560
	$ 1,947	$ 1,030	$ 583	$ —	$ —	$ —	$ 3,560

(in millions)	November 30,						
November 30, 2020	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Newbuild capital expenditures	$ 1,106	$ 2,117	$ 2,142	$ 735	$ —	$ —	$ 6,100
Short-term ship charters (a)	—	23	—	—	—	—	$ 23
	$ 1,106	$ 2,140	$ 2,142	$ 735	$ —	$ —	$ 6,123

(a) There were no short-term ship charters expense in 2021 ($380 million in 2020).

Company

At November 30, 2021, the Company had $1.8 billion ($2.0 billion in 2020) of contracted capital commitments relating to ship construction contracts.

NOTE 23 — Contingencies

Due to the DLC arrangement and the cross-guarantees in-place between Carnival Corporation and Carnival plc, the contingencies below are disclosed for Carnival Corporation & plc.

Litigation

We are routinely involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including those noted below. Additionally, as a result of the impact of COVID-19, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury and loss of life, have been and may, in the future, be asserted against us. We expect many of these claims and actions, or any settlement of these claims and actions, to be covered by insurance and historically the maximum amount of our liability, net of any insurance recoverables, has been limited to our self-insurance retention levels.

We record provisions in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated.

Legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could involve substantial monetary damages. In addition, in matters for which conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies. An unfavorable outcome might result in a material adverse impact on our business, results of operations, financial position or liquidity.

As previously disclosed, on May 2, 2019, two lawsuits were filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida under Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act, alleging that Carnival Corporation "trafficked" in confiscated Cuban property when certain ships docked at certain ports in Cuba, and that this alleged “trafficking” entitles the plaintiffs to treble damages. In the matter filed by Havana Docks Corporation, on January 12, 2022, the court continued the trial date to May 23, 2022. Motions for summary judgment have been filed and hearings were concluded on January 18, 2022. In the matter filed by Javier Bengochea, on October 4, 2021, the U.S. Court of Appeals for the Eleventh Circuit Court heard oral arguments and on December 20, 2021, the court issued an order inviting an amicus brief from the U.S. government on several issues involved in the appeal. We continue to believe we have a meritorious defense to these actions and we believe that any liability which may arise as a result of these actions will not have a material impact on our consolidated financial statements.

As previously disclosed, on April 8, 2020, DeCurtis LLC (“DeCurtis”), a former vendor, filed an action against Carnival Corporation in the U.S. District Court for Middle District of Florida seeking declaratory relief that DeCurtis is not infringing on several of Carnival Corporation’s patents in relation to its OCEAN Medallion systems and technology. The action also raises certain monopolization claims under The Sherman Antitrust Act of 1890, unfair competition and tortious interference, and seeks declaratory judgment that certain Carnival Corporation patents are unenforceable. DeCurtis seeks damages, including its fees and costs, and seeks declarations that it is not infringing and/or that Carnival Corporation’s patents are unenforceable. On April 10, 2020, Carnival Corporation filed an action against DeCurtis in the Southern District of Florida for breach of contract, trade secrets violations and patent infringement. Carnival Corporation seeks damages, including its fees and costs, as well as an order permanently enjoining DeCurtis from engaging in such activities. These two cases have now been consolidated in the Southern District of Florida. The parties’ motions to dismiss in both actions have been granted in part and denied in part. Answers have been filed by both parties. We believe the ultimate outcome will not have a material impact on our consolidated financial statements. Additionally, on April 8, 2021, DeCurtis filed challenges to several of Carnival Corporation’s patents with the U.S. Patent and Trademark Office, seeking to invalidate certain patents on the basis of alleged prior art, overbreadth of the patents, and obviousness of the technologies. On October 12, 2021 a ruling was issued upholding Carnival Corporation’s patents, therefore bringing this separate matter to a close.

Contingent Obligations — Indemnifications

Some of the debt contracts we enter into include indemnification provisions obligating us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes or changes in laws which increase the lender’s costs. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses. The Group has not been required to make any material payments under similar indemnification clauses in the past and we do not believe a request for material future indemnification payments is probable.

Other Contingencies

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of November 30, 2021 and 2020, we had $110 million and $48 million, respectively, in reserve funds related to our customer deposits withheld to satisfy these requirements which are included in other assets. We continue to expect to provide reserve funds under these agreements. As of November 30, 2021, we had no outstanding cash collateral in escrow. As of November 30, 2020, we had $136 million of cash collateral in escrow of which $136 million was included within prepaid expenses and other.

We have and may continue to be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from inadvertent events to malicious motivated attacks.

We detected ransomware attacks in August 2020 and December 2020 which resulted in unauthorized access to our information technology systems. We engaged a major cybersecurity firm to investigate these matters and notified law enforcement and regulators of these incidents. For the August 2020 event, the investigation, communication and reporting phases are complete. We determined that the unauthorized third-party gained access to certain personal information relating to some guests, employees and crew for some of our operations. For the December 2020 event, the investigation and remediation phases are in process. Regulators were notified, and several, including the primary regulatory authority in the European Union, have closed their files on this matter.

We have been contacted by various regulatory agencies regarding these and other cyber incidents. The New York Department of Financial Services ("NY DFS") has notified us of their intent to commence proceedings seeking penalties if settlement cannot be reached in advance of litigation. To date, we have not been able to reach an agreement with NY DFS. In addition, State Attorneys General from a number of states have completed their investigation of a data security event announced in March 2020, and the Company is currently negotiating a settlement with the relevant State Attorneys General.

We continue to work with regulators regarding cyber incidents we have experienced. We have incurred legal and other costs in connection with cyber incidents that have impacted us. While at this time we do not believe that these incidents will have a material adverse effect on our business, operations or financial results, no assurances can be given about the future and we may be subject to future litigation, attacks or incidents that could have such a material adverse effect.

We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

COVID-19 Matters

Private Actions

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 82 lawsuits as of January 13, 2022 in several U.S. federal and state courts as well as in France, Italy and Brazil. These actions include tort claims based on a variety of theories, including negligence and failure to warn. The plaintiffs in these actions allege a variety of injuries: some plaintiffs confined their claim to emotional distress, while others allege injuries arising from testing positive for COVID-19. A smaller number of actions include wrongful death claims. As of January 13, 2022, eight of these individual actions have now been dismissed or settled. These actions were settled for immaterial amounts.

Additionally, as of January 13, 2022, ten purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess, Costa Luminosa* or *Zaandam* in several U.S. federal courts and in the Federal Court of Australia. These actions include tort claims based on a variety of theories, including negligence, gross negligence and failure to warn, physical injuries and severe emotional distress associated with being exposed to and/or contracting COVID-19 onboard. As of January 13, 2022, five of these class actions have either been settled individually or had their class allegations dismissed by the courts. These actions were settled for immaterial amounts.

All COVID-19 matters seek monetary damages and most seek additional punitive damages in unspecified amounts.

As previously disclosed, on December 15, 2020, a consolidated class action with lead plaintiffs, the New England Carpenters Pension and Guaranteed Annuity Fund and the Massachusetts Laborers' Pension and Annuity Fund was filed in the U.S. District Court for the Southern District of Florida, alleging violations of Sections 10(b) and 20(a) of the U.S. Securities and Exchange Act of 1934 by making misrepresentations and omissions related to Carnival Corporation's COVID-19 knowledge and response. Plaintiffs seek to recover unspecified damages and equitable relief for the alleged misstatements and omissions. The plaintiffs filed a second amended complaint on July 2, 2021 and on August 6, 2021, we filed a motion to dismiss, which has now been fully briefed.

We continue to take actions to defend against the above claims.

Governmental Inquiries and Investigations

Federal and non-U.S. governmental agencies and officials are investigating or otherwise seeking information, testimony and/or documents, regarding COVID-19 incidents and related matters. We are investigating these matters internally and are cooperating with all requests. The investigations could result in the imposition of civil and criminal penalties in the future.

As previously disclosed, the investigation in New Zealand related to incidents of COVID-19 on the *Ruby Princess* has now been closed, concluding we are not in breach of any rules or regulations.

Key Judgement — Determination of whether a loss from litigation or claims is probable

The Directors considered potential liabilities related to any lawsuits or claims brought against the Group, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters. Additionally, the Audit Committee considered litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury and loss of life, that have been and may, in the future, be asserted against the Group as a result of the impact of COVID-19. While it is typically very difficult to determine the timing and ultimate outcome of these matters, management uses its best judgment to determine the probability of loss and appropriate amounts to record in the Group's financial statements. Management accrues a liability and establishes a reserve using its judgement as to when it is believed a loss is probable and the amount of the loss can be reasonably estimated.

Key Estimate — Determination of estimated losses

In assessing probable losses, management makes estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves are typically based on developments to date, management's estimates of the outcomes of these matters, experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverage. Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that have been made previously. In addition, as new information becomes available, management may need to reassess the amount of asset or liability that needs to be accrued related to contingencies. All such changes in these estimates could impact the Group's results of operations and financial position. Where losses are judged to be probable for our claims, if the amount of the loss differs from the estimated reserves by 10%, and the insurance deductibles are not met, incremental provisions of approximately $12 million would be recorded.

NOTE 24 — Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risk

Fair Value Measurements

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

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

Considerable judgement may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realised in a current or future market exchange.

The fair values of cross guarantees within the DLC arrangement were not significant at November 30, 2021 or 2020, and are not expected to result in any material loss.

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

Group

	November 30, 2021				November 30, 2020			
		Fair Value				Fair Value		
(in millions)	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	$ 2,951	$ —	$ 2,271	$ —	$ 2,044	$ —	$ 1,574	$ —
Floating rate debt (a)	3,171	—	2,763	—	2,353	—	2,155	—
Total	$ 6,122	$ —	$ 5,034	$ —	$ 4,398	$ —	$ 3,729	$ —

Company

	November 30, 2021				November 30, 2020			
		Fair Value				Fair Value		
(in millions)	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	$ 2,853	$ —	$ 2,173	$ —	$ 1,907	$ —	$ 1,436	$ —
Floating rate debt (a)	2,322	—	1,974	—	1,265	—	1,115	—
Total	$ 5,175	$ —	$ 4,147	$ —	$ 3,172	$ —	$ 2,551	$ —

(a) The debt amounts above do not include the impact of interest rate swaps or debt issuance costs. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in markets that are not sufficiently active to be Level 1 and, accordingly, are considered Level 2. The fair values of our other debt were estimated based on current market interest rates being applied to this debt.

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

Group

	November 30, 2021			November 30, 2020		
(in millions)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	$ 434	$ —	$ —	$ 918	$ —	$ —
Restricted cash	28	—	—	137	—	—
Total	$ 462	$ —	$ —	$ 1,055	$ —	$ —
Liabilities						
Derivative financial instruments	$ —	$ 5	$ —	$ —	$ 9	$ —
Total	$ —	$ 5	$ —	$ —	$ 9	$ —

Company

	November 30, 2021			November 30, 2020		
(in millions)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	$ 99	$ —	$ —	$ 813	$ —	$ —
Restricted cash	24	—	—	—	—	—
Total	$ 122	$ —	$ —	$ 813	$ —	$ —
Liabilities						
Derivative financial instruments	$ —	$ 5	$ —	$ —	$ 9	$ —
Total	$ —	$ 5	$ —	$ —	$ 9	$ —

Derivative Instruments and Hedging Activities

Group and Company

(in millions)	Balance Sheet Location	November 30, 2021	November 30, 2020
Derivative liabilities			
Derivatives designated as hedging instruments			
Interest rate swaps (a)	Accrued liabilities and other	$ 3	$ 4
	Other long-term liabilities	2	5
Total derivative liabilities		$ 5	$ 9

(a) The Group and Company have euro interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed $147 million at November 30, 2021 ($208 million at November 30, 2020) of EURIBOR-based floating rate euro debt to fixed rate euro debt. At November 30, 2021, these interest rate swaps settle through 2025.

Our derivative contracts include rights of offset with our counterparties.

(in millions)	November 30, 2021 Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	$ —	$ —	$ —	$ —	$ —
Liabilities	$ 5	$ —	$ 5	$ —	$ 5

(in millions)	November 30, 2020 Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	$ —	$ —	$ —	$ —	$ —
Liabilities	$ 9	$ —	$ 9	$ —	$ 9

The effect of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive income and in income was as follows:

(in millions)	Years Ended November 30, 2021	Years Ended November 30, 2020
Gains (losses) recognized in reserves:		
Interest rate swaps – cash flow hedges	$ 4	$ 4
Foreign currency forwards – cash flow hedges	$ —	$ 53
Gains (losses) reclassified from reserves – cash flow hedges:		
Interest rate swaps – Interest expense, net of capitalized interest	$ (4)	$ (4)
Foreign currency zero cost collars – Depreciation and amortization	$ 1	$ (1)

There are no credit risk related contingent features in our derivative agreements. The amount of estimated cash flow hedges' unrealised gains and losses that are expected to be reclassified to earnings in the next twelve months is not material.

Financial Risks

Carnival Corporation & plc manages its financial risks on a consolidated basis. The Group's activities expose it to a variety of financial risks such as fuel price risks, foreign currency exchange rate risk, interest rate risk, credit risk and liquidity risk.

The annual financial statements do not include all financial risk management information and disclosures; as such, they should be read in conjunction with the DLC Financial Statements, which are included in Annex 1, but do not form part of these Carnival plc financial statements.

Fuel Price Risk

We manage our exposure to fuel price risk by managing our consumption of fuel. Substantially all of our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We manage fuel consumption through ship maintenance practices, modifying our itineraries and implementing innovative technologies.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and non-derivative financial instruments. Our primary focus is to monitor our exposure to, and manage, the economic foreign currency exchange risks faced by our operations and realised if we exchange one currency for another. We consider hedging certain of our ship commitments and net investments in foreign operations. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational Currency Risk

Our operations primarily utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates affect our financial statements.

Investment Currency Risk

Carnival Corporation & plc considers its investments in foreign operations to be denominated in stable currencies and of a long-term nature. Carnival Corporation & plc partially mitigates its currency exposure of its investments in foreign operations by designating a portion of its foreign currency debt and derivatives as hedges of these investments. As of November 30, 2021, Carnival Corporation & plc has designated $467 million of its sterling-denominated debt as non-derivative hedges of its net investments in foreign operations. In 2021, Carnival Corporation & plc recognized $21 million of losses on its non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have euro-denominated debt, including the effect of cross currency swaps, which provides an economic offset for our operations with euro functional currency.

The exchange rates for each of our major currencies were as follows:

	November 30, 2021	2021 average exchange rate	November 30, 2020	2020 average exchange rate
USD to 1:				
AUD	$ 0.71	$ 0.75	$ 0.74	$ 0.68
CAD	$ 0.78	$ 0.80	$ 0.77	$ 0.74
EUR	$ 1.13	$ 1.19	$ 1.20	$ 1.13
GBP	$ 1.33	$ 1.38	$ 1.33	$ 1.28
RMB	$ 0.16	$ 0.15	$ 0.15	$ 0.14

If the November 30, 2020 currency exchange rates had been used to translate our November 30, 2021 non-U.S. dollar functional currency operations' assets and liabilities (instead of the November 30, 2021 U.S. dollar exchange rates), our total assets would have been higher by $634 million and our total liabilities would have been higher by $316 million.

In addition, based on a 10% change in the U.S. dollar to Euro, Sterling and the Australian dollar exchange rates at November 30, 2021, which are the functional currencies we translate into our U.S. dollar reporting currency, we estimate our 2021 cumulative translation adjustment would have changed by $865 million.

Newbuild Currency Risk

Our shipbuilding contracts are typically denominated in euros. Our decision to hedge a non-functional currency ship commitment for our cruise brands is made on a case-by-case basis, considering the amount and duration of the exposure, market volatility, economic trends, our overall expected net cash flows by currency and other offsetting risks. We have used foreign currency derivative contracts to manage foreign currency exchange rate risk for some of our ship construction payments.

At November 30, 2021, Carnival Corporation & plc's newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of $6.8 billion for newbuilds scheduled to be delivered through 2025.

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

Interest Rate Risk

We manage our exposure to fluctuations in interest rates through our debt portfolio management and investment strategies. We evaluate our debt portfolio to determine whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt. The composition of Carnival Corporation & plc debt, including the effect of cross currency swaps and interest rate swaps, was as follows:

	November 30,	
	2021	2020
Fixed rate	45%	41%
EUR fixed rate	13%	16%
Floating rate	26%	23%
EUR floating rate	14%	16%
GBP floating rate	1%	3%

The interest rate profiles and maturities of financial assets at November 30, 2021 solely relate to cash and cash equivalents of $434 million and $99 million for Group and Company, respectively, in the year 2022. The interest rate profiles and maturities of financial assets at November 30, 2020 solely relate to cash and cash equivalents of $918 million and $813 million for Group and Company, respectively, in the year 2021.

Refer to Note 15 — "Debt and Interest Expense" for debt interest rate profiles and maturities at November 30, 2021 and November 30, 2020.

Carnival Corporation & plc has fixed and floating rate debt and uses interest rate swaps to manage its interest rate exposure in order to achieve a desired proportion of fixed and floating rate debt. Based upon a 10% change in the November 30, 2021 market interest rates, its 2021 interest expense on floating rate debt, including the effect of our interest rate swaps, would have changed by an insignificant amount.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. We seek to minimise these credit risk exposures, including counterparty nonperformance primarily associated with our cash equivalents, investments, notes receivables, reserve funds related to customer deposits, future financing facilities, contingent obligations, derivative instruments, insurance contracts, long-term ship charters and new ship progress payment guarantees, by:

- Conducting business with well-established financial institutions, insurance companies and export credit agencies
- Diversifying our counterparties
- Having guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimise risk
- Generally requiring collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards

At November 30, 2021, our exposures under derivative instruments were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with trade receivables and other receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. Normally, we have not required collateral or other security to support normal credit sales. Historically, we have not experienced significant credit losses, including counterparty nonperformance; however, because of the impact COVID-19 is having on economies, we have experienced, and may continue to experience, an increase in credit losses.

Our credit exposure also includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in Australia and most of Europe where we are obligated to honour our guests' cruise payments made by them to their travel agents and tour operators regardless of whether we have received these payments.

Capital Management

Since the pause in guest cruise operations, Carnival Corporation & plc has taken actions to improve liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from its fleet. Since March 2020, Carnival Corporation & plc has raised $25.9 billion through a series of financing transactions. Through Carnival Corporation & plc's debt management efforts, it has refinanced over $9 billion to date, reducing its future annual interest expense by approximately $400 million per year and extending maturities, optimizing its debt maturity profile. During 2022, Carnival Corporation & plc will continue to be focused on pursuing refinancing opportunities to reduce interest rates and extend maturities.

The net debt to capital percentage of the Group was calculated as follows:

	November 30,	
(in millions)	**2021**	**2020**
Total debt	$ 5,969	$ 4,373
Cash equivalents	(92)	(505)
Net debt	5,878	3,868
Shareholders' equity	2,347	5,791
Total capital	$ 8,224	$ 9,659
Net debt to capital percentage	71%	40%

Carnival Corporation and Carnival plc operate a DLC arrangement. The two companies operate as a single economic enterprise. Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other.

Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary. Accordingly, capital is managed at the Carnival Corporation & plc level.

Liquidity Risk

Typically, Carnival Corporation & plc debt financing agreements allow for either Carnival Corporation or Carnival plc to draw under the facilities, with the non-borrowing entity as guarantor.

As of November 30, 2021, Carnival Corporation & plc had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. In addition, Carnival Corporation & plc had $5.6 billion of undrawn export credit facilities to fund ship deliveries planned through 2024. Carnival Corporation & plc plan to use future cash flows from operations to fund its cash requirements including capital expenditures not funded by its export credit facilities.

(in billions)	2022	2023	2024
Future export credit facilities at November 30, 2021	$ 3.2	$ 1.8	$ 0.6

The unfunded export credit facilities are subject to the same covenants as disclosed in Note 15 — "Debt and Interest Expense".

The summary of the maturity profiles of the financial liabilities at November 30, 2021 and 2020 was as follows:

Group

(in millions)	2022	2023	2024	2025	2026	There-after	Total
November 30, 2021							
Undiscounted cash flow obligations of debt, including future interest	$ 528	$ 1,324	$ 795	$ 984	$ 469	$ 2,455	$ 6,554
Trade payables, accrued liabilities and other	863	—	—	—	—	—	863
Other liabilities	—	47	31	24	19	61	183
At November 30, 2021	$1,392	$ 1,371	$ 826	$1,008	$ 488	$ 2,515	$ 7,600

(in millions)	2021	2022	2023	2024	2025	There-after	Total
November 30, 2020							
Undiscounted cash flow obligations of debt, including future interest	$ 419	$ 1,031	$ 893	$ 336	$ 538	$ 1,426	$ 4,643
Trade payables, accrued liabilities and other	713	—	—	—	—	—	713
Other liabilities	—	38	21	27	19	51	156
At November 30, 2020	$1,132	$ 1,069	$ 914	$ 363	$ 557	$ 1,477	$ 5,511

Company

(in millions)	2022	2023	2024	2025	2026	There-after	Total
November 30, 2021							
Undiscounted cash flow obligations of debt, including future interest	$ 293	$ 1,114	$ 552	$ 770	$ 362	$ 2,455	$ 5,546
Trade payables, accrued liabilities and other	312	—	—	—	—	—	312
Other liabilities	—	27	13	10	5	12	68
At November 30, 2021	$ 605	$ 1,141	$ 565	$ 780	$ 367	$ 2,467	$ 5,926

(in millions)	2021	2022	2023	2024	2025	There-after	Total
November 30, 2020							
Undiscounted cash flow obligations of debt, including future interest	$ 337	$ 217	$ 573	$ 290	$ 517	$ 1,414	$ 3,348
Trade payables, accrued liabilities and other	196	—	—	—	—	—	196
Other liabilities	—	12	6	6	2	2	27
At November 30, 2020	$ 533	$ 229	$ 579	$ 296	$ 519	$ 1,416	$ 3,571

Refer to Note 11 — "Leases" for lease liability maturities.

Carnival Corporation and Carnival plc operate a DLC arrangement. Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary. Amounts owed between Carnival Corporation and Carnival plc do not have a stated maturity date, as the two companies operate as a single economic enterprise and are therefore not included in the above table.

Substantially all financial liabilities are held at amortized cost. The fair values of our financial liabilities not included in the table above approximate their book values.

NOTE 25 — Supplemental Cash Flow Information

For the twelve months ended November 30, 2021, we did not issue notes receivable upon sale of ships. For the twelve months ended November 30, 2020, we issued notes receivable upon sale of ships of $5 million.

For the year ended November 30, 2021, we did not have borrowings or repayments of commercial paper with original maturities greater than three months. For the year ended November 30, 2020, we had borrowings of $58 million and repayments of $59 million of commercial paper with original maturities greater than three months.

Reconciliation of Liabilities Arising from Financing Activities

	Group				
(in millions)	**November 30, 2020**	**Financing Cash Flows Receipts/ (Payments)**	**Exchange Movements**	**Other Movements**	**November 30, 2021**
Secured Debt					
Loans					
EUR fixed rate	$ 136	$ (32)	$ (6)	$ —	$ 98
EUR floating rate	72	(12)	(3)	—	57
Unsecured Debt					
Notes					
EUR Notes	718	—	(39)	—	679
Loans					
EUR fixed rate	32	(30)	—	(2)	—
EUR floating rate	1,555	(64)	(70)	(290)	1,132
Floating rate	—	—	—	290	290
GBP floating rate	466	—	1	—	467
Export Credit Facilities					
EUR floating rate	260	918	(89)	110	1,200
EUR fixed rate	1,159	576	(74)	(110)	1,551
Fixed rate	—	623	—		623
Floating rate	—	26	—		26
Total Debt	$ 4,398	$ 2,006 (a)	$ (280)	$ (2) (b)	$ 6,122
Unamortized debt issuance costs	$ (81)	$ (173)	$ 8	$ 48 (c)	$ (198)
Intercompany					
Amount owed to the Carnival Corporation group	$ 6,183	$ 207	$ (188)	$ 2	$ 6,204
Leases					
Lease Liabilities	$ 320	$ (45)	$ (8)	$ 66 (d)	$ 333

(a) Issuances and repayments of long-term debt.

(b) Non-cash movements of long-term debt, including a EUR floating rate loan redenominated to a USD floating rate loan and changes to interest profiles on deferred tranches of our export credit facilities created as part of debt holiday amendments.

(c) Includes amortization and debt issuance costs recorded in other assets.

(d) Includes additions, terminations and remeasurements of lease liabilities.

	Company				
(in millions)	**November 30, 2020**	**Financing Cash Flows Receipts/ (Payments)**	**Exchange Movements**	**Other Movements**	**November 30, 2021**
Unsecured Debt					
Notes					
EUR Notes	$ 718	$ —	$ (39)	$ —	$ 679
Loans					
EUR fixed rate	30	(30)	—	—	—
EUR floating rate	538	117	(26)	(290)	340
Floating rate	—	—	—	290	290
GBP floating rate	466	—	1	—	467
Export Credit Facilities					
EUR floating rate	260	918	(89)	110	1,200
EUR fixed rate	1,159	576	(74)	(110)	1,551
Fixed rate	—	623	—		623
Floating rate	—	26	—		26
Total Debt	$ 3,172	$ 2,230 (a)	$ (227)	$ — (b)	$ 5,175
Unamortized debt issuance costs	$ (77)	$ (172)	$ 10	$ 44 (c)	$ (194)
Intercompany					
Amount owed to the Carnival Corporation group and owed from subsidiaries	$ 2,660	$ 306	$ 206	$ (22)	$ 3,150
Leases					
Lease Liabilities	$ 206	$ (22)	$ (2)	$ 81 (d)	$ 263

(a) Issuances and repayments of long-term debt.

(b) Non-cash movements of long-term debt, including a EUR floating rate loan redenominated to a USD floating rate loan and changes to interest profiles on deferred tranches of our export credit facilities created as part of debt holiday amendments.

(c) Includes amortization and debt issuance costs recorded in other assets.

(d) Includes additions, terminations and remeasurements of lease liabilities.

(in millions)	Group November 30, 2019	Financing Cash Flows Receipts/ (Payments)	Exchange Movements	Other Movements	November 30, 2020
Secured Debt					
Bank Loans					
EUR fixed rate	$ 154	$ (30)	$ 12	$ —	$ 136
EUR floating rate	77	(11)	6	—	72
Unsecured Debt					
Notes					
EUR Notes	660	—	57	—	718
Bank Loans					
EUR fixed rate	221	(29)	5	(165)	32
EUR floating rate	1,266	—	124	165	1,555
GBP floating rate	452	—	14	—	466
Export Credit Facilities					
EUR floating rate	240	(24)	19	26	260
EUR fixed rate	545	586	54	(26)	1,159
Short-term Borrowings					
EUR floating rate commercial paper	231	(231)	—	—	—
Total Debt	$ 3,847	$ 261 (a)	$ 290	$ — (b)	$ 4,398
Unamortized debt issuance costs	$ (29)	$ (71)	$ (9)	$ 28 (c)	$ (81)
Intercompany					
Amount owed to the Carnival Corporation group	$ 474	$ 5,498	$ 238	$ (27)	$ 6,183
Leases					
Lease Liabilities	$ —	$ (55)	$ 12	$ 363	$ 320

(a) Issuances and repayments of long-term debt.

(b) Non-cash movements of long-term debt, including changes to interest profiles on a bank loan.

(c) Includes amortization and debt issuance costs recorded in other assets.

(in millions)	November 30, 2019	Financing Cash Flows Receipts/ (Payments)	Exchange Movements	Other Movements	November 30, 2020
	Company				
Unsecured Debt					
Notes					
EUR Notes	$ 660	$ —	$ 57	$ —	$ 718
Bank Loans					
EUR fixed rate	221	(29)	3	(165)	30
EUR floating rate	330	—	43	165	538
GBP floating rate	452	—	14	—	466
Export Credit Facilities					
EUR floating rate	240	(24)	19	26	260
EUR fixed rate	545	586	54	(26)	1,159
Short-term Borrowings					
EUR floating rate commercial paper	231	(232)	1	—	—
Total Debt	$ 2,680	$ 301 (a)	$ 191	$ — (b)	$ 3,172
Unamortized debt issuance costs	$ (27)	$ (65)	$ (5)	$ 21 (c)	$ (77)
Intercompany					
Amount owed to the Carnival Corporation group and owed from subsidiaries	$ (1,661)	$ 4,386	$ (34)	$ (31)	$ 2,660
Leases					
Lease Liabilities	$ —	$ (19)	$ 8	$ 217	$ 206

(a) Issuances and repayments of long-term debt.

(b) Non-cash movements of long-term debt, including changes to interest profiles on a bank loan.

(c) Includes amortization and debt issuance costs recorded in other assets.

Independent auditors' report to the members of Carnival plc

Report on the audit of the financial statements

Opinion

In our opinion, Carnival plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 November 2021 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report and IFRS Financial Statements (the "Annual Report"), which comprise: the Group and Company Balance Sheets as at 30 November 2021; the Group Statements of Income (Loss) and Group Statements of Comprehensive Income (Loss), the Group and Company Statements of Cash Flows, and the Group and Company Statements of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

The Carnival Corporation & plc consolidated financial statements for 2021, prepared under U.S. Generally Accepted Accounting Principles (referred to as either the "Carnival Corporation & plc U.S. GAAP consolidated financial statements" or the "DLC Financial Statements"), which are included as Annex 1 of the Carnival plc Strategic Report and IFRS Financial Statements, as other information, do not form part of the Carnival plc IFRS Financial Statements. Accordingly, they are not within the scope of this opinion.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 2 to the financial statements, the Group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the Corporate Governance Report, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

The ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Group's and Company's financial results and liquidity.

As the Group has gradually resumed some guest cruise operations during the year, we made changes to our key audit matters as explained later in the report. This year, we have also set out our consideration of the impact of climate change on the audit which is explained further below.

Risks posed by climate change may have a significant impact on the Group and the wider cruise industry. As explained in the Strategic Report, the Group is mindful of its impact on the environment and focussed on ways to reduce climate related impacts as it works towards its stated 2030 carbon emissions reduction goals and 2050 net zero aspirations.

In planning and executing our audit, we considered the Group's climate change risk assessment process and this, together with involvement of our own sustainability specialists, provided us with an understanding of the potential impact of climate change on the financial statements. We assessed that the key financial statement line items and estimates which are more likely to be materially impacted by climate risks are those associated with future cash flows, given the more notable impacts of climate change on the business are expected to arise in the medium to long term. These include the impairment assessment of goodwill, the carrying value of ships and the carrying value of the Company's investments in subsidiaries, as well as specific consideration of the impact of climate change on likely ship ownership periods, residual value estimates for ships, and the related impact on annual depreciation charges. Our key audit matters further explain how we evaluated the impact of climate change.

The Group has stated aspirations of achieving net zero carbon emissions by 2050 and is working on how to achieve this. Given the stage of development of this work and the medium to long term horizon, the future financial impacts are uncertain. We confirmed with management and the Audit Committee that the estimated financial impacts of climate change will be reassessed prospectively and our expectation that climate change disclosures will evolve as the understanding of the actual and potential impacts on the Group's future operations are established with greater certainty.

Overview

Audit scope

- There are thirteen components in the Carnival plc consolidation.
- Three consolidation components were subject to an audit of their complete financial information due to their size.
- Specific audit procedures were performed on certain balances and transactions in respect of one other consolidation component.
- Certain specific audit procedures were also performed at the Group's head office in Miami, Florida by the PwC US Carnival Corporation & plc audit engagement team across balances and transactions in a number of the consolidation components and over certain disclosures in the Annual Report.
- For all the component auditors for the financially significant components and the members of the PwC US Carnival Corporation & plc team, we engaged in regular telephone and video calls.

Key audit matters

The key audit matters are:

- Impact of the COVID-19 pandemic (Group and Company)
- Impairment review of goodwill (Group and Company)
- Impairment review of the carrying value of ships (Group and Company)
- Investments in subsidiaries impairment assessment (Company)

Materiality

- Overall Group materiality: US$56 million (2020: US$56 million) based on approximately 5% of the absolute net loss before income taxes and goodwill and ship impairment charges but restricted to the overall materiality applied in 2019. The same approach was applied in 2020.
- Overall Company materiality: US$53 million (2020: US$53 million) based on 1% of total assets. For the purposes of the audit of the Group financial statements, we determined a component materiality for the Company of US$53 million on the basis the Company should not have a higher materiality than the overall Group.
- Performance materiality: US$42 million (2020: US$42 million) (Group) and US$39 million (2020: US$39 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Investments in subsidiaries impairment assessment is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impact of the COVID-19 pandemic (Group and Company) (See note 2 to the financial statements for the Directors' disclosures of the related accounting policies, and notes 1, 10, 12, 13 & 14) As described in Note 1 to the financial statements, the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Group's and Company's financial results and liquidity. The extent of the negative impact of the pandemic on future financial results and liquidity remains difficult to predict and measurement of the impacts as they relate to the financial statements entails a significant degree of estimation uncertainty. The key impacts of COVID-19 on the Group and Company financial statements are: • The forecasts and models supporting the goodwill and ship impairment assessments reflect management's best estimate of the impacts of the pandemic. The assumptions applied in this analysis have been determined by management. Consideration of the impact on the carrying value of goodwill and ships is described in the related key audit matters below. • Similarly, management's reassessment of the carrying value of the Group's and Company's investments in related undertakings required consideration of the impact of COVID-19 on the underlying businesses. Consideration of the impact on the impairment assessment of investments in subsidiaries is described in the related key audit matter below. • Similar assumptions also underpin management's going concern and viability assessments. In forming their assessment, the Directors have concluded that the financial statements should be prepared on a going concern basis. In assisting the Directors reach their conclusion, management modelled both a base case and a severe but plausible downside case to assess whether the Group has sufficient liquidity and headroom in financial covenants based on the financing facilities currently in place for at least twelve months from the date of approval of the financial statements.	Our procedures in respect of goodwill and ship impairments are set out in the respective key audit matters below. Our procedures in respect of the impairment assessment of investments in subsidiaries held by the Company are set out in the key audit matter below. For the other investments held by the Group and Company, we obtained management's impairment assessments. We tested their recoverable amounts determined by management and found them to be reasonable. With respect to the Directors' going concern assessment, the procedures we performed and our findings are set out in the "Conclusions relating to going concern" section below. We evaluated management's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19, including receivables and inventory provisioning, and were satisfied that management's measurement of such estimates was reasonable. We considered the disclosures in the financial statements in respect of the impact of COVID-19 and concluded that these are appropriate.
Impairment review of goodwill (Group and Company) (See note 2 to the financial statements for the Directors' disclosures of the related accounting policies and note 12) Before impairment, the Group and Company held significant amounts of goodwill on the balance sheet related to two EA segment CGUs ("brands"). The Group performed its annual impairment tests for goodwill as at 31 July 2021. The slower than anticipated resumption of guest cruise operations and the ongoing impact of COVID-19 and its effect on expected future operating cash flows were a trigger for further impairment reviews to be performed as at the year end date. In assessing the carrying value of goodwill in the current environment, there is significant judgement applied by the Directors in developing cash flow forecasts including assumptions relating to the timing of the resumption of operations and the anticipated future growth in net cruise	We evaluated the Directors' future cash flow forecasts, the assumptions used and the process by which they were prepared, for both EA segment CGUs. We evaluated the reasonableness of the Directors' forecasts, by assessing their historical forecasting accuracy. We also evaluated: • the Directors' assumptions, including forecast ship revenues and costs (taking into account assumptions for the timing of a return to service), by comparing them to available industry data and expectations, historical results, as well as current revenue booking and cost trends; • the discount rates applied by engaging our valuation experts to assess the weighted average cost of capital of the brands and the related country risk; • the long-term growth rates in the forecasts, by engaging our valuation experts to assess the reasonableness of such assumptions; and

revenue (cruise revenue net of the Group's most significant variable costs). For both EA segment CGUs, due to the ongoing impact of COVID-19 on operations and the resulting inability to achieve the planned results, together with the financial impact of expected future climate change related regulatory costs, the Directors' concluded the value of the goodwill was impaired such that the goodwill was written off in full with a US$nil balance remaining in both brands as at 30 November 2021.	• the impact climate change is anticipated to have on future cash flows and assessed the appropriateness of how management had considered these in the construction of the goodwill impairment assessments. With regard to estimated future climate change related regulatory costs, we determined an expected range based on external research and we concluded that the values assumed by management are appropriate. On balance, we found the assumptions to be consistent with our expectations, and that full impairment of both EA segment CGUs is appropriate.
Impairment review of the carrying value of ships (Group and Company) (See note 2 to the financial statements for the Directors' disclosures of the related accounting policies and note 10) The Group and Company hold significant amounts of property and equipment in the form of cruise ships, as detailed in note 10 to the financial statements. There is a risk that, as a result of the pandemic and other factors, the carrying value of these ships is overstated and needs to be impaired. In assessing the carrying value, the Directors are required to make judgements about future performance, including whether the ships will remain in use or be sold. During the pandemic, a number of the older ships in the fleet have been sold for amounts less than the carrying value and, as a result, were impaired. The remaining life of certain older ships led the Directors to evaluate their carrying values. Where the ships are expected to remain in use, the ship valuations are dependent on forecast ship revenues net of the most significant variable costs estimated by management to be achievable on resumption of operations. In total, in 2021, impairment charges on ships of US$607 million were recognised by the Group and US$354 million by the Company.	We evaluated the Directors' future cash flow forecasts, the assumptions used and the process by which they were prepared as described in the goodwill impairment key audit matter above. We evaluated the completeness of ships for which an impairment trigger had been identified by management, based on the remaining useful life of the assets and/or on decisions to dispose of certain ships. Where a trigger was identified, an impairment assessment was conducted to determine the recoverable amount of the given ship. Recoverable amount is determined as the higher of value in use or fair value less cost to sell. Where decisions were taken to dispose of certain ships, we compared the carrying value of the vessels to actual sales proceeds where the ship had been sold. For those ships not contracted for sale at the year end date, we assessed the reasonableness of the Directors' sales price assumptions and compared them with prices achieved in similar recent ship sales. Where the ship was expected to remain in use, and its value in use exceeded its fair value, we obtained management's discounted cash flow analysis and assessed the assumptions used for reasonableness as described in the goodwill impairment key audit matter above. We considered the impact climate change is anticipated to have on future cash flows and assessed the appropriateness of how management had considered these in ship impairment assessments. We also considered management's assessment of ship useful economic lives in the context of risks posed by climate change. We are satisfied that the impairments recorded in the year and associated disclosures are appropriate.
Investments in subsidiaries impairment assessment (Company) (See note 2 to the financial statements for the Directors' disclosures of the related accounting policies and note 14) Investments in subsidiaries are accounted for at cost less provision for impairment in the Company. The Directors identified the impact of COVID-19 on future cash flows of the Group as an indicator of potential impairment and, following assessment of whether the investments' carrying values could be supported by their recoverable values (being the higher of fair value less cost to sell or value in use), an impairment of US$1.6 billion was identified primarily in respect of the Company's investment in Costa Crociere S.p.A.	We obtained management's impairment assessments for the investments in subsidiaries held by the Company. For the investment in Costa Crociere S.p.A. specifically, we tested its recoverable amount determined with reference to its discounted future cash flows, prepared on a basis consistent with the valuation methodology used in the goodwill impairment analyses discussed in the relevant key audit matter above. We tested the reasonableness of the key assumptions used, including revenue and cash flow growth rates, terminal growth rates and the discount rate applied. As a result of our work, we found the assumptions applied in management's analysis to be reasonable and we are satisfied the impairment recorded in the year is appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

Carnival plc has thirteen consolidation components. Three consolidation components, AIDA, Costa and Carnival UK (Cunard and P&O (UK)), which are considered financially significant and together contribute over 81% of net loss before income taxes and goodwill and ship impairment charges to the Group results, were subject to an audit of their complete financial information, due to their size, by local component teams. Due to travel restrictions as a result of the COVID-19 pandemic, we met with local management and we performed remote file reviews of the component teams' work via telephone and video calls for each of the AIDA, Costa and Carnival UK components.

In addition, one consolidation component, P&O Australia, was in scope for specific audit procedures, performed by the Group engagement team, over the carrying value of ships only.

We also used a US team, who are primarily responsible for the audit of Carnival Corporation & plc, to perform certain specified procedures across balances and transactions in a number of the consolidation components and over certain disclosures in the Annual Report from the Group's head office in Miami, Florida. Such procedures performed included contributing to our assessment of the going concern basis of preparation and our audit of goodwill and ship valuations, intercompany balances and transactions, cash and debt balances held, and equity and reserves. Again, due to travel restrictions, we met with our US team and Group management via regular telephone and video calls.

These, together with additional procedures performed at the Group level, including auditing the consolidation and financial statement disclosures, gave us the evidence we needed for our opinion on the financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	**Financial statements – Company**
Overall materiality	US$56 million (2020: US$56 million).	US$53 million (2020: US$53 million).
How we determined it	Approximately 5% of the absolute net loss before income taxes and goodwill and ship impairment charges but restricted to the overall materiality applied in 2019. The same approach was applied in 2020.	1% of total assets. For the purposes of the audit of the Group financial statements, we determined a component materiality for the Company of US$53 million on the basis that the Company should not have a higher materiality than the overall Group.
Rationale for benchmark applied	Prior to the COVID-19 pandemic, the Group was profit-making and, in years prior to 2020, we believed net income before income taxes was the primary measure used by shareholders and other users of the financial statements in assessing the performance of the Group. In 2021, due to the impact of COVID-19, we have used an absolute measure of the net loss before income taxes and goodwill and ship impairment charges incurred. Due to the unprecedented nature of the last twelve months and the size of the current year loss in comparison to the net income generated in 2019, we chose to restrict overall materiality to be in line with 2019 to ensure a consistent audit approach to a similarly-sized business that has generated exceptionally high losses. This is consistent with the approach taken in 2020.	We believe that total assets is an appropriate benchmark for the Company as this entity is principally an investment and financing holding Company with some operational activity. For the purposes of the audit of the Group financial statements, we determined a component materiality for the Company of US$53 million on the basis that the Company should not have a higher materiality than the overall Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between US$35 million and US$53 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US$42 million for the Group financial statements and US$39 million for the Company financial statements.

In determining the performance materiality, we considered a number of factors — the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls — and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $5 million (Group and Company audits) (2020: $5 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing management's base case and severe but plausible downside scenario models supporting the Board's going concern assessment, evaluating the process by which the assessments have been drawn up, ensuring that the calculations in the model were mathematically accurate and that the overall methodology used was appropriate;
- Evaluating management's base case by ensuring that the forecasts being used were aligned with the Board's most recent forecasts. In evaluating the inputs used in the base case scenario, we considered the key assumptions including the phasing of return to guest cruise operations, occupancy levels and forecast ticket prices;
- We considered the likelihood of the severe but plausible downside scenario modelled and whether other scenarios (including disruptions in guest cruise operations) could arise and the associated impact on liquidity and covenant headroom. This considered both historical performance, current levels of forward bookings and the current status of travel restrictions in place associated with the COVID-19 pandemic including the potential implications of the current Omicron variant;
- Evaluating the committed financing facilities currently available to the Carnival Corporation & plc group and ensuring that the models appropriately included all contractual debt repayments and committed capital expenditures;
- Agreeing to debt agreements and associated amendments secured, the covenants attached to each facility and considering the Group's and Company's forecast compliance at the measurement dates included in the going concern assessment period;
- Agreeing the cash on hand and available facilities included in the going concern assessment to our year end audit work; and
- Reading the Directors' basis of preparation note in note 1 and the disclosures provided in the Viability statement and Going concern statement and evaluating whether they appropriately describe the Board's consideration of this matter.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

As not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the requirement of the Group to comply with the complexities of listing and UK and international tax regulations, as well as a series of environmental regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Review of the financial statement disclosures to underlying supporting documentation;
- Discussions with management at multiple levels across the business and the Group's internal legal counsel throughout the year, as well as at year end. These discussions included consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Making enquiries of external counsel in order to understand the nature of existing legal cases;
- Review of significant component auditors' work and review of internal audit reports in so far as they related to the financial statements;
- Substantive testing of significant accounting estimates, particularly in relation to the impairment assessments of goodwill and ships (see related key audit matters above); and
- Identifying and testing journal entries, in particular any journal entries posted to revenue and expenditure accounts with unusual account combinations, to identify any unusual or irregular items.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 23 June 2003 to audit the financial statements for the year ended 30 November 2003 and subsequent financial periods. The period of total uninterrupted engagement is 19 years, covering the years ended 30 November 2003 to 30 November 2021.

John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 January 2022

CARNIVAL
CORPORATION & PLC

2021 ANNUAL REPORT

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CARNIVAL CORPORATION & PLC
2021 ANNUAL REPORT

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COMPANY

Carnival Corporation & plc is a leisure travel company with a portfolio of nine of the world's leading cruise lines. With operations in North America, Australia, Europe and Asia, its portfolio features Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

At Carnival Corporation & plc, our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. On this foundation, we aspire to deliver unmatched joyful vacations for our guests, always exceeding their expectations and in doing so driving outstanding shareholder value. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other — communicating, coordinating and collaborating while seeking candor, openness and transparency at all times. And we aspire to be an exemplary corporate citizen, leaving the people and the places we touch even better.

2021 Executive Overview

During 2021, the Company focused on resuming operations as quickly as practical in a way that served the best interests of public health, while at the same time demonstrating prudent stewardship of capital. In addition, we believe that we have positioned the Company well on the path to profitability and established effective protocols for COVID-19. We achieved all of this while reinforcing our commitment to compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees.

In 2021, we achieved key milestones related to our return to service including:

- Ending the year with 50 ships in guest cruise operations compared to one ship in 2020
- Returning over 65,000 crew members to our ships
- Carrying over 1.2 million guests indicating fundamental strength in demand for cruise vacations
- Delivering an exceptional guest experience with historically high net promoter scores

We ended the year with $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving credit facility, and $3.5 billion of customer deposits, an increase of $1.3 billion from 2020. To date, through our debt management efforts, we refinanced over $9 billion, reducing our future annual interest by approximately $400 million per year and extending maturities, optimizing our debt maturity profile.

As of January 13, 2022, eight of our nine cruise brands, or 67% of capacity, had resumed guest cruise operations. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

The Company achieved important milestones during our return to service and broadened our commitment to Environmental, Social and Governance ("ESG") goals with the introduction of our 2030 sustainability goals and 2050 aspirations. We also achieved many operational milestones:

- Reopened our eight owned and operated private destinations and port facilities which have been visited by over half of our guests since the restart:
  - Princess Cay
  - Half Moon Cay
  - Grand Turk
  - Mahogany Bay
  - Amber Cove
  - Cozumel
  - Santa Cruz De Tenerife
  - Barcelona
- Welcomed seven new more efficient ships across our brands:
  - Carnival Cruise Line's *Mardi Gras*, powered by LNG
  - P&O UK's *Iona*, powered by LNG
  - *Costa Toscana*, powered by LNG
  - *AIDAcosma*, powered by LNG
  - Holland America Line's *Rotterdam*
  - *Costa Firenze*
  - *Enchanted Princess*

Our decision to accelerate the exit of 19 ships as part of our fleet optimization strategy resulted in a more efficient fleet overall and lowered our planned capacity growth to approximately 2.5% compounded annually

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from 2019 through 2025, down from 4.5% annually pre-COVID-19. We achieved a unit cost benefit from the removal of these less efficient ships from our fleet which will grow from the delivery of the larger and more efficient ships.

Upon returning to full operations, nearly 15% of our capacity will consist of these recently delivered, larger and more efficient ships which we believe will expedite our return to profitability and improve our return on invested capital. In addition, this roster of new ships is expected to drive additional enthusiasm around our restart plans.

As of January 13, 2022, we are operating the only six cruise ships in the world currently powered by LNG, which are 20% more carbon efficient. Upon returning to full cruise operations, our LNG efforts, our fleet optimization strategy and other innovative efforts to drive energy efficiency, are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization.

Furthermore, the Company is focused on advancing its six critical sustainability focus areas — climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and aspires to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets. While there is currently no clear path to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, the Company is partnering with key organizations to help identify and scale new technologies. We have and expect to continue to demonstrate leadership in executing carbon reduction strategies. The Company believes its scale will support its effort to lead the industry in climate action. The Company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Throughout the pause and the gradual resumption of guest cruise operations, we have been proactively managing to resume guest cruise operations as an even stronger and more efficient operating company to maximize cash generation and to deliver strong returns on invested capital. Once we return to full guest operations, our cash flow will be the primary driver to our return to an investment grade credit rating over time, creating greater shareholder value.

SHAREHOLDER BENEFIT

Carnival Corporation & plc is pleased to extend the following benefit to our shareholders:

	NORTH AMERICA BRANDS	CONTINENTAL EUROPE BRANDS	UNITED KINGDOM BRANDS	AUSTRALIA BRANDS
Onboard credit per stateroom on sailings of 14 days or longer	US$250	€200	£150	A$250
Onboard credit per stateroom on sailings of 7 to 13 days	US$100	€ 75	£ 60	A$100
Onboard credit per stateroom on sailings of 6 days or less	US $50	€ 40	£ 30	A$ 50

The benefit is applicable on sailings through July 31, 2023 aboard the brands listed below. Certain restrictions apply. Applications to receive these benefits should be made at least three weeks prior to cruise departure date.

This benefit is available to shareholders holding a minimum of 100 shares of Carnival Corporation or Carnival plc. Employees, travel agents cruising at travel agent rates, interline rates, tour conductors or anyone cruising on a reduced-rate or complimentary basis are excluded from this offer. This benefit is not transferable, cannot be exchanged for cash and, cannot be used for casino credits/charges and gratuities charged to your onboard account. Only one onboard credit per shareholder-occupied stateroom. Reservations must be made by February 28, 2023.

Please provide by email[1], fax or by mail your complete legal name, reservation/booking number, ship and sailing date, along with proof of ownership of Carnival Corporation or Carnival plc shares (for example, photocopy of shareholder proxy card, a dividend tax voucher or a current brokerage or nominee statement with your current mailing address and your brokerage account number **blacked out**) no later than 4 weeks prior to your sail date to your travel agent or to the cruise line you have selected below. **[1]If you choose to email, you do so at your own risk and with the knowledge that email is inherently an insecure method of communication.**

NORTH AMERICA BRANDS

CARNIVAL CRUISE LINE *
Guest Administration
3655 N.W. 87th Avenue
Miami, FL 33178
Tel 800 438 6744 ext. 70450
Fax 305 406 6102
Email: shareholders@carnival.com

PRINCESS CRUISES *
Customer Solutions
24303 Town Center Drive, Suite 200
Santa Clarita, CA 91355
Tel 800 872 6779 ext. 30317
Fax 661 753 0180
Email: sbpcl@princesscruises.com

HOLLAND AMERICA LINE
World Cruise Reservations
450 Third Ave. W.
Seattle, WA 98119
Tel 800 522 3399
Fax 206 270 6080
Email:World_Cruise_Reservations@hollandamerica.com

SEABOURN
Seabourn Reservations
450 Third Ave. W.
Seattle, WA 98119
Tel 800 929 9391
Fax 206 501 2900
Email: CCLshareholderSBN@seabourn.com

CUNARD *
Customer Solutions
24305 Town Center Drive, Suite 200
Santa Clarita, CA 91355
Tel 800 728 6273
Fax 661 753 0180
Email: sb@cunard.com

COSTA CRUISES *
Guest Services Administration
880 SW 145th Avenue, Suite 102
Pembroke Pines, FL 33027
Tel 800 462 6782
Fax 954 266 5868
Email: fax_usabooking@costa.it

CONTINENTAL EUROPE BRANDS

COSTA CRUISES *
Despatcher Team
Piazza Piccapietra, 48
16121 Genoa, Italy
Tel 39 0 10 548 31
Fax 39 0 10 999 7019
Email: prizemanagementfax@costa.it

AIDA CRUISES
Shareholder Guest Services
Am Strande 3d
18055 Rostock, Germany
Tel 49 (0) 381 20270805
Fax 49 (0) 381 2027 0601
Email: kabinengruss@aida.de

UNITED KINGDOM BRANDS

P & O CRUISES (UK)
Shareholders Guest Services
Carnival UK
Carnival House
100 Harbour Parade
Southampton SO15 1ST
United Kingdom
Tel 44 0 345 355 5111
Fax 44 0 238 065 7360
Email: shareholderbenefits@carnivalukgroup.com

CUNARD *
Shareholders Guest Services
Tel 44 0 345 355 0300
Fax 44 0 238 065 7360
Email: shareholderbenefits@carnivalukgroup.com

PRINCESS CRUISES (UK) *
Princess Cruises Military &
Shareholder Benefits Team
Tel 44 0 344 338 8663
Fax 44 0 238 065 7509
Email: benefits@princesscruises.co.uk

AUSTRALIA BRANDS
P & O CRUISES (AUSTRALIA)
PRINCESS CRUISES *
CARNIVAL CRUISE LINE * (1)
Customer Service Manager
PO Box 1429
Chatswood NSW 2057
Tel 61 2 8326 4000
Fax 61 2 8326 4550
Email: shareholderbenefit@carnivalaustralia.com
Email: benefits@princesscruises.com.au

* The onboard credit for Carnival Cruise Line, Costa Cruises, Cunard and Princess Cruises is determined based on the operational currency onboard the vessel. Please visit our corporation website at www.carnivalcorp.com for updates.

1 Refer to the Carnival Cruise Line contact details under North American Brands.

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

	Years Ended November 30,		
	2021	**2020**	**2019**
Revenues			
Passenger ticket	$ 1,000	$ 3,684	$ 14,104
Onboard and other	908	1,910	6,721
	1,908	5,595	20,825
Operating Costs and Expenses			
Commissions, transportation and other	269	1,139	2,720
Onboard and other	272	605	2,101
Payroll and related	1,309	1,780	2,249
Fuel	680	823	1,562
Food	187	413	1,083
Ship and other impairments	591	1,967	26
Other operating	1,346	1,518	3,167
	4,655	8,245	12,909
Selling and administrative	1,885	1,878	2,480
Depreciation and amortization	2,233	2,241	2,160
Goodwill impairments	226	2,096	—
	8,997	14,460	17,549
Operating Income (Loss)	(7,089)	(8,865)	3,276
Nonoperating Income (Expense)			
Interest income	12	18	23
Interest expense, net of capitalized interest	(1,601)	(895)	(206)
Gains (losses) on debt extinguishment, net	(670)	(459)	—
Other income (expense), net	(173)	(52)	(32)
	(2,433)	(1,388)	(215)
Income (Loss) Before Income Taxes	(9,522)	(10,253)	3,060
Income Tax Benefit (Expense), Net	21	17	(71)
Net Income (Loss)	$ (9,501)	$ (10,236)	$ 2,990
Earnings Per Share			
Basic	$ (8.46)	$ (13.20)	$ 4.34
Diluted	$ (8.46)	$ (13.20)	$ 4.32

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

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

	Years Ended November 30,		
	2021	**2020**	**2019**
Net Income (Loss)	$ (9,501)	$ (10,236)	$ 2,990
Items Included in Other Comprehensive Income (Loss)			
Change in foreign currency translation adjustment	(118)	578	(86)
Other	53	51	(31)
Other Comprehensive Income (Loss)	(65)	630	(117)
Total Comprehensive Income (Loss)	$ (9,567)	$ (9,606)	$ 2,873

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

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

	November 30, 2021	November 30, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8,939	$ 9,513
Short-term investments	200	—
Trade and other receivables, net	246	273
Inventories	356	335
Prepaid expenses and other	392	443
Total current assets	10,133	10,563
Property and Equipment, Net	38,107	38,073
Operating Lease Right-of-Use Assets	1,333	1,370
Goodwill	579	807
Other Intangibles	1,181	1,186
Other Assets	2,011	1,594
	$ 53,344	$ 53,593
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 2,790	$ 3,084
Current portion of long-term debt	1,927	1,742
Current portion of operating lease liabilities	142	151
Accounts payable	797	624
Accrued liabilities and other	1,641	1,144
Customer deposits	3,112	1,940
Total current liabilities	10,408	8,686
Long-Term Debt	28,509	22,130
Long-Term Operating Lease Liabilities	1,239	1,273
Other Long-Term Liabilities	1,043	949
Commitments and Contingencies		
Shareholders' Equity		
Common stock of Carnival Corporation, $0.01 par value; 1,960 shares authorized; 1,116 shares at 2021 and 1,060 shares at 2020 issued	11	11
Ordinary shares of Carnival plc, $1.66 par value; 217 shares at 2021 and 2020 issued	361	361
Additional paid-in capital	15,292	13,948
Retained earnings	6,448	16,075
Accumulated other comprehensive income (loss) ("AOCI")	(1,501)	(1,436)
Treasury stock, 130 shares at 2021 and 2020 of Carnival Corporation and 67 shares at 2021 and 60 shares at 2020 of Carnival plc, at cost	(8,466)	(8,404)
Total shareholders' equity	12,144	20,555
	$ 53,344	$ 53,593

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

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

	Years Ended November 30,		
	2021	**2020**	**2019**
OPERATING ACTIVITIES			
Net income (loss)	$ (9,501)	$ (10,236)	$ 2,990
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	2,233	2,241	2,160
Impairments	834	4,063	26
(Gains) losses on debt extinguishment	668	459	—
(Income) loss from equity-method investments	129	20	(15)
Share-based compensation	121	105	46
Amortization of discounts and debt issue costs	172	119	22
Noncash lease expense	140	172	—
Other, net	137	(56)	37
	(5,067)	(3,114)	5,265
Changes in operating assets and liabilities			
Receivables	(7)	125	(114)
Inventories	(63)	77	79
Prepaid expenses and other	(1,070)	(209)	(254)
Accounts payable	206	(165)	34
Accrued liabilities and other	601	(311)	80
Customer deposits	1,291	(2,703)	387
Net cash provided by (used in) operating activities	(4,109)	(6,301)	5,475
INVESTING ACTIVITIES			
Purchases of property and equipment	(3,607)	(3,620)	(5,429)
Proceeds from sales of ships and other	351	334	26
Purchase of minority interest	(90)	(81)	—
Purchases of short-term investments	(2,873)	—	—
Proceeds from maturity of short-term investments	2,673	—	—
Derivative settlements and other, net	3	127	126
Net cash provided by (used in) investing activities	(3,543)	(3,240)	(5,277)
FINANCING ACTIVITIES			
Proceeds from (repayments of) short-term borrowings, net	(293)	2,852	(605)
Principal repayments of long-term debt	(5,956)	(1,621)	(1,651)
Premium paid on extinguishment of debt	(545)	—	—
Proceeds from issuance of long-term debt	13,042	15,020	3,674
Dividends paid	—	(689)	(1,387)
Purchases of common stock	—	(12)	(603)
Issuance of common stock, net	1,009	3,249	4
Issuance of common stock under the Stock Swap Program	206	—	—
Purchase of treasury stock under the Stock Swap Program	(188)	—	—
Debt issue costs and other, net	(327)	(150)	(86)
Net cash provided by (used in) financing activities	6,949	18,650	(655)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13)	53	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	(715)	9,161	(465)
Cash, cash equivalents and restricted cash at beginning of year	9,692	530	996
Cash, cash equivalents and restricted cash at end of year	$ 8,976	$ 9,692	$ 530

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

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CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	AOCI	Treasury stock	Total shareholders' equity
At November 30, 2018	$ 7	$ 358	$ 8,756	$ 25,066	$ (1,949)	$ (7,795)	$ 24,443
Change in accounting principle (a)	—	—	—	(24)	—	—	(24)
Net income (loss)	—	—	—	2,990	—	—	2,990
Other comprehensive income (loss)	—	—	—	—	(117)	—	(117)
Cash dividends declared	—	—	—	(1,379)	—	—	(1,379)
Purchases of treasury stock under the Repurchase Program and other	—	—	51	—	—	(599)	(548)
At November 30, 2019	7	358	8,807	26,653	(2,066)	(8,394)	25,365
Net income (loss)	—	—	—	(10,236)	—	—	(10,236)
Other comprehensive income (loss)	—	—	—	—	630	—	630
Cash dividends declared	—	—	—	(342)	—	—	(342)
Issuance of common stock	2	—	3,247	—	—	—	3,249
Issuance and repurchase of Convertible Notes (net settled through a registered direct offering)	2	—	1,798	—	—	—	1,799
Purchases of treasury stock under the Repurchase Program and other	—	2	97	—	—	(10)	89
At November 30, 2020	11	361	13,948	16,075	(1,436)	(8,404)	20,555
Net income (loss)	—	—	—	(9,501)	—	—	(9,501)
Other comprehensive income (loss)	—	—	—	—	(65)	—	(65)
Issuance of common stock, net	—	—	1,009	—	—	—	1,009
Conversion of Convertible Notes	—	—	15	—	—	—	15
Purchases and issuances under the Stock Swap program	—	—	206	—	—	(188)	19
Issuance of treasury shares for vested share-based awards	—	—	—	(126)	—	126	—
Share-based compensation and other	—	—	113	—	—	—	113
At November 30, 2021	$ 11	$ 361	$ 15,292	$ 6,448	$ (1,501)	$ (8,466)	$ 12,144

(a) We adopted the provisions of *Revenue from Contracts with Customers* and *Derivatives and Hedging* on December 1, 2018.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — General

Description of Business

Carnival Corporation was incorporated in Panama in 1974 and Carnival plc was incorporated in England and Wales in 2000. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this 2021 Annual Report as “Carnival Corporation & plc,” “our,” “us” and “we.” The consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries.

We are a leisure travel company with a portfolio of nine of the world’s leading cruise lines. With operations in North America, Australia, Europe and Asia, our portfolio features — Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

DLC Arrangement

Carnival Corporation and Carnival plc operate a dual listed company (“DLC”) arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and provisions in Carnival Corporation’s Articles of Incorporation and By-Laws and Carnival plc’s Articles of Association. The two companies operate as a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Each company’s shares are publicly traded on the New York Stock Exchange (“NYSE”) for Carnival Corporation and the London Stock Exchange for Carnival plc. The Carnival plc American Depositary Shares are traded on the NYSE.

The constitutional documents of each company provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. The Equalization and Governance Agreement between Carnival Corporation and Carnival plc provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC arrangement. Because the equalization ratio is 1 to 1, one share of Carnival Corporation common stock and one Carnival plc ordinary share are generally entitled to the same distributions.

Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other. Once the written demand is made, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor.

Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given the DLC arrangement, we believe that providing separate financial statements for each of Carnival Corporation and Carnival plc would not present a true and fair view of the economic realities of their operations. Accordingly, separate financial statements for Carnival Corporation and Carnival plc have not been presented.

Liquidity and Management’s Plans

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service.The extent of the effects of COVID-19 on our business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. The ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on our financial results and liquidity.

The estimation of our future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate our future liquidity requirements consist of:

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to our ships
- Maintaining collateral and reserves at reasonable levels

In addition, we make certain assumptions about new ship deliveries, improvements and disposals, and consider the future export credit financings that are associated with the ship deliveries.

We cannot make assurances that our assumptions used to estimate our liquidity requirements may not change because we have never previously experienced a complete cessation and subsequent gradual resumption of our guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our consolidated financial statements and there may be changes to those estimates in future periods. We have taken actions to improve our liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from our fleet. In addition, we expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Based on these actions and our assumptions regarding the impact of COVID-19, considering our $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility at November 30, 2021, as well as our expected continued gradual return to service, we have concluded that we have sufficient liquidity to satisfy our obligations for at least the next twelve months.

NOTE 2 — Summary of Significant Accounting Policies

Basis of Presentation

We consolidate entities over which we have control, as typically evidenced by a voting control of greater than 50% or for which we are the primary beneficiary, whereby we have the power to direct the most significant activities and the obligation to absorb significant losses or receive significant benefits from the entity. We do not separately present our noncontrolling interests in the consolidated financial statements since the amounts are immaterial. For affiliates we do not control but where significant influence over financial and operating policies exists, as typically evidenced by a voting control of 20% to 50%, the investment is accounted for using the equity method.

For 2019, we reclassified $390 million from tour and other revenues to onboard and other revenues as well as $268 million from tour and other costs and expenses to other operating cost and expenses in order to conform to the current year presentation.

Preparation of Financial Statements

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements. The full extent to which the effects of COVID-19 will directly or indirectly impact our business, operations, results of operations and financial condition, will depend on future developments that are highly uncertain including our valuation of goodwill and trademarks, impairment of ships, collectability of trade and notes receivables, amount of reserve funds related to customer deposits as well as provisions for pending litigation. We believe that we have made reasonable estimates and judgments within our financial statements and there may be changes to those estimates in future periods. Actual results may differ from the estimates used in preparing our consolidated financial statements. All material intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition which are stated at cost and present insignificant risk of changes in value.

Short-term Investments

Short-term investments include investments with maturities of three to 12 months which are stated at cost and present insignificant risk of changes in value.

Inventories

Inventories consist substantially of food, beverages, hotel supplies, fuel and retail merchandise, which are all carried at the lower of cost or net realizable value. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment charges. Depreciation is computed using the straight-line method over our estimates of useful lives and residual values, as a percentage of original cost, as follows:

	Years	Residual Values
Ships	30	15%
Ship improvements	3 – 30	0%
Buildings and improvements	10 – 40	0%
Computer hardware and software	2 – 12	0%
Transportation equipment and other	3 – 20	0%
Leasehold improvements, including port facilities	Shorter of the remaining lease term or related asset life (3-30)	0%

The cost of ships under construction includes progress payments for the construction of new ships, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. We have a capital program for the improvement of our ships and for asset replacements in order to enhance the effectiveness and efficiency of our operations; to comply with, or exceed, all relevant legal and statutory requirements related to health, environment, safety, security and sustainability; and to gain strategic benefits or provide improved product innovations to our guests.

We capitalize interest as part of the cost of capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalized ship components are written-off upon retirement, which may result in a loss on disposal that is also included in other operating expenses. Liquidated damages received from shipyards as a result of late ship delivery are recorded as reductions to the cost basis of the ship.

The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred and included in other operating expenses. Dry-dock expenses primarily represent maintenance activities that are incurred when a ship is taken out-of-service for scheduled maintenance.

We review our long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts of these assets may not be recoverable. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset from the asset's estimated undiscounted future cash flows. If these estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the excess, if any, of the asset's carrying value over its estimated fair value. The lowest level for which we maintain identifiable cash flows that are independent of the cash flows of other assets and liabilities is at the individual ship level. A significant amount of judgment is required in estimating the future cash flows and fair values of our cruise ships.

Goodwill and Other Intangibles

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business acquisition. We review our goodwill for impairment as of July 31 every year, or more frequently if events or circumstances dictate. All of our goodwill has been allocated to our reporting units. The impairment review for goodwill allows us to first assess qualitative factors to determine whether it is necessary to perform the more detailed quantitative goodwill impairment test. We would perform the quantitative test if our qualitative assessment determined it is more-likely-than-not that a reporting unit's estimated fair value is less than its carrying amount. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test for any reporting unit. When performing the quantitative test, if the estimated fair value of the reporting unit exceeds its carrying value, no further analysis is required. However, if the estimated fair value of the reporting unit is less than the carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its fair value, limited to the amount of goodwill allocated to the reporting unit. A significant amount of judgment is required in estimating the fair values of our reporting units.

Trademarks represent substantially all of our other intangibles. Trademarks are estimated to have an indefinite useful life and are not amortizable but are reviewed for impairment at least annually and as events or circumstances dictate. The impairment review for trademarks also allows us to first assess qualitative factors to determine whether it is necessary to perform a more detailed quantitative trademark impairment test. We would perform the quantitative test if our qualitative assessment determined it was more-likely-than-not that the trademarks are impaired. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test. Our trademarks would be considered impaired if their carrying value exceeds their estimated fair value.

Debt and Debt Issuance Costs

Debt is recorded at initial fair value, which normally reflects the proceeds received by us, net of debt issuance costs. Debt is subsequently stated at amortized cost. Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the debt. Debt issue discounts and premiums are generally amortized to interest expense using the effective interest rate method over the term of the debt.

Derivatives and Other Financial Instruments

We utilize derivative and non-derivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates. We use interest rate swaps primarily to manage our interest rate exposure to achieve a desired proportion of fixed and floating rate debt. Our policy is to not use financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. If a derivative is designated as a cash flow hedge, then the change in the fair value of the derivative is recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a non-derivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the effective portion of the fair value of the financial instrument are recognized as a component of AOCI to offset the change in the translated value of the designated portion of net investment being hedged until the investment is sold or substantially liquidated, while the impact attributable to components excluded from the assessment of hedge effectiveness is recorded in interest expense, net of capitalized interest, on a systematic and rational basis. For derivatives that do not qualify for hedge accounting treatment, the change in fair value is recognized in earnings.

We classify the fair value of all our derivative contracts as either current or long-term, depending on the maturity date of the derivative contract. The cash flows from derivatives treated as cash flow hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged.

Derivative valuations are based on observable inputs such as interest rates and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities, and cross currency basis spreads. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and cross currency swaps using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact.

Foreign Currency Translation and Transactions

These financial statements are presented in U.S. dollars. Each foreign entity determines its functional currency by reference to its primary economic environment. Our most significant foreign entities utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. We translate the assets and liabilities of our foreign entities that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign entities are translated at the average rate for the period. Equity is translated at historical rates and the resulting foreign currency translation adjustments are included as a component of AOCI, which is a separate component of shareholders' equity. Therefore, the U.S. dollar value of the non-equity translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the U.S. dollar versus these currencies.

We execute transactions in a number of different currencies. At the date that the transaction is recognized, each asset, liability, revenue, expense, gain or loss arising from the transaction is measured and recorded in the functional currency of the recording entity using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than the functional currency are adjusted using the exchange rate at the balance sheet date, with gains or losses recorded in other income or other expense, unless such monetary balances have been designated as hedges of net investments in our foreign entities. The net gains or losses resulting from foreign currency transactions were not material in 2021, 2020 and 2019. In addition, the unrealized gains or losses on our long-term intercompany receivables and payables which are denominated in a non-functional currency and which are not expected to be repaid in the foreseeable future are recorded as foreign currency translation adjustments included as a component of AOCI.

Revenue and Expense Recognition

Guest cruise deposits are initially included in customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities, and all associated direct costs and expenses of a voyage are recognized as cruise costs and expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The impact of recognizing these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not material. Certain of our product offerings are bundled and we allocate the value of the bundled services and goods between passenger ticket revenues and onboard and other revenues based upon the estimated standalone selling prices of those goods and services. Guest cancellation fees, when applicable, are recognized in passenger ticket revenues at the time of cancellation.

Our sales to guests of air and other transportation to and from airports near the home ports of our ships are included in passenger ticket revenues, and the related costs of purchasing these services are included in transportation costs. The proceeds that we collect from the sales of third-party shore excursions are included in onboard and other revenues and the related costs are included in onboard and other costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and other revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. These fees, taxes and charges included in commissions, transportation and other costs were $73 million in 2021, $215 million in 2020 and $659 million in 2019. The remaining portion of fees, taxes and charges are expensed in other operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed.

Customer Deposits

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. We have provided flexibility to guests with bookings on sailings cancelled due to itinerary disruptions by allowing guests to receive enhanced future cruise credits ("FCC") or elect to receive refunds in cash. Enhanced

FCCs provide the guest with an additional credit value above the original cash deposit received, and the enhanced value is recognized as a discount applied to the future cruise in the period used. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the continued level of guest acceptance of FCCs and future cruise cancellations. We record a liability for unexpired FCCs to the extent we have received and not refunded cash from guests for cancelled bookings. We had total customer deposits of $3.5 billion and $2.2 billion as of November 30, 2021 and 2020. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During 2021 and 2020, we recognized revenues of $0.1 billion and $3.2 billion related to our customer deposits as of November 30, 2020 and 2019. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refunds of customer deposits and foreign currency translation.

Contract Receivables

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. These reserve funds are included in other assets.

Contract Assets

Contract assets are amounts paid prior to the start of a voyage, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We have contract assets of an immaterial amount as of November 30, 2021 and 2020.

Insurance

We use a combination of insurance and self-insurance to cover a number of risks including illness and injury to crew, guest injuries, pollution, other third-party claims in connection with our cruise activities, damage to hull and machinery for each of our ships, war risks, workers' compensation, directors' and officers' liability, property damage and general liability for shoreside third-party claims. We recognize insurance recoverables from third-party insurers up to the amount of recorded losses at the time the recovery is probable and upon settlement for amounts in excess of the recorded losses. All of our insurance policies are subject to coverage limits, exclusions and deductible levels. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, marketing and promotional expenses. Advertising is charged to expense as incurred, except for media production costs, which are expensed upon the first airing of the advertisement. Selling expenses totaled $340 million in 2021, $348 million in 2020 and $728 million in 2019. Administrative expenses represent the costs of our shoreside support, reservations and other administrative functions, and include salaries and related benefits, professional fees and building occupancy costs, which are typically expensed as incurred.

Share-Based Compensation

We recognize compensation expense for all share-based compensation awards using the fair value method. For time-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if earlier than the vesting period. For performance-based share awards, we estimate compensation cost based on the probability of the performance condition being achieved and recognize expense ratably using the straight-line attribution method over the expected vesting period. If all or a portion of the performance condition is not expected to be met, the appropriate amount of previously recognized compensation expense is reversed and future compensation expense is adjusted accordingly. For market-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period. If the target market conditions are not expected to be met, compensation expense will still be recognized. We account for forfeitures as they occur.

Earnings Per Share

Basic earnings per share is computed by dividing net income (loss) by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income (loss) by the weighted-average number of shares and common stock equivalents outstanding during each period. For earnings per share purposes, Carnival Corporation common stock and Carnival plc ordinary shares are considered a single class of shares since they have equivalent rights.

Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued guidance, *Debt — Debt with Conversion and Other Option*s and *Derivative and Hedging — Contracts in Entity's Own Equity*, which simplifies the accounting for convertible instruments. This guidance eliminates certain models that require separate accounting for embedded conversion features, in certain cases. Additionally, among other changes, the guidance eliminates certain of the conditions for equity classification for contracts in an entity's own equity. The guidance also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. This guidance is required to be adopted by us in the first quarter of 2023 and must be applied using either a modified or full retrospective approach. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

NOTE 3 — Property and Equipment

	November 30,	
(in millions)	**2021**	**2020**
Ships and ship improvements	$ 50,501	$ 49,803
Ships under construction	1,536	1,354
Other property and equipment	3,928	3,992
Total property and equipment	55,965	55,148
Less accumulated depreciation	(17,858)	(17,075)
	$ 38,107	$ 38,073

Capitalized interest amounted to $83 million in 2021, $66 million in 2020 and $39 million in 2019.

Sales of Ships

During 2021, we completed the sale of one NAA segment ship, which represents a passenger-capacity reduction of 670 berths for our NAA segment and one EA segment ship, which represents a passenger-capacity reduction of 1,180 berths for our EA segment.

Refer to Note 10 — "Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks, Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis, Impairment of Ships" for additional discussion.

NOTE 4 — Other Assets

We have a minority interest in Grand Bahama Shipyard Ltd. ("Grand Bahama"), a ship repair and maintenance facility. Grand Bahama provided services to us of $11 million in 2021, $38 million in 2020 and $62 million in 2019. As of November 30, 2021, our investment in Grand Bahama was $47 million, consisting of $14 million in equity and a loan of $33 million. As of November 30, 2020, our investment in Grand Bahama was $55 million, consisting of $13 million in equity and a loan of $42 million.

We have a minority interest in the White Pass & Yukon Route ("White Pass") that includes port, railroad and retail operations in Skagway, Alaska. White Pass provided an immaterial amount of services to us in 2021. White Pass provided no services to us in 2020. As a result of the effects of COVID-19 on the 2021

Alaska season, we evaluated whether our investment in White Pass was other than temporarily impaired and performed an impairment assessment. As a result of our assessment, we recognized an impairment charge of $17 million for our investment in White Pass in other income (expense), net. As of November 30, 2021, our investment in White Pass was $76 million, consisting of $49 million in equity and a loan of $27 million. As of November 30, 2020, our investment in White Pass was $94 million, consisting of $75 million in equity and a loan of $19 million.

We have a minority interest in CSSC Carnival Cruise Shipping Limited ("CSSC-Carnival"), a China-based cruise company which will operate its own fleet designed to serve the Chinese market. As of November 30, 2021 and 2020, our investment in CSSC-Carnival was $119 million and $140 million. During 2020, we sold to CSSC-Carnival a controlling interest in an entity with full ownership of two EA segment ships and recognized a related gain of $107 million, included in other operating expenses in our Consolidated Statements of Income (Loss). During 2021, we sold to CSSC-Carnival our remaining $283 million investment in the minority interest of the same entity. During 2021 and 2020, we made capital contributions to CSSC-Carnival in the amount of $90 million and $81 million, respectively. For the years ending November 30, 2021 and 2020, we paid CSSC-Carnival a total of $55 million for the lease of ships.

Refer to Note 7 — "Contingencies, Other Contingencies" for discussion regarding credit card processor reserve funds which are also included in the other assets balance on the Consolidated Balance Sheets.

NOTE 5 — Debt

(in millions)	Maturity	Rate (a) (c)	November 30, 2021	November 30, 2020
Secured Debt				
Notes				
Notes	Apr 2023	11.5%	$ —	$ 4,000
Notes	Feb 2026	10.5%	775	775
EUR Notes	Feb 2026	10.1%	481	508
Notes	Jun 2027	7.9%	192	192
Notes	Aug 2027	9.9%	900	900
Notes	Aug 2028	4.0%	2,406	—
Loans				
EUR fixed rate	Jul 2024 – May 2025	5.5 – 6.2%	98	136
EUR floating rate	Jun 2025 – Oct 2026	EURIBOR + 2.7 – 3.8%	951	1,026
Floating rate	Jun 2025 – Oct 2028	LIBOR + 3.0 – 3.3%	4,137	1,855
Total Secured Debt			9,939	9,393
Unsecured Debt				
Revolver				
Facility	(b)	LIBOR + 0.7%	2,790	3,083
Notes				
EUR Notes	Feb 2021	1.6%	—	429
EUR Notes	Nov 2022	1.9%	622	658
Convertible Notes	Apr 2023	5.8%	522	537
Notes	Oct 2023	7.2%	125	125
Notes	Mar 2026	7.6%	1,450	1,450
EUR Notes	Mar 2026	7.6%	566	598
Notes	Mar 2027	5.8%	3,500	—
Notes	Jan 2028	6.7%	200	200
Notes	May 2029	6.0%	2,000	—
EUR Notes	Oct 2029	1.0%	679	718

(in millions)	Maturity	Rate (a) (c)	November 30, 2021	November 30, 2020
Loans				
EUR fixed rate	Mar 2021 – Sep 2021	0.3 – 3.9%	—	32
Floating rate	Feb 2023 – Sep 2024	LIBOR + 3.8 – 4.5%	590	300
GBP floating rate	Feb 2025	GBP LIBOR + 0.9%	467	881
EUR floating rate	Dec 2021 – Mar 2026	EURIBOR + 0.3 – 4.8%	1,375	1,860
Export Credit Facilities				
Floating rate	Feb 2022 – Dec 2031	LIBOR + 0.5 – 1.5%	1,363	1,138
EUR floating rate	Feb 2022 – Dec 2032	EURIBOR + 0.2 – 1.6%	2,742	1,891
Fixed rate	Aug 2027 – Dec 2032	2.4 – 3.4%	3,488	3,131
EUR fixed rate	Feb 2031 – Jul 2033	1.1 – 1.6%	1,551	1,159
Total Unsecured Debt			24,031	18,188
Total Debt			33,970	27,581
Less: unamortized debt issuance costs and discounts			(744)	(624)
Total Debt, net of unamortized debt issuance costs and discounts			33,226	26,957
Less: short-term borrowings			(2,790)	(3,084)
Less: current portion of long-term debt			(1,927)	(1,742)
Long-Term Debt			$28,509	$22,130

The scheduled maturities of our debt are as follows:

(in millions)	November 30, 2021 Rate (a) (c)	2022	2023	2024	2025	2026	Thereafter
Secured Debt							
Notes							
Notes	10.5%	$—	$—	$ —	$ —	$ 775	$ —
EUR Notes	10.1%	—	—	—	—	481	—
Notes	7.9%	—	—	—	—	—	192
Notes	9.9%	—	—	—	—	—	900
Notes	4.0%	—	—	—	—	—	2,406
Loans							
EUR fixed rate	5.5 – 6.2%	30	30	30	8	—	—
EUR floating rate	EURIBOR + 2.7 – 3.8%	20	20	20	878	11	—
Floating rate	LIBOR + 3.0 – 3.3%	36	42	42	1,804	23	2,191
Total Secured Debt		86	92	92	2,690	1,290	5,688
Unsecured Debt							
Revolver							
Facility	LIBOR + 0.7%	—	—	2,790	—	—	—

Annex 1

	November 30, 2021						
(in millions)	**Rate (a) (c)**	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Notes							
EUR Notes	1.9%	622	—	—	—	—	—
Convertible Notes	5.8%	—	522	—	—	—	—
Notes	7.2%	—	125	—	—	—	—
Notes	7.6%	—	—	—	—	1,450	—
EUR Notes	7.6%	—	—	—	—	566	—
Notes	5.8%	—	—	—	—	—	3,500
Notes	6.7%	—	—	—	—	—	200
Notes	6.0%	—	—	—	—	—	2,000
EUR Notes	1.0%	—	—	—	—	—	679
Loans							
Floating rate	LIBOR + 3.8 – 4.5%	—	290	300	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	93	374	—	—
EUR floating rate	EURIBOR + 0.3 – 4.8%	413	490	189	189	94	—
Export Credit Facilities							
Floating rate	LIBOR + 0.5 – 1.5%	202	246	246	186	163	406
EUR floating rate	EURIBOR + 0.2 – 1.6%	269	468	441	364	317	952
Fixed rate	2.4 – 3.4%	260	387	387	387	387	1,596
EUR fixed rate	1.1 – 1.6%	74	144	144	144	144	832
Total Unsecured Debt		1,840	2,673	4,590	1,642	3,120	10,165
Total Debt		$1,927	$2,765	$4,682	$4,332	$4,411	$15,854

(a) Substantially all of our variable debt has a 0.0% to 0.75% floor.

(b) Amounts outstanding under our $1.7 billion, €1.0 billion and £0.2 billion multi-currency revolving credit facility (the "Revolving Facility") were drawn in 2020 for an initial six-month term. We may continue to re-borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility. We had $0.2 billion available for borrowing under our Revolving Facility as of November 30, 2021. The Revolving Facility also includes an emissions linked margin adjustment whereby, after the initial applicable margin is set per the margin pricing grid, the margin may be adjusted based on performance in achieving certain agreed annual carbon emissions goals. We are required to pay a commitment fee on any unutilized portion.

(c) The above debt tables do not include the impact of our foreign currency and interest rate swaps. The interest rates on some of our debt, and in the case of our Revolving Facility, fluctuate based on the applicable rating of senior unsecured long-term securities of Carnival Corporation or Carnival plc.

Secured Debt

Our secured debt is secured on a first-priority basis by collateral, which includes vessels and material intellectual property with a net book value of approximately $25.6 billion as of November 30, 2021 and certain other assets.

Repricing of 2025 Secured Term Loan

In June 2021, we entered into an amendment to reprice our $2.8 billion 2025 Secured Term Loan (the "2025 Secured Term Loan"). The amended U.S. dollar tranche bears interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3%. The amended euro tranche bears interest at a rate per annum equal to EURIBOR (with a 0% floor) plus 3.75%.

2028 Senior Secured Notes

In July 2021, we issued $2.4 billion aggregate principal amount of 4% first-priority senior secured notes due in 2028 (the "2028 Senior Secured Notes"). We used the net proceeds from the issuance to purchase

$2.0 billion aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. The 2028 Senior Secured Notes mature on August 1, 2028.

2028 Senior Secured Term Loan

In October 2021, we borrowed an aggregate principal amount of $2.3 billion under a new term loan. We used the net proceeds from this borrowing to redeem the $2.0 billion outstanding aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. Borrowings under the new term loan bear interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3.25% and mature on October 18, 2028.

Unsecured Debt

2027 Senior Unsecured Notes

In February 2021, we issued an aggregate principal amount of $3.5 billion senior unsecured notes that mature on March 1, 2027 (the "2027 Senior Unsecured Notes"). The 2027 Senior Unsecured Notes bear interest at a rate of 5.75% per year.

2029 Senior Unsecured Notes

In November 2021, we issued an aggregate principal amount of $2.0 billion senior unsecured notes that mature on May 1, 2029 (the "2029 Senior Unsecured Notes"), intended to refinance various 2022 and other debt maturities. The 2029 Senior Unsecured Notes bear interest at a rate of 6% per year and are callable beginning November 1, 2024.

Export Credit Facility Borrowing

In December 2020, we borrowed $1.5 billion under export credit facilities due in semi-annual installments through 2033.

In July 2021, we borrowed $544 million under an export credit facility due in semi-annual installments through 2033.

Debt Holidays

In 2021, we amended all of our export credit facilities to defer approximately $1.0 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years. The cumulative deferred principal amount of the debt holiday amendments, inclusive of the amendments entered into in 2020, is approximately $1.7 billion. In addition, these amendments aligned the financial covenants of all our export credit facilities with our other facilities.

Convertible Notes

In 2020, we issued $2.0 billion aggregate principal amount of 5.75% convertible senior notes due 2023 (the "Convertible Notes"). The Convertible Notes mature on April 1, 2023, unless earlier repurchased or redeemed by us or earlier converted in accordance with their terms prior to the maturity date. Since April 2020, we have had repurchases and conversions of convertible debt as a result of which the principal amount of debt decreased by $1.5 billion.

The Convertible Notes are convertible by holders, subject to the conditions described within the indenture that governs the Convertible Notes, into cash, shares of Carnival Corporation common stock, or a combination thereof, at our election. The Convertible Notes have an initial conversion rate of 100 shares of Carnival Corporation common stock per $1,000 principal amount of the Convertible Notes, equivalent to an initial conversion price of $10 per share of common stock. The initial conversion price is subject to certain anti-dilutive adjustments and may also increase if the Convertible Notes are converted in connection with a tax redemption or certain corporate events. As of November 30, 2021, a condition allowing holders of the Convertible Notes to convert has been met and therefore the Convertible Notes are convertible. Refer to Note 15 — "Supplemental Cash Flow Information" for additional detail on transactions related to the Convertible Notes.

We may redeem the Convertible Notes, in whole but not in part, at any time on or prior to December 31, 2022 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, if we or any guarantor would have to pay any additional amounts on the Convertible Notes due to a change in tax laws, regulations or rulings or a change in the official application, administration or interpretation thereof.

We account for the Convertible Notes as separate liability and equity components. We determined the carrying amount of the liability component as the present value of its cash flows.

The carrying amount of the equity component representing the conversion option was $286 million on the date of issuance and was calculated by deducting the carrying value of the liability component from the initial proceeds from the Convertible Notes. The excess of the principal amount of the Convertible Notes over the carrying amount of the liability component represents a debt discount that is amortized to interest expense over the term of the Convertible Notes under the effective interest rate method using an effective annual interest rate of 12.9%. The carrying amount of the equity component was reduced to zero in conjunction with the partial repurchase of Convertible Notes in August 2020 because at the time of repurchase, the fair value of the equity component for the portion of the Convertible Notes that was repurchased, exceeded the total amount of the equity component recorded at the time the Convertible Notes were issued.

The net carrying value of the liability component of the Convertible Notes was as follows:

	November 30,	
(in millions)	**2021**	**2020**
Principal	$ 522	$ 537
Less: Unamortized debt discount	(45)	(76)
	$ 478	$ 461

The interest expense recognized related to the Convertible Notes was as follows:

	November 30,	
(in millions)	**2021**	**2020**
Contractual interest expense	$ 31	$ 58
Amortization of debt discount	29	50
	$ 60	$ 109

As of November 30, 2021, the if-converted value above par was $398 million on available shares of 52 million for the Convertible Notes.

Covenant Compliance

Our Revolving Facility, unsecured loans and our export credit facilities, as of January 13, 2022, contain one or more covenants that require us to:

- Maintain minimum interest coverage (EBITDA to consolidated net interest charges (the "Interest Coverage Covenant")) at the end of each fiscal quarter from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 for the February 28, 2024 testing date onwards, or through their respective maturity dates
- Maintain minimum shareholders' equity of $5.0 billion
- From the November 30, 2021 testing date until the May 31, 2023 testing date, the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards
- Maintain minimum liquidity of $1.0 billion through February 29, 2024
- Adhere to certain restrictive covenants through November 30, 2024
- Restrict the granting of guarantees and security interests for certain of our outstanding debt through November 30, 2024
- Limit the amounts of our secured assets as well as secured and other indebtedness

At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. Any financial covenant amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable.

Carnival Corporation or Carnival plc and certain of our subsidiaries have guaranteed substantially all of our indebtedness.

NOTE 6 — Commitments

Newbuild capital expenditures as of November 30, 2021:

(in millions) **Year**		
2022	$	4,355
2023		2,576
2024		1,641
2025		987
2026 and thereafter		—
	$	9,560

NOTE 7 — Contingencies

Litigation

We are routinely involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including those noted below. Additionally, as a result of the impact of COVID-19, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury and loss of life, have been and may, in the future, be asserted against us. We expect many of these claims and actions, or any settlement of these claims and actions, to be covered by insurance and historically the maximum amount of our liability, net of any insurance recoverables, has been limited to our self-insurance retention levels.

We record provisions in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated.

Legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could involve substantial monetary damages. In addition, in matters for which conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies. An unfavorable outcome might result in a material adverse impact on our business, results of operations, financial position or liquidity.

As previously disclosed, on May 2, 2019, two lawsuits were filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida under Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act, alleging that Carnival Corporation "trafficked" in confiscated Cuban property when certain ships docked at certain ports in Cuba, and that this alleged "trafficking" entitles the plaintiffs to treble damages. In the matter filed by Havana Docks Corporation, on January 12, 2022, the court continued the trial date to May 23, 2022. Motions for summary judgment have been filed and hearings were concluded on January 18, 2022. In the matter filed by Javier Bengochea, on October 4, 2021, the U.S. Court of Appeals for the Eleventh Circuit Court heard oral arguments and on December 20, 2021, the court issued an order inviting an amicus brief from the U.S. government on several issues involved in the appeal. We continue to believe we have a meritorious defense to these actions and we believe that any liability which may arise as a result of these actions will not have a material impact on our consolidated financial statements.

As previously disclosed, on April 8, 2020, DeCurtis LLC ("DeCurtis"), a former vendor, filed an action against Carnival Corporation in the U.S. District Court for Middle District of Florida seeking declaratory relief that DeCurtis is not infringing on several of Carnival Corporation's patents in relation to its OCEAN Medallion systems and technology. The action also raises certain monopolization claims under The Sherman Antitrust Act of 1890, unfair competition and tortious interference, and seeks declaratory judgment that certain Carnival Corporation patents are unenforceable. DeCurtis seeks damages, including its fees and costs, and seeks declarations that it is not infringing and/or that Carnival Corporation's patents are unenforceable. On April 10, 2020, Carnival Corporation filed an action against DeCurtis in the Southern District of Florida for breach of contract, trade secrets violations and patent infringement. Carnival Corporation seeks damages, including its fees and costs, as well as an order permanently enjoining DeCurtis from engaging in such activities. These two cases have now been consolidated in the Southern District of Florida. The parties' motions to dismiss in both actions have been granted in part and denied in part. Answers have been filed by both parties. We believe the ultimate outcome will not have a material impact on our consolidated financial statements. Additionally, on April 8, 2021, DeCurtis filed challenges to several of Carnival Corporation's patents with the U.S. Patent and Trademark Office, seeking to invalidate certain patents on the basis of alleged prior art, overbreadth of the patents, and obviousness of the technologies. On October 12, 2021 a ruling was issued upholding Carnival Corporation's patents, therefore bringing this separate matter to a close.

Contingent Obligations — Indemnifications

Some of the debt contracts we enter into include indemnification provisions obligating us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes or changes in laws which increase the lender's costs. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses.

Other Contingencies

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of November 30, 2021 and 2020, we had $1.1 billion and $0.4 billion, respectively, in reserve funds related to our customer deposits withheld to satisfy these requirements which are included in other assets. We continue to expect to provide reserve funds under these agreements. Additionally, as of November 30, 2021, we had $30 million of cash collateral in escrow which is included within other assets. As of November 30, 2020, we had $166 million of cash collateral in escrow of which $136 million was included within prepaid expenses and other.

We have and may continue to be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from inadvertent events to malicious motivated attacks.

We detected ransomware attacks in August 2020 and December 2020 which resulted in unauthorized access to our information technology systems. We engaged a major cybersecurity firm to investigate these matters and notified law enforcement and regulators of these incidents. For the August 2020 event, the investigation, communication and reporting phases are complete. We determined that the unauthorized third-party gained access to certain personal information relating to some guests, employees and crew for some of our operations. For the December 2020 event, the investigation and remediation phases are in process. Regulators were notified, and several, including the primary regulatory authority in the European Union, have closed their files on this matter.

We have been contacted by various regulatory agencies regarding these and other cyber incidents. The New York Department of Financial Services ("NY DFS") has notified us of their intent to commence proceedings seeking penalties if settlement cannot be reached in advance of litigation. To date, we have not been able to reach an agreement with NY DFS. In addition, State Attorneys General from a number of states have completed their investigation of a data security event announced in March 2020, and the Company is currently negotiating a settlement with the relevant State Attorneys General.

We continue to work with regulators regarding cyber incidents we have experienced. We have incurred legal and other costs in connection with cyber incidents that have impacted us. While at this time we do not believe that these incidents will have a material adverse effect on our business, operations or financial results, no assurances can be given about the future and we may be subject to future litigation, attacks or incidents that could have such a material adverse effect.

We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

COVID-19 Matters

Private Actions

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 82 lawsuits as of January 13, 2022 in several U.S. federal and state courts as well as in France, Italy and Brazil. These actions include tort claims based on a variety of theories, including negligence and failure to warn. The plaintiffs in these actions allege a variety of injuries: some plaintiffs confined their claim to emotional distress, while others allege injuries arising from testing positive for COVID-19. A smaller number of actions include wrongful death claims. As of January 13, 2022, eight of these individual actions have now been dismissed or settled. These actions were settled for immaterial amounts.

Additionally, as of January 13, 2022, ten purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess, Costa Luminosa* or *Zaandam* in several U.S. federal courts and in the Federal Court of Australia. These actions include tort claims based on a variety of theories, including negligence, gross negligence and failure to warn, physical injuries and severe emotional distress associated with being exposed to and/or contracting COVID-19 onboard. As of January 13, 2022, five of these class actions have either been settled individually or had their class allegations dismissed by the courts. These actions were settled for immaterial amounts.

All COVID-19 matters seek monetary damages and most seek additional punitive damages in unspecified amounts.

As previously disclosed, on December 15, 2020, a consolidated class action with lead plaintiffs, the New England Carpenters Pension and Guaranteed Annuity Fund and the Massachusetts Laborers' Pension and Annuity Fund was filed in the U.S. District Court for the Southern District of Florida, alleging violations of Sections 10(b) and 20(a) of the U.S. Securities and Exchange Act of 1934 by making misrepresentations and omissions related to Carnival Corporation's COVID-19 knowledge and response. Plaintiffs seek to recover unspecified damages and equitable relief for the alleged misstatements and omissions. The plaintiffs filed a second amended complaint on July 2, 2021 and on August 6, 2021, we filed a motion to dismiss, which has now been fully briefed.

We continue to take actions to defend against the above claims.

Governmental Inquiries and Investigations

Federal and non-U.S. governmental agencies and officials are investigating or otherwise seeking information, testimony and/or documents, regarding COVID-19 incidents and related matters. We are investigating these matters internally and are cooperating with all requests. The investigations could result in the imposition of civil and criminal penalties in the future.

As previously disclosed, the investigation in New Zealand related to incidents of COVID-19 on the *Ruby Princess* has now been closed, concluding we are not in breach of any rules or regulations.

NOTE 8 — Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an "equivalent exemption jurisdiction") and (ii) the foreign corporation meets a defined publicly-traded corporation stock ownership test (the "publicly-traded test"). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation's income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the IRS does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

Carnival Corporation, Carnival plc and certain subsidiaries are subject to various U.S. state income taxes generally imposed on each state's portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands' relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

Italian and German Income Tax

In 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2021 and 2020.

Substantially all of AIDA's earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

Asian Countries Income Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties.

Other

We recognize income tax provisions for uncertain tax positions, based solely on their technical merits, when it is more likely than not to be sustained upon examination by the relevant tax authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution. Based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our financial position. All interest expense related to income tax liabilities is included in income tax expense.

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes, fees and other charges are included in commissions, transportation and other costs and other operating expenses.

NOTE 9 — Shareholders' Equity

Share Repurchase Program

Under a share repurchase program effective 2004, we had been authorized to repurchase Carnival Corporation common stock and Carnival plc ordinary shares (the "Repurchase Program"). On June 15, 2020, to enhance our liquidity and comply with restrictions in our recent financing transactions, the Boards of Directors terminated the Repurchase Program.

	Carnival Corporation		Carnival plc	
(in millions)	**Number of Shares Repurchased**	**Dollar Amount Paid for Shares Repurchased**	**Number of Shares Repurchased**	**Dollar Amount Paid for Shares Repurchased**
2020	—	$ —	0.2	$ 10
2019	0.6	$ 26	12.2	$ 569

Stock Swap Program

We have a program that allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the "Stock Swap Program").

During 2021, under the Stock Swap Program, we sold 8.9 million shares of Carnival Corporation's common stock and repurchased the same amount of Carnival plc ordinary shares resulting in net proceeds of $19 million, which were used for general corporate purposes. During 2020 and 2019, there were no sales or repurchases under the Stock Swap Program.

(in millions, except per share data)	**Total Number of Shares of Carnival plc Ordinary Shares Purchased (a)**	**Average Price Paid per Share of Carnival plc Ordinary Share**	**Maximum Number of Carnival plc Ordinary Shares That May Yet Be Purchased Under the Carnival Corporation Stock Swap Program**
2021	8.9	$ 20.99	9.5

(a) No ordinary shares of Carnival plc were purchased outside of publicly announced plans or programs.

Annex 1

Accumulated Other Comprehensive Income (Loss)

	AOCI		
	November 30,		
(in millions)	2021	2020	2019
Cumulative foreign currency translation adjustments, net	$ (1,501)	$ (1,382)	$ (1,961)
Unrecognized pension expenses	(45)	(95)	(88)
Net gains (losses) on cash flow derivative hedges	44	41	(18)
	$ (1,501)	$ (1,436)	$ (2,066)

During 2021, 2020 and 2019, there were $7 million, $3 million and $5 million of unrecognized pension expenses that were reclassified out of accumulated other comprehensive loss and were included within payroll and related expenses and selling and administrative expenses.

Dividends

To enhance our liquidity, as well as comply with the dividend restrictions contained in our debt agreements, in 2020 we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc. We declared quarterly cash dividends on all of our common stock and ordinary shares as follows:

	Quarters Ended			
(in millions, except per share data)	February 28/29	May 31	August 31	November 30
2020				
Dividends declared per share	$ 0.50	$ —	$ —	$ —
Dividends declared	$ 342	$ —	$ —	$ —
2019				
Dividends declared per share	$ 0.50	$ 0.50	$ 0.50	$ 0.50
Dividends declared	$ 345	$ 346	$ 342	$ 346

Carnival Corporation's Articles of Incorporation authorize its Boards of Directors, at its discretion, to issue up to 40 million shares of preferred stock. At November 30, 2021 and 2020, no Carnival Corporation preferred stock or Carnival plc preference shares had been issued.

Public Equity Offerings

In April 2020, we completed a public offering of 71.9 million shares of Carnival Corporation's common stock at a price per share of $8.00, resulting in net proceeds of $556 million.

In October 2020, we completed our $1.0 billion "at-the-market" ("ATM") equity offering program that was announced on September 15, 2020, pursuant to which we sold 67.1 million shares of Carnival Corporation common stock.

In November 2020, we completed our $1.5 billion ATM equity offering program that was announced on November 10, 2020, pursuant to which we sold 94.5 million shares of Carnival Corporation common stock.

In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of $25.10, resulting in net proceeds of $996 million.

Since June 2021, we have sold 0.6 million shares of Carnival Corporation common stock at an average price per share of $21.32, resulting in net proceeds of $13 million.

NOTE 10 — Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks

Fair Value Measurements

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

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

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

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

	November 30, 2021				November 30, 2020			
		Fair Value				Fair Value		
(in millions)	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	$ 19,555	$ —	$ 19,013	$ —	$ 15,547	$ —	$ 16,258	$ —
Floating rate debt (a)	14,415	—	13,451	—	12,034	—	11,412	—
Total	$ 33,970	$ —	$ 32,463	$ —	$ 27,581	$ —	$ 27,670	$ —

(a) The debt amounts above do not include the impact of interest rate swaps or debt issuance costs. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in markets that are not sufficiently active to be Level 1 and, accordingly, are considered Level 2. The fair values of our other debt were estimated based on current market interest rates being applied to this debt.

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

	November 30, 2021			November 30, 2020		
(in millions)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	$ 8,939	$ —	$ —	$ 9,513	$ —	$ —
Restricted cash	38	—	—	179	—	—
Short-term investments (a)	200	—	—	—	—	—
Derivative financial instruments	—	1	—	—	—	—
Total	$ 9,177	$ 1	$ —	$ 9,692	$ —	$ —
Liabilities						
Derivative financial instruments	$ —	$ 13	$ —	$ —	$ 10	$ —
Total	$ —	$ 13	$ —	$ —	$ 10	$ —

(a) Short-term investments consist of marketable securities with original maturities of between three and twelve months.

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

Valuation of Goodwill and Trademarks

As a result of the gradual resumption of guest cruise operations and its effect on our expected future operating cash flows, we performed interim discounted cash flow analyses for certain reporting units with goodwill as of May 31, 2021 and determined there was no impairment. As of July 31, 2021, we performed our annual goodwill and trademark impairments reviews and we determined there was no impairment for goodwill and trademarks at our annual test date.

As of November 30, 2021, as a result of the continued gradual resumption of guest cruise operations, ongoing impacts of COVID-19 and its effect on our expected future operating cash flows, including changes in estimates related to the timing of our full return to guest cruise operations and improved profitability, we performed interim discounted cash flow analyses for our EA segment reporting units and determined their estimated fair values no longer exceeded their carrying values. As a result, we recognized goodwill impairment charges of $226 million and accordingly have no remaining goodwill for those reporting units.

During 2020, we performed interim discounted cash flow analyses for certain reporting units with goodwill as of February 29, 2020 and for all reporting units with goodwill or trademarks as of May 31, 2020 and recognized goodwill impairment charges of $2.1 billion.

As of July 31, 2020 and 2019, we performed our annual goodwill and trademark impairment reviews and we determined there was no incremental impairment for goodwill or trademarks.

The determination of the fair value of our reporting units' goodwill and trademarks includes numerous estimates and underlying assumptions that are subject to various risks and uncertainties. The effect of COVID-19 and the gradual resumption of guest cruise operations have created additional uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. We believe that we have made reasonable estimates and judgments. The assumptions, all of which are considered Level 3 inputs, used in our cash flow analyses consisted of:

- The timing and pace of our full return to guest cruise operations
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate ("WACC")

The estimated fair value of the reporting unit with remaining goodwill and of our trademarks significantly exceeded their carrying value as of the date of the most recent impairment test. Refer to Note 2 — "Summary of Significant Accounting Policies, Preparation of Financial Statements" for additional discussion.

	Goodwill		
(in millions)	**NAA Segment**	**EA Segment**	**Total**
At November 30, 2019	$ 1,898	$ 1,014	$ 2,912
Impairment charge	(1,319)	(777)	(2,096)
Exchange movements	—	(9)	(9)
At November 30, 2020	579	228	807
Impairment charges	—	(226)	(226)
Exchange movements	—	(2)	(2)
At November 30, 2021	$ 579	$ —	$ 579

	Trademarks		
(in millions)	**NAA Segment**	**EA Segment**	**Total**
At November 30, 2019	$ 927	$ 240	$ 1,167
Exchange movements	—	13	13
At November 30, 2020	927	253	1,180
Exchange movements	—	(5)	(5)
At November 30, 2021	$ 927	$ 248	$ 1,175

Impairments of Ships

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the continued effect of COVID-19 on our business and our updated expectations for certain of our ships, we determined that these ships had net carrying values that exceeded their respective estimated undiscounted future cash flows during 2021. We then estimated the fair value of these ships based on their respective estimated selling values. We then compared these estimated fair values to the net carrying values and, as a result, we recognized ship impairment charges as summarized in the table below. We believe we have made reasonable estimates and judgments as part of our assessments. A change in the principal assumptions, which influences the determination of fair value, may result in a need to perform additional impairment reviews. We performed undiscounted cash flow analyses on certain ships in our fleet throughout 2020 and determined that certain ships had net carrying values that exceeded their estimated undiscounted future cash flows. The table below summarizes the impairment charges recognized during 2021 and 2020. We did not recognize ship impairment charges during 2019. The principal assumption, considered a level 3 input, used in our impairment analyses consisted of the timing of the sale of ships and estimated proceeds.

The impairment charges summarized in the table below are included in ship and other impairments in our Consolidated Statements of Income (Loss).

	November 30,	
(in millions)	**2021**	**2020**
NAA Segment	$ 273	$ 1,474
EA Segment	318	319
Total ship impairments	$ 591	$ 1,794

Refer to Note 2 — "Summary of Significant Accounting Policies, Preparation of Financial Statements" for additional discussion.

Derivative Instruments and Hedging Activities

		November 30,	
(in millions)	**Balance Sheet Location**	**2021**	**2020**
Derivative assets			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Prepaid expenses and other	$ 1	$ —
Total derivative assets		$ 1	$ —
Derivative liabilities			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Other long-term liabilities	$ 8	$ —
Interest rate swaps (b)	Accrued liabilities and other	3	5
	Other long-term liabilities	2	5
Total derivative liabilities		$ 13	$ 10

(a) At November 30, 2021, we had a cross currency swap totaling $201 million that is designated as a hedge of our net investment in foreign operations with a euro-denominated functional currency. At November 30, 2021, this cross currency swap settles through 2028. At November 30, 2020, we had no cross currency swaps.

(b) We have interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed $160 million at November 30, 2021 and $248 million at November 30, 2020 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At November 30, 2021, these interest rate swaps settle through 2025.

Our derivative contracts include rights of offset with our counterparties. We have elected to net certain of our derivative assets and liabilities within counterparties.

	November 30, 2021				
(in millions)	**Gross Amounts**	**Gross Amounts Offset in the Balance Sheet**	**Total Net Amounts Presented in the Balance Sheet**	**Gross Amounts not Offset in the Balance Sheet**	**Net Amounts**
Assets	$ 1	$ —	$ 1	$ —	$ 1
Liabilities	$ 13	$ —	$ 13	$ —	$ 13

	November 30, 2020				
(in millions)	**Gross Amounts**	**Gross Amounts Offset in the Balance Sheet**	**Total Net Amounts Presented in the Balance Sheet**	**Gross Amounts not Offset in the Balance Sheet**	**Net Amounts**
Assets	$ —	$ —	$ —	$ —	$ —
Liabilities	$ 10	$ —	$ 10	$ —	$ 10

The effect of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive income (loss) and in net income (loss) was as follows:

	November 30,		
(in millions)	**2021**	**2020**	**2019**
Gains (losses) recognized in AOCI:			
Cross currency swaps – net investment hedges – included component	$ (1)	$ 131	$ 43
Cross currency swaps – net investment hedges – excluded component	$ (6)	$ (1)	$ 1
Foreign currency zero cost collars – cash flow hedges	$ —	$ 1	$ (1)
Foreign currency forwards – cash flow hedges	$ —	$ 53	$ —
Interest rate swaps – cash flow hedges	$ 5	$ 6	$ 3
Gains (losses) reclassified from AOCI – cash flow hedges:			
Interest rate swaps – Interest expense, net of capitalized interest	$ (5)	$ (6)	$ (7)
Foreign currency zero cost collars – Depreciation and amortization	$ 2	$ 1	$ 1
Gains (losses) recognized on derivative instruments (amount excluded from effectiveness testing – net investment hedges)			
Cross currency swaps – Interest expense, net of capitalized interest	$ —	$ 12	$ 23

The amount of estimated cash flow hedges' unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not material.

Financial Risk

Fuel Price Risks

We manage our exposure to fuel price risk by managing our consumption of fuel. Substantially all of our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We manage fuel consumption through ship maintenance practices, modifying our itineraries and implementing innovative technologies.

Foreign Currency Exchange Rate Risks

Overall Strategy

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and non-derivative financial instruments. Our primary focus is to monitor our exposure to, and manage, the economic foreign currency exchange risks faced by our operations and realized if we exchange one currency for another. We consider hedging certain of our ship commitments and net investments in foreign operations. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates affect our financial statements.

Investment Currency Risks

We consider our investments in foreign operations to be denominated in stable currencies and of a long-term nature. We partially mitigate the currency exposure of our investments in foreign operations by designating a portion of our foreign currency debt and derivatives as hedges of these investments. As of November 30, 2021, we have designated $467 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations. In 2021, we recognized $21 million of losses on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have euro-denominated debt, including the effect of cross currency swaps, which provides an economic offset for our operations with euro functional currency.

Newbuild Currency Risks

Our shipbuilding contracts are typically denominated in euros. Our decision to hedge a non-functional currency ship commitment for our cruise brands is made on a case-by-case basis, considering the amount and duration of the exposure, market volatility, economic trends, our overall expected net cash flows by currency and other offsetting risks. We have used foreign currency derivative contracts to manage foreign currency exchange rate risk for some of our ship construction payments.

At November 30, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of $6.8 billion for newbuilds scheduled to be delivered through 2025.

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

Interest Rate Risks

We manage our exposure to fluctuations in interest rates through our debt portfolio management and investment strategies. We evaluate our debt portfolio to determine whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt.

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. We seek to manage these credit risk exposures, including counterparty nonperformance primarily associated with our cash equivalents, investments, notes receivables, reserve funds related to customer deposits, future financing facilities, contingent obligations, derivative instruments, insurance contracts, long-term ship charters and new ship progress payment guarantees, by:

- Conducting business with well-established financial institutions, insurance companies and export credit agencies
- Diversifying our counterparties
- Having guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk
- Generally requiring collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards

At November 30, 2021, our exposures under derivative instruments were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with trade receivables and other receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. Normally, we have not required collateral or other security to support normal credit sales. Historically, we have not experienced significant credit losses, including counterparty nonperformance; however, because of the impact COVID-19 is having on economies, we have experienced, and may continue to experience, an increase in credit losses.

Our credit exposure also includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in Australia and most of Europe where we are obligated to honor our guests' cruise payments made by them to their travel agents and tour operators regardless of whether we have received these payments.

NOTE 11 — Leases

On December 1, 2019, the Company adopted the FASB issued guidance, *Leases* using the modified retrospective approach. Substantially all of our leases for which we are the lessee are operating leases of port facilities and real estate and are included within operating lease right-of-use assets, long-term operating lease liabilities and current portion of operating lease liabilities in our Consolidated Balance Sheet as of November 30, 2021.

We have port facilities and real estate lease agreements with lease and non-lease components, and in such cases, we account for the components as a single lease component.

We do not recognize lease assets and lease liabilities for any leases with an original term of less than one year. For some of our port facilities and real estate lease agreements, we have the option to extend our current lease term by 1 to 10 years. Generally, we do not include renewal options as a component of our present value calculation as we are not reasonably certain that we will exercise the options.

As most of our leases do not have a readily determinable implicit rate, we estimate the incremental borrowing rate ("IBR") to determine the present value of lease payments. We apply judgment in estimating the IBR including considering the term of the lease, the currency in which the lease is denominated, and the impact of collateral and our credit risk on the rate.

We amortize our lease assets on a straight-line basis over the lease term. The components of expense were as follows:

	November 30,	
(in millions)	**2021**	**2020**
Operating lease expense	$ 203	$ 203
Variable lease expense (a) (b)	$ (100)	$ (61)

(a) Variable lease expense represents costs associated with our multi-year preferential berthing agreements which vary based on the number of passengers. These costs are recorded within commission, transportation and other in our Consolidated Statements of Income (Loss). Variable and short-term lease costs related to operating leases, other than the port facilities, were not material to our consolidated financial statements.

(b) Several of our preferential berthing agreements have force majeure provisions. We have treated the concessions granted under such provisions as variable payment adjustments. If our interpretation of the force majeure provisions is disputed, we could be required to record and make additional guarantee payments.

The cash outflow for leases was materially consistent with the lease expense recognized during 2021.

We have multiple agreements, with a total undiscounted minimum commitment of approximately $321 million, that have been executed but the lease term has not commenced as of November 30, 2021. These are substantially all related to our rights to use certain port facilities. The leases are expected to commence in 2022.

During 2021, we obtained $114 million of right-of-use assets in exchange for new operating lease liabilities.

Weighted average of the remaining lease terms and weighted average discount rates are as follows:

	November 30, 2021	November 30, 2020
Weighted average remaining lease term – operating leases (in years)	12	13
Weighted average discount rate – operating leases	3.8%	3.4%

As of November 30, 2021, maturities of operating lease liabilities were as follows:

(in millions) **Year**	
2022	$ 202
2023	186
2024	167
2025	158
2026	145
Thereafter	880
Total lease payments	1,739
Less: Present value discount	(358)
Present value of lease liabilities	$ 1,381

For time charter arrangements where we are the lessor and for transactions with cruise guests related to the use of cabins, we do not separate lease and non-lease components. As the non-lease components are the predominant components in the agreements, we account for these transactions under the Revenue Recognition guidance.

NOTE 12 — Segment Information

Our operating segments are reported on the same basis as the internally reported information that is provided to our chief operating decision maker ("CODM"), who is the President and Chief Executive Officer of Carnival Corporation and Carnival plc. The CODM assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of our segments. Our four reportable segments are comprised of (1) NAA cruise operations, (2) EA cruise operations, (3) Cruise Support and (4) Tour and Other.

The operating segments within each of our NAA and EA reportable segments have been aggregated based on the similarity of their economic and other characteristics. Our Cruise Support segment includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

	As of and for the years ended November 30,						
(in millions)	**Revenues**	**Operating costs and expenses**	**Selling and administrative**	**Depreciation and amortization**	**Operating income (loss)**	**Capital expenditures**	**Total assets**
2021							
NAA	$ 1,108	$ 2,730	$ 953	$ 1,352	$ (3,928)	$ 2,397	$ 25,606
EA	712	1,807	568	728	(2,617) (a)	515	16,088
Cruise Support	42	55	335	129	(477)	660	11,014
Tour and Other	46	63	27	23	(67)	35	637
	$ 1,908	$ 4,655	$ 1,885	$ 2,233	$ (7,089)	$ 3,607	$ 53,344
2020							
NAA	$ 3,627	$ 5,623	$ 1,066	$ 1,413	$ (5,794) (b)	$ 1,430	$ 25,257
EA	1,790	2,548	523	672	(2,729) (c)	2,036	16,505
Cruise Support	68	(10)	262	128	(313)	144	11,135
Tour and Other	110	84	27	28	(29)	11	696
	$ 5,595	$ 8,245	$ 1,878	$ 2,241	$ (8,865)	$ 3,620	$ 53,593
2019							
NAA	$13,612	$ 8,370	$ 1,427	$ 1,364	$ 2,451	$ 2,781	$ 27,102
EA	6,650	4,146	744	645	1,115	2,462	15,473
Cruise Support	173	125	281	115	(347)	143	1,861
Tour and Other	390	268	28	36	56	43	623
	$20,825	$12,909	$ 2,480	$ 2,160	$ 3,276	$ 5,429	$ 45,058

(a) Includes $226 million of goodwill impairment charges.

(b) Includes $1.3 billion of goodwill impairment charges.

(c) Includes $777 million of goodwill impairment charges.

Annex 1

Revenues by geographic areas, which are based on where our guests are sourced, were as follows:

	Years Ended November 30,		
(in millions)	**2021**	**2020**	**2019**
North America	$ 1,066	$ 3,084	$ 11,502
Europe	811	1,643	6,318
Australia and Asia	18	687	2,632
Other	14	180	373
	$ 1,908	$ 5,595	$ 20,825

Substantially all of our long-lived assets consist of our ships and move between geographic areas.

NOTE 13 — Compensation Plans and Post-Employment Benefits

Equity Plans

We issue our share-based compensation awards, which at November 30, 2021 included time-based share awards (restricted stock awards and restricted stock units), performance-based share awards and market-based share awards (collectively "equity awards"), under the Carnival Corporation and Carnival plc stock plans. Equity awards are principally granted to management level employees and members of our Boards of Directors. The plans are administered by the Compensation Committee which is made up of independent directors who determine which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. We had an aggregate of 17.6 million shares available for future grant at November 30, 2021. We fulfill our equity award obligations using shares purchased in the open market or with unissued or treasury shares. Our equity awards generally vest over a three-year period, subject to earlier vesting under certain conditions.

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2018	2,280,517	$ 61.57
Granted	1,357,177	$ 52.17
Vested	(960,693)	$ 53.49
Forfeited	(185,625)	$ 56.13
Outstanding at November 30, 2019	2,491,376	$ 59.97
Granted	9,971,331	$ 20.72
Vested	(1,641,570)	$ 30.68
Forfeited	(480,361)	$ 50.96
Outstanding at November 30, 2020	10,340,776	$ 26.61
Granted	4,453,572	$ 20.65
Vested	(6,618,083)	$ 21.31
Forfeited	(729,073)	$ 35.81
Outstanding at November 30, 2021	7,447,192	$ 26.85

As of November 30, 2021, there was $80 million of total unrecognized compensation cost related to equity awards, which is expected to be recognized over a weighted-average period of 1.3 years.

Single-employer Defined Benefit Pension Plans

We maintain several single-employer defined benefit pension plans, which cover certain of our shipboard and shoreside employees. The U.S. and UK shoreside employee plans are closed to new membership and are funded at or above the level required by U.S. or UK regulations. The remaining defined benefit plans are primarily unfunded. These plans provide pension benefits primarily based on employee compensation and years of service.

(in millions)	UK Plan (a) 2021	UK Plan (a) 2020	All Other Plans 2021	All Other Plans 2020
Change in projected benefit obligation:				
Projected benefit obligation as of December 1	$ 303	$ 299	$ 280	$ 259
Past service cost	—	—	10	20
Interest cost	4	5	4	6
Benefits paid	(10)	(16)	(5)	(14)
Actuarial (gain) loss on plans' liabilities	(7)	14	(8)	13
Plan curtailments, settlements and other	7	—	(19)	(4)
Projected benefit obligation as of November 30	298	303	263	280
Change in plan assets:				
Fair value of plan assets as of December 1	325	312	17	18
Return on plans' assets	31	23	—	1
Employer contributions	1	6	17	14
Benefits paid	(10)	(16)	(5)	(14)
Plan settlements	—	—	(17)	(2)
Administrative expenses	8	(1)	—	—
Fair value of plan assets as of November 30	355	325	13	17
Funded status as of November 30	$ 56	$ 22	$ (250)	$ (263)

(a) The P&O Princess Cruises (UK) Pension Scheme ("UK Plan")

The amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

(in millions)	UK Plan November 30, 2021	UK Plan November 30, 2020	All Other Plans November 30, 2021	All Other Plans November 30, 2020
Other assets	$ 56	$ 22	$ —	$ —
Accrued liabilities and other	$ —	$ —	$ 23	$ 32
Other long-term liabilities	$ —	$ —	$ 227	$ 231

The accumulated benefit obligation for all defined benefit pension plans was $553 million and $584 million at November 30, 2021 and 2020, respectively.

Amounts for pension plans with accumulated benefit obligations in excess of fair value of plan assets are as follows:

(in millions)	November 30, 2021	November 30, 2020
Projected benefit obligation	$ 263	$ 280
Accumulated benefit obligation	$ 272	$ 247
Fair value of plan assets	$ 17	$ 18

The net benefit cost recognized in the Consolidated Statements of Income (Loss) were as follows:

(in millions)	UK Plan November 30, 2021	UK Plan November 30, 2020	UK Plan November 30, 2019	All Other Plans November 30, 2021	All Other Plans November 30, 2020	All Other Plans November 30, 2019
Service cost	$ —	$ —	$ —	$ 10	$ 20	$ 17
Interest cost	4	5	7	4	6	8
Expected return on plan assets	(6)	(8)	(11)	—	(1)	(1)
Amortization of net loss (gain)	—	—	—	4	4	3

(in millions)	UK Plan November 30, 2021	UK Plan November 30, 2020	UK Plan November 30, 2019	All Other Plans November 30, 2021	All Other Plans November 30, 2020	All Other Plans November 30, 2019
Settlement loss recognized	—	—	—	5	1	—
Net periodic benefit cost	$ (1)	$ (3)	$ (3)	$ 22	$ 32	$ 28

The components of net periodic benefit cost other than the service cost component are included in other income (expense), net in the Consolidated Statements of Income (Loss).

Weighted average assumptions used to determine the projected benefit obligation are as follows:

	UK Plan 2021	UK Plan 2020	All Other Plans 2021	All Other Plans 2020
Discount rate	1.6%	1.6%	2.6%	2.2%
Rate of compensation increase	2.7%	2.3%	3.0%	2.8%

Weighted average assumptions used to determine net pension income are as follows:

	UK Plan 2021	UK Plan 2020	UK Plan 2019	All Other Plans 2021	All Other Plans 2020	All Other Plans 2019
Discount rate	1.6%	1.9%	3.0%	2.3%	2.9%	3.5%
Expected return on assets	1.9%	3.0%	4.2%	2.3%	3.0%	3.0%
Rate of compensation increase	2.3%	2.9%	3.4%	3.0%	2.7%	3.0%

The discount rate used to determine the UK Plan's projected benefit obligation was determined as the single equivalent rate based on applying a yield curve determined from AA credit rated bonds at the balance sheet date to the cash flows making up the pension plan's obligations. The discount rate used to determine the UK Plan's future net periodic benefit cost was determined as the equivalent rate based on applying each individual spot rate from a yield curve determined from AA credit rated bonds at the balance sheet date for each year's cash flow. The UK Plan's expected long-term return on plan assets is consistent with the long-term investment return target provided to the UK Plan's fiduciary manager (U.K. government fixed interest bonds (gilts) plus 1.0%) and was 1.8% per annum as of November 30, 2021.

Amounts recognized in AOCI are as follows:

	UK Plan November 30, 2021	UK Plan November 30, 2020	All Other Plans November 30, 2021	All Other Plans November 30, 2020
Actuarial losses (gains) recognized in the current year	$ —	$ 1	$ (7)	$ 13
Amortization and settlements included in net periodic benefit cost	$ —	$ —	$ (12)	$ (8)

We anticipate making contributions of $25 million to the plans during 2022. Estimated future benefit payments to be made during each of the next five fiscal years and in the aggregate during the succeeding five fiscal years are as follows:

(in millions)	UK Plan	All Other Plans
2022	$ 7	$ 24
2023	7	22
2024	7	24
2025	7	27
2026	8	26
2027 – 2031	41	146
	$ 77	$ 269

Our investment strategy for our pension plan assets is to maintain a diversified portfolio of asset classes to produce a sufficient level of diversification and investment return over the long term. The investment policy for each plan specifies the type of investment vehicles appropriate for the plan, asset allocation guidelines, criteria for selection of investment managers and procedures to monitor overall investment performance, as well as investment manager performance. As of November 30, 2021 and 2020, respectively, the All Other Plans were substantially all unfunded.

The fair values of the plan assets of the UK Plan by investment class are as follows:

	November 30,	
	2021	2020
Equities	$ 62	$ 55
U.K. government fixed interest bonds (gilts)	283	270

Multiemployer Defined Benefit Pension Plans

We participate in two multiemployer defined benefit pension plans in the UK, the British Merchant Navy Officers Pension Fund (registration number 10005645) ("MNOPF"), which is divided into two sections, the "New Section" and the "Old Section" and the British Merchant Navy Ratings Pension Fund (registration number 10005646) ("MNRPF"). Collectively, we refer to these as "the multiemployer plans." The multiemployer plans are maintained for the benefit of the employees of the participating employers who make contributions to the plans. The risks of participating in these multiemployer plans are different from single-employer plans, including:

- Contributions made by employers, including us, may be used to provide benefits to employees of other participating employers
- If any of the participating employers were to withdraw from the multiemployer plans or fail to make their required contributions, any unfunded obligations would be the responsibility of the remaining participating employers.

We are contractually obligated to make all required contributions as determined by the plans' trustees. All of our multiemployer plans are closed to new membership and future benefit accrual. The MNOPF Old Section is fully funded.

We expense our portion of the MNOPF New Section deficit as amounts are invoiced by, and become due and payable to, the trustees. We accrue and expense our portion of the MNRPF deficit based on our estimated probable obligation from the most recent actuarial review. Total expense for the multiemployer plans was $28 million in 2021, $2 million in 2020 and $6 million in 2019.

Based on the most recent valuation at March 31, 2018 of the MNOPF New Section, it was determined that this plan was 98% funded. In 2021, 2020 and 2019, our contributions to the MNOPF New Section did not exceed 5% of total contributions to the fund. Based on the most recent valuation at March 31, 2020 of the MNRPF, it was determined that this plan was 93% funded. In 2021, 2020 and 2019, our contributions to the MNRPF did not exceed 5% of total contributions to the fund. It is possible that we will be required to fund and expense additional amounts for the multiemployer plans in the future; however, such amounts are not expected to be material to our consolidated financial statements.

Defined Contribution Plans

We have several defined contribution plans available to most of our employees. We contribute to these plans based on employee contributions, salary levels and length of service. Total expense for these plans was $35 million in 2021, $24 million in 2020 and $41 million in 2019.

NOTE 14 — Earnings Per Share

	Years Ended November 30,		
(in millions, except per share data)	2021	2020	2019
Net income (loss) for basic and diluted earnings per share	$ (9,501)	$ (10,236)	$ 2,990
Weighted-average shares outstanding	1,123	775	690
Dilutive effect of equity plans	—	—	2
Diluted weighted-average shares outstanding	1,123	775	692
Basic earnings per share	$ (8.46)	$ (13.20)	$ 4.34
Diluted earnings per share	$ (8.46)	$ (13.20)	$ 4.32

Antidilutive shares excluded from diluted earnings per share computations were as follows:

	November 30,	
(in millions)	**2021**	**2020**
Equity awards	3	1
Convertible Notes	53	103
Total antidilutive securities	56	104

There were no antidilutive shares excluded from our 2019 diluted earnings per share computations.

NOTE 15 — Supplemental Cash Flow Information

	November 30,	
(in millions)	**2021**	**2020**
Cash and cash equivalents (Consolidated Balance Sheets)	$ 8,939	$ 9,513
Restricted cash included in prepaid expenses and other and other assets	38	179
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	$ 8,976	$ 9,692

Cash paid for interest, net of capitalized interest, was $1.3 billion in 2021, $610 million in 2020 and $171 million in 2019. In addition, cash paid for income taxes, net was not material in 2021 and 2020 and $46 million in 2019.

In connection with the repurchase of the Convertible Notes as part of registered direct offerings of Carnival Corporation common stock used to repurchase a portion of the Convertible Notes in August and November 2020, as an administrative convenience, we permitted the purchasers of 151.2 million of Carnival Corporation common stock to offset the purchase price payable to us against our obligation to pay the purchase price for $1.3 billion aggregate principal amount of the Convertible Notes held by them, which is reflected as a non-cash transaction for the year ended November 30, 2020.

For the years ended November 30, 2021 and 2019, we did not have borrowings or repayments of commercial paper with original maturities greater than three months. For the year ended November 30, 2020, we had borrowings of $525 million and repayments of $526 million of commercial paper with original maturities greater than three months.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 Internal Control — Integrated Framework (the "COSO Framework"). Based on this evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of November 30, 2021.

PricewaterhouseCoopers LLP, the independent registered certified public accounting firm that audited our consolidated financial statements, has also audited the effectiveness of our internal control over financial reporting as of November 30, 2021 as stated in their report, which is included in this 2021 Annual Report.

Arnold W. Donald	David Bernstein
President and Chief Executive Officer and	Chief Financial Officer and
Chief Climate Officer	Chief Accounting Officer
January 27, 2022	January 27, 2022

Report of Independent Registered Public Accounting Firm

To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Carnival Corporation & plc (comprising Carnival Corporation and Carnival plc and their respective subsidiaries, the "Company") as of November 30, 2021 and 2020, and the related consolidated statements of income (loss), of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended November 30, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of November 30, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 11 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Company's financial results and liquidity. Management's evaluation of these events and conditions and management's plans to mitigate these matters are also described in Note 1.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Liquidity — Impact of COVID-19

As described in Note 1 to the consolidated financial statements, the extent of the effects of COVID-19 on the business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the Company to profitability. Management believes that the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Company's financial results and liquidity. Management has taken actions to improve the Company's liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions, and accelerating the removal of certain ships from the Company's fleet, with the addition of pursuing refinancing opportunities to reduce interest expense and extend maturities. The principal assumptions used in management's estimate of future liquidity requirements consisted of (i) the expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation; (ii) the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue; (iii) the expected gradual increase in occupancy levels during the resumption of guest cruise operations with the return to historical occupancy levels in 2023; (iv) the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships; and (v) maintaining collateral and reserves at reasonable levels. Based on these actions and assumptions regarding the impact of COVID-19, and considering the Company's available liquidity including cash, short-term investments and borrowings available under the Company's revolving facility at November 30, 2021, as well as management's expected continued gradual return to service, management concluded there is sufficient liquidity to satisfy the Company's obligations for at least the next twelve months from the issuance of the financial statements.

The principal considerations for our determination that performing procedures relating to the impact of COVID-19 on the Company's liquidity is a critical audit matter are the significant judgment by management when developing the estimate of future liquidity requirements; this in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's estimate of future liquidity requirements, and assumptions related to (i) the expected continued gradual resumption of guest cruise operations; (ii) the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue; (iii) the expected gradual increase in occupancy levels during the resumption of guest cruise operations; (iv) the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships; and (v) maintaining collateral and reserves at reasonable levels.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of future liquidity requirements. These procedures also included, among others, (i) testing management's process for estimating future liquidity requirements for the twelve months after the date the financial statements are issued; (ii) testing the completeness and accuracy of underlying data used in the estimate; (iii) evaluating the reasonableness of the significant assumptions used by management related to the expected continued gradual resumption of guest cruise operations, the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue, the expected gradual increase in occupancy levels during the resumption of guest cruise operations, the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships, and maintaining collateral and reserves at reasonable levels; and (iv) evaluating management's estimate of future liquidity requirements and their disclosure in the consolidated financial statements regarding having sufficient liquidity to satisfy the Company's obligations for at least the next twelve months from the issuance of the financial statements. Evaluating management's assumptions related to the expected continued gradual resumption of guest cruise operations, the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue, the expected gradual increase in occupancy levels during the resumption of guest cruise operations, the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships, and maintaining collateral and reserves at reasonable levels, involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the Company; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

PricewaterhouseCoopers, LLP

Hallandale Beach, Florida

January 27, 2022

We have served as the Company's auditors since 2003. Prior to that, we served as Carnival Corporation's auditors since at least 1986. We have not been able to determine the specific year we began serving as auditor of Carnival Corporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Concerning Factors That May Affect Future Results

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

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Pricing
- Booking levels
- Occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Estimates of ship depreciable lives and residual values
- Goodwill, ship and trademark fair values
- Liquidity and credit ratings
- Adjusted earnings per share
- Return to guest cruise operations
- Impact of the COVID-19 coronavirus global pandemic on our financial condition and results of operations

Annex 1

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, COVID-19. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- *COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations. The current, and uncertain future, impact of COVID-19, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.*
- *World events impacting the ability or desire of people to travel have and may continue to lead to a decline in demand for cruises.*
- *Incidents concerning our ships, guests or the cruise vacation industry have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.*
- *Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.*
- *Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.*
- *Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.*
- *Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with*

developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.

- *The loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs could have an adverse effect on our business and results of operations.*
- *Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.*
- *We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers are also affected by COVID-19 and may be unable to deliver on their commitments which could impact our business.*
- *Fluctuations in foreign currency exchange rates may adversely impact our financial results.*
- *Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.*
- *Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.*

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based. Forward-looking and other statements in this document may also address our sustainability progress, plans, and goals (including climate change- and environmental-related matters). In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

2021 Executive Overview

During 2021, the Company focused on resuming operations as quickly as practical in a way that served the best interests of public health, while at the same time demonstrating prudent stewardship of capital. In addition, we believe that we have positioned the Company well on the path to profitability and established effective protocols for COVID-19. We achieved all of this while reinforcing our commitment to compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees.

In 2021, we achieved key milestones related to our return to service including:

- Ending the year with 50 ships in guest cruise operations compared to one ship in 2020
- Returning over 65,000 crew members to our ships
- Carrying over 1.2 million guests indicating fundamental strength in demand for cruise vacations
- Delivering an exceptional guest experience with historically high net promoter scores

We ended the year with $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving credit facility, and $3.5 billion of customer deposits, an increase of $1.3 billion from 2020. To date, through our debt management efforts, we refinanced over $9 billion, reducing our future annual interest by approximately $400 million per year and extending maturities, optimizing our debt maturity profile.

As of January 13, 2022, eight of our nine cruise brands, or 67% of capacity, had resumed guest cruise operations. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

The Company achieved important milestones during our return to service and broadened our commitment to Environmental, Social and Governance ("ESG") goals with the introduction of our 2030 sustainability goals and 2050 aspirations. We also achieved many operational milestones:

- Reopened our eight owned and operated private destinations and port facilities which have been visited by over half of our guests since the restart:

- Princess Cay
- Half Moon Cay
- Grand Turk
- Mahogany Bay
- Amber Cove
- Cozumel
- Santa Cruz De Tenerife
- Barcelona

- Welcomed seven new more efficient ships across our brands:
  - Carnival Cruise Line's *Mardi Gras*, powered by LNG
  - P&O UK's *Iona*, powered by LNG
  - *Costa Toscana*, powered by LNG
  - *AIDAcosma*, powered by LNG
  - Holland America Line's *Rotterdam*
  - *Costa Firenze*
  - *Enchanted Princess*

Our decision to accelerate the exit of 19 ships as part of our fleet optimization strategy resulted in a more efficient fleet overall and lowered our planned capacity growth to approximately 2.5% compounded annually from 2019 through 2025, down from 4.5% annually pre-COVID-19. We achieved a unit cost benefit from the removal of these less efficient ships from our fleet which will grow from the delivery of the larger and more efficient ships.

Upon returning to full operations, nearly 15% of our capacity will consist of these recently delivered, larger and more efficient ships which we believe will expedite our return to profitability and improve our return on invested capital. In addition, this roster of new ships is expected to drive additional enthusiasm around our restart plans.

As of January 13, 2022, we are operating the only six cruise ships in the world currently powered by LNG, which are 20% more carbon efficient. Upon returning to full cruise operations, our LNG efforts, our fleet optimization strategy and other innovative efforts to drive energy efficiency, are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization.

Furthermore, the Company is focused on advancing its six critical sustainability focus areas — climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and aspires to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets. While there is currently no clear path to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, the Company is partnering with key organizations to help identify and scale new technologies. We have and expect to continue to demonstrate leadership in executing carbon reduction strategies. The Company believes its scale will support its effort to lead the industry in climate action. The Company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Throughout the pause and the gradual resumption of guest cruise operations, we have been proactively managing to resume guest cruise operations as an even stronger and more efficient operating company to maximize cash generation and to deliver strong returns on invested capital. Once we return to full guest operations, our cash flow will be the primary driver to our return to an investment grade credit rating over time, creating greater shareholder value.

New Accounting Pronouncements

Refer to our consolidated financial statements for further information on *Accounting Pronouncements*.

Critical Accounting Estimates

Our critical accounting estimates are those we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Liquidity and COVID-19

We make several critical accounting estimates with respect to our liquidity.

The effects of COVID-19 have had a significant impact on our operations and liquidity. Significant events affecting travel, including COVID-19 and our gradual resumption of guest cruise operations, have had and continue to have an impact on booking patterns. The extent of the effects of COVID-19 on our business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. The ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on our financial results and liquidity.

The estimation of our future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate our future liquidity requirements consist of:

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to our ships
- Maintaining collateral and reserves at reasonable levels

We cannot make assurances that our assumptions used to estimate liquidity requirements may not change because we have never previously experienced a complete cessation and subsequent gradual resumption of guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our consolidated financial statements and there may be changes to those estimates in future periods. We expect a net loss on both a U.S. GAAP and adjusted basis for the first half of 2022 and a profit for the second half of 2022. We have taken actions to improve our liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from our fleet. In addition, we expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Ship Accounting

We make several critical accounting estimates with respect to our ship accounting.

We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred. If we change our assumptions in making our determinations as to whether improvements to a ship add value, the amounts we expense each year as repair and maintenance expense could increase, which would be partially offset by a decrease in depreciation expense, resulting from a reduction in capitalized costs.

In order to compute our ships' depreciation expense, we apply judgment to determine their useful lives as well as their residual values. We estimate the useful life of our ships and ship improvements based on the expected period over which the assets will be of economic benefit to us, including the impact of marketing and technical obsolescence, competition, physical deterioration, historical useful lives of similarly-built ships, regulatory constraints and maintenance requirements. In addition, we consider estimates of the weighted-average useful lives of the ships' major component systems, such as the hull, cabins, main electric, superstructure and engines. Taking all of this into consideration, we have estimated our new ships' useful lives at 30 years.

We determine the residual value of our ships based on our long-term estimates of their resale value at the end of their useful life to us but before the end of their physical and economic lives to others, historical resale values of our and other cruise ships and viability of the secondary cruise ship market. We have estimated our residual values at 15% of our original ship cost.

Given the large size and complexity of our ships, ship accounting estimates require considerable judgment and are inherently uncertain. We do not have cost segregation studies performed to specifically componentize our ships. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of original ship components. Therefore, we typically have to estimate the net book value of components that are retired, based primarily upon their replacement cost, their age and their original estimated useful lives.

If materially different conditions existed, or if we materially changed our assumptions of ship useful lives and residual values, our depreciation expense, loss on retirement of ship components and net book value of our ships would be materially different. Our 2021 ship depreciation expense would have increased by approximately $45 million assuming we had reduced our estimated 30-year ship useful life estimate by one year at the time we took delivery or acquired each of our ships. In addition, our 2021 ship depreciation expense would have increased by approximately $228 million assuming we had estimated our ships to have no residual value.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied in all material respects and result in depreciation expense that is based on a rational and systematic method to equitably allocate the costs of our ships to the periods during which we use them.

Valuation of Ships

Impairment reviews of our ships require us to make significant estimates.

We evaluate ship asset impairments at the individual ship level which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We review our ships for impairment whenever events or circumstances indicate that the carrying value of a ship may not be recoverable. If estimated future cash flows are less than the carrying value of a ship, an impairment charge is recognized to the extent its carrying value exceeds fair value.

The estimation of a ship's fair value includes numerous assumptions that are subject to various risks and uncertainties. The principal assumption used in our ship impairment reviews consist of the timing of the sale of ships and estimated proceeds.

We determined the fair value of these ships based on their estimated selling value. Refer to our consolidated financial statements for additional discussion of our property and equipment policy, ship impairment reviews and ship impairment charges recognized during 2021.

We believe that we have made reasonable estimates.

Valuation of Goodwill

Impairment reviews of our goodwill require us to make significant estimates.

We review our goodwill for impairment at the reporting unit level as of July 31 every year, or more frequently if events or circumstances dictate. If the estimated fair value of any of our reporting units is less than the reporting unit's carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its estimated fair value, limited to the amount of goodwill allocated to the reporting unit.

The estimation of our reporting unit fair value includes numerous assumptions that are subject to various risks and uncertainties. Our pause in guest cruise operations and the possibility of further extensions created some uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. The principal assumptions used in our goodwill impairment reviews consist of:

- The timing and pace of our full return to guest cruise operations
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate ("WACC")

The estimated fair value of the reporting unit with remaining goodwill significantly exceeded its carrying value as of the date of its most recent quantitative test. Refer to our consolidated financial statements for additional discussion of our goodwill accounting policy and impairment reviews.

We believe that we have made reasonable estimates and judgments.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters.

While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgment to determine the appropriate amounts to record in our consolidated financial statements.

We accrue a liability and establish a reserve when we believe a loss is probable and the amount of the loss can be reasonably estimated. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverage.

Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such changes in our estimates could materially impact our results of operations and financial position.

Refer to our consolidated financial statements for additional discussion of contingencies.

Results of Operations

We have historically earned substantially all of our cruise revenues from the following:

- Sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from airports near our ships' home ports and cancellation fees. We also collect fees, taxes and other charges from our guests. The cruise ticket price typically includes the following:
  - Accommodations
  - Most meals, including snacks at numerous venues
  - Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club and sun decks
  - Supervised youth programs
  - Entertainment, such as theatrical and comedy shows, live music and nightclubs
  - Visits to multiple destinations
- Sales of onboard goods and services not included in the cruise ticket price. This generally includes the following:
  - Beverage sales
  - Casino gaming
  - Shore excursions
  - Retail sales
  - Photo sales
  - Internet and communication services
  - Full service spas
  - Specialty restaurants
  - Art sales
  - Laundry and dry cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2021, we earned 45% of our cruise revenues from onboard and other revenue goods and services. In 2019, our most recent full year of guest cruise operations, we earned 30% of our cruise revenues from onboard and other revenues.

We earn our tour and other revenues from our hotel and transportation operations and other revenues.

We incur cruise operating costs and expenses for the following:

- The costs of passenger cruise bookings, which include travel agent commissions, cost of air and other transportation, port fees, taxes, and charges that directly vary with guest head counts and credit and debit card fees
- Onboard and other cruise costs, which include the costs of beverage sales, costs of shore excursions, costs of retail sales, internet and communication costs, credit and debit card fees, other onboard costs, costs of cruise vacation protection programs and pre- and post-cruise land packages
- Payroll and related costs, which include the costs of officers and crew in bridge, engineering and hotel operations. Substantially all costs associated with our shoreside personnel are included in selling and administrative expenses
- Fuel costs, which include fuel delivery costs
- Food costs, which include both our guest and crew food costs
- Other ship operating expenses, which include port costs that do not vary with guest head counts; repairs and maintenance, including minor improvements and dry-dock expenses; hotel costs; entertainment; gains and losses on ship sales; ship impairments; freight and logistics; insurance premiums and all other ship operating expenses

We incur tour and other costs and expenses for our hotel and transportation operations and other expenses.

Statistical Information

	Years Ended November 30,		
	2021	**2020**	**2019**
Passenger Cruise Days ("PCD") (a)	8,179	26,478	93,397
Available Lower Berth Days ("ALBDs") (in thousands) (b)	14,603	26,117	87,424
Occupancy percentage (c)	56.0%	101.0%	106.8%
Passengers carried (in thousands)	1,223	3,499	12,866
Fuel consumption in metric tons (in thousands)	1,336	1,915	3,312
Fuel cost per metric ton consumed	$ 515	$ 430	$ 472
Currencies (USD to 1)			
AUD	$ 0.75	$ 0.68	$ 0.70
CAD	$ 0.80	$ 0.74	$ 0.75
EUR	$ 1.19	$ 1.13	$ 1.12
GBP	$ 1.38	$ 1.28	$ 1.27
RMB	$ 0.15	$ 0.14	$ 0.14

We paused our guest cruise operations in mid-March 2020 and were in a pause for a majority of 2020. In 2021, we began the gradual resumption of guest cruise operations which is continuing to have a material impact on all aspects of our business, including the above statistical information.

Notes to Statistical Information

(a) PCD represents the number of cruise passengers on a voyage multiplied by the number of revenue-producing ship operating days for that voyage.

(b) ALBD is a standard measure of passenger capacity for the period that we use to approximate rate and capacity variances, based on consistently applied formulas that we use to perform analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.

(c) Occupancy, in accordance with cruise industry practice, is calculated by using a numerator of PCDs and a denominator of ALBDs, which assumes two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

2021 Compared to 2020

Results of Operations

Consolidated

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 1,000	$ 3,684	$ (2,684)	(73)%
Onboard and other	908	1,910	(1,003)	(52)%
	1,908	5,595	(3,687)	(66)%
Operating Costs and Expenses				
Commissions, transportation and other	269	1,139	(870)	(76)%
Onboard and other	272	605	(334)	(55)%
Payroll and related	1,309	1,780	(471)	(26)%
Fuel	680	823	(142)	(17)%
Food	187	413	(226)	(55)%
Ship and other impairments	591	1,967	(1,376)	(70)%
Other operating	1,346	1,518	(172)	(11)%
	4,655	8,245	(3,590)	(44)%
Selling and administrative	1,885	1,878	6	—%
Depreciation and amortization	2,233	2,241	(8)	—%
Goodwill impairment	226	2,096	(1,870)	(89)%
	8,997	14,460	(5,462)	(38)%
Operating Income (Loss)	$ (7,089)	$ (8,865)	$ 1,776	(20)%

NAA

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 555	$ 2,334	$ (1,779)	(76)%
Onboard and other	553	1,293	(740)	(57)%
	1,108	3,627	(2,519)	(69)%
Operating Costs and Expenses	2,730	5,623	(2,893)	(51)%
Selling and administrative	953	1,066	(113)	(11)%
Depreciation and amortization	1,352	1,413	(60)	(4)%
Goodwill impairment	—	1,319	(1,319)	100%
	5,036	9,422	(4,386)	(47)%
Operating Income (Loss)	$ (3,928)	$ (5,794)	$ 1,867	(32)%

EA

(in millions)	Years Ended November 30, 2021	2020	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 491	$ 1,388	$ (897)	(65)%
Onboard and other	221	402	(181)	(45)%
	712	1,790	(1,078)	(60)%
Operating Costs and Expenses	1,807	2,548	(741)	(29)%
Selling and administrative	568	523	46	9%
Depreciation and amortization	728	672	56	8%
Goodwill impairment	226	777	(551)	(71)%
	3,329	4,519	(1,190)	(26)%
Operating Income (Loss)	$ (2,617)	$ (2,729)	$ 112	(4)%

We paused our guest cruise operations in March 2020 with minimal cruise related revenue recognized during the remainder of 2020. In addition, we incurred incremental COVID-19 related costs associated with repatriating guests and crew members, enhancing health protocols and sanitizing our ships, restructuring costs and defending lawsuits. As of November 30, 2021, eight of our nine brands had resumed guest cruise operations as part of our gradual return to service. The gradual resumption of guest cruise operations is continuing to have a material impact on all aspects of our business, including our liquidity, financial position and results of operations. The full extent of the impact will be determined by our gradual return to service and the length of time COVID-19 influences travel decisions.

As of November 30, 2021, 61% of our capacity was operating with guests on board, which is an increase from November 30, 2020 where we had one ship in service. Revenues for the year ended November 30, 2021 decreased $3.7 billion, or 66%, to $1.9 billion from $5.6 billion in 2020 as a result of the pause in guest cruise operations beginning March 2020 and the gradual resumption in guest cruise operations in 2021. Occupancy for 2021 was 56%, compared to 101% in 2020, due to the gradual resumption of guest cruise operations.

During 2021 we incurred, and we expect to continue incurring, incremental restart-related spend including the cost of returning ships to guest cruise operations and returning crew members to our ships as well as the incremental costs of maintaining enhanced health and safety protocols as we continue our gradual return to service. During 2020, while maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port, and staffed at a safe manning level.

We recognized goodwill impairment charges of $0.2 billion and $2.1 billion for the years ended November 30, 2021 and 2020.

We recognized ship impairment charges of $0.6 billion and $1.8 billion as of November 30, 2021 and 2020.

We believe the increasing cost of fuel, LNG and other related costs, inclusive of costs related to any potential future carbon emission related regulations, are reasonably likely to impact our profitability in both the short and long-term.

In addition, the increasing global focus on climate change, including the reduction of carbon emissions and new and evolving regulatory requirements, is reasonably likely to impact our future costs, capital expenditures and revenues and/or the relationship between them. The full impact of the focus on climate change is not yet known.

Nonoperating Income (Expense)

Interest expense, net of capitalized interest, increased by $0.7 billion to $1.6 billion in 2021 from $0.9 billion in 2020. The increase was caused by our higher average debt balance in 2021 compared to 2020.

Loss on debt extinguishment increased by $212 million to $670 million in 2021 from $459 million in 2020. The increase was caused by the repurchase of $4.0 billion of the aggregate principal of the 2023 Senior Secured Notes.

Key Performance Non-GAAP Financial Indicators

The table below reconciles Adjusted net income (loss) and Adjusted EBITDA to Net Income (loss) and Adjusted earnings per share to Earnings per share for the periods presented:

	Years Ended November 30,		
(dollars in millions, except per share data)	**2021**	**2020**	**2019**
Net income (loss)			
U.S. GAAP net income (loss)	$ (9,501)	$ (10,236)	$ 2,990
(Gains) losses on ship sales and impairments	802	3,934	(6)
(Gains) losses on debt extinguishment, net	670	459	—
Restructuring expenses	13	47	10
Other	86	3	47
Adjusted net income (loss)	$ (7,931)	$ (5,793)	$ 3,041
Interest expense, net of capitalized interest	1,601	895	206
Interest income	(12)	(18)	(23)
Income tax expense, net	(21)	(17)	71
Depreciation and amortization	2,233	2,241	2,160
Adjusted EBITDA	$ (4,129)	$ (2,692)	$ 5,455
Weighted-average shares outstanding	1,123	775	692
Earnings per share			
U.S. GAAP earnings per share	$ (8.46)	$ (13.20)	$ 4.32
(Gains) losses on ship sales and impairments	0.71	5.08	(0.01)
(Gains) losses on debt extinguishment, net	0.60	0.59	—
Restructuring expenses	0.01	0.06	0.01
Other	0.08	—	0.07
Adjusted earnings per share	$ (7.06)	$ (7.47)	$ 4.40

Explanations of Non-GAAP Financial Measures

We use adjusted net income (loss) and adjusted earnings per share as non-GAAP financial measures of our cruise segments' and the company's financial performance. These non-GAAP financial measures are provided along with U.S. GAAP net income (loss) and U.S. GAAP diluted earnings per share.

We believe that gains and losses on ship sales, impairment charges, gains and losses on debt extinguishments, restructuring costs and other gains and losses are not part of our core operating business and are not an indication of our future earnings performance. Therefore, we believe it is more meaningful for these items to be excluded from our net income (loss) and earnings per share and, accordingly, we present adjusted net income (loss) and adjusted earnings per share excluding these items.

Adjusted EBITDA is a non-GAAP measure, and we believe that the presentation of Adjusted EBITDA provides additional information to investors about our operating profitability adjusted for certain non-cash items and other gains and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. Further, we believe that the presentation of Adjusted EBITDA provides additional information to investors about our ability to operate our business in compliance with the restrictions set forth in our debt agreements. We define Adjusted EBITDA as adjusted net income (loss) adjusted for (i) interest, (ii) taxes and, (iii) depreciation and amortization. There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income (loss). These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income (loss) as calculated in accordance with U.S. GAAP.

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

2020 Compared to 2019

Results of Operations

Consolidated

(in millions)	Years Ended November 30, 2020	2019	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 3,684	$ 14,104	$ (10,420)	(74)%
Onboard and other	1,910	6,721	(4,810)	(72)%
	5,595	20,825	(15,230)	(73)%
Operating Costs and Expenses				
Commissions, transportation and other	1,139	2,720	(1,582)	(58)%
Onboard and other	605	2,101	(1,496)	(71)%
Payroll and related	1,780	2,249	(469)	(21)%
Fuel	823	1,562	(739)	(47)%
Food	413	1,083	(671)	(62)%
Ship and other impairments	1,967	26	1,941	7542%
Other operating	1,518	3,167	(1,649)	(52)%
	8,245	12,909	(4,664)	(36)%
Selling and administrative	1,878	2,480	(601)	(24)%
Depreciation and amortization	2,241	2,160	81	4%
Goodwill impairment	2,096	—	2,096	100%
	14,460	17,549	(3,089)	(18)%
Operating Income (Loss)	$ (8,865)	$ 3,276	$ (12,141)	(371)%

Annex 1

NAA

(in millions)	Years Ended November 30, 2020	2019	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 2,334	$ 8,992	$ (6,658)	(74)%
Onboard and other	1,293	4,620	(3,327)	(72)%
	3,627	13,612	(9,985)	(73)%
Operating Costs and Expenses	5,623	8,370	(2,747)	(33)%
Selling and administrative	1,066	1,427	(361)	(25)%
Depreciation and amortization	1,413	1,364	49	4%
Goodwill impairment	1,319	—	1,319	100%
	9,422	11,161	(1,739)	(16)%
Operating Income (Loss)	$ (5,794)	$ 2,451	$ (8,246)	(336)%

EA

(in millions)	Years Ended November 30, 2020	2019	Change	% increase (decrease)
Revenues				
Passenger ticket	$ 1,388	$ 5,207	$ (3,820)	(73)%
Onboard and other	402	1,442	(1,040)	(72)%
	1,790	6,650	(4,860)	(73)%
Operating Costs and Expenses	2,548	4,146	(1,599)	(39)%
Selling and administrative	523	744	(221)	(30)%
Depreciation and amortization	672	645	27	4%
Goodwill impairment	777	—	777	100%
	4,519	5,534	(1,016)	(18)%
Operating Income (Loss)	$ (2,729)	$ 1,115	$ (3,845)	(345)%

We paused our guest operations in mid-March 2020. We resumed guest cruise operations in September 2020 as part of our gradual return to service.

During 2020, as a result of the pause in our guest cruise operations, we experienced meaningfully lower revenues compared to the prior year. This has resulted in an operating loss for the current period.

While maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port and staffed at a safe manning level.

In addition, during the year we incurred incremental COVID-19 related costs associated with repatriating guests and crew members, enhancing health protocols and sanitizing our ships, restructuring costs and defending lawsuits.

As a result of the effects of COVID-19 on our expected future operating cash flows, we recognized goodwill impairment charges of $2.1 billion and ship impairment charges of $1.8 billion during 2020.

Liquidity, Financial Condition and Capital Resources

As of November 30, 2021, we had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. Through our debt management efforts, we have refinanced over $9 billion to date, reducing our future annual interest expense by approximately $400 million per year and extending maturities, optimizing our debt maturity profile. During 2022, we will continue to be focused on pursuing refinancing opportunities to reduce interest rates and extend maturities. Since December 2020, we have completed the following:

- In December 2020, we borrowed $1.5 billion under export credit facilities due in semi-annual installments through 2033.
- In February 2021, we issued an aggregate principal amount of $3.5 billion senior unsecured notes that mature on March 1, 2027. The 2027 Senior Unsecured Notes bear interest at a rate of 5.75% per year.
- In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of $25.10, resulting in net proceeds of $996 million.
- In June 2021, we entered into an amendment to reprice our $2.8 billion 2025 Secured Term Loan (the "2025 Secured Term Loan"). The amended U.S. dollar tranche bears interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3%. The amended euro tranche bears interest at a rate per annum equal to EURIBOR (with a 0% floor) plus 3.75%.
- In July 2021, we issued $2.4 billion aggregate principal amount of 4% first-priority senior secured notes due in 2028 (the "2028 Senior Secured Notes"). We used the net proceeds from the issuance to purchase $2.0 billion aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. The 2028 Senior Secured Notes mature on August 1, 2028.

- In July 2021, we borrowed $544 million under an export credit facility due in semi-annual installments through 2033.
- We amended our export credit facilities to defer approximately $1.0 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years.
- In October 2021, we borrowed an aggregate principal amount of $2.3 billion under a new term loan. We used the net proceeds from this borrowing to redeem $2.0 billion outstanding aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. Borrowings under the new term loan bear interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3.25% and will mature on October 18, 2028.
- In November 2021, we issued an aggregate principal amount of $2.0 billion senior unsecured notes that mature on May 1, 2029 (the "2029 Senior Unsecured Notes"), intended to refinance various 2022 maturities. The 2029 Senior Unsecured Notes bear interest at a rate of 6% per year and are callable beginning November 1, 2024.
- We extended loan maturities totaling approximately $650 million originally due in 2022 and 2023, to various dates in 2023 through 2026.

We have entered into amendments aligning the financial covenants of all our export credit facilities with our other facilities. Refer to Note 5 — "Debt" of the consolidated financial statements and "Funding Sources" below for additional details.

Certain of our debt instruments contain provisions that may limit our ability to incur or guarantee additional indebtedness.

We had a working capital deficit of $0.3 billion as of November 30, 2021 compared to a working capital surplus of $1.9 billion as of November 30, 2020. The decrease in working capital was driven by an increase in customer deposits and a decrease in cash. Historically we have operated with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts generally remain a current liability until the sailing date. The cash generated from these advance receipts is used interchangeably with cash on hand from other sources, such as our borrowings and other cash from operations. The cash received as advanced receipts can be used to fund operating expenses, pay down our debt, make long-term investments or any other use of cash. Included within our working capital are $3.1 billion and $1.9 billion of customer deposits as of November 30, 2021 and 2020, respectively. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the level of guest acceptance of FCCs and future cruise cancellations. We record a liability for FCCs only to the extent we have received cash from guests with bookings on cancelled sailings. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. In addition, we have a relatively low level of accounts receivable and limited investment in inventories. We expect that we will have greater working capital deficits in the future once we return to full guest cruise operations.

Sources and Uses of Cash

Operating Activities

Our business used $4.1 billion of net cash flows in operating activities during 2021, a decrease of $2.2 billion, compared to $6.3 billion used in 2020. This decrease was due to the reduction in cash outflows for refunds of customer deposits and credit card processor reserve funds provided. During 2020, our business used $6.3 billion of net cash from operations, a decrease of $11.8 billion, compared to $5.5 billion provided in 2019.

Investing Activities

During 2021, net cash used in investing activities was $3.5 billion. This was caused by:

- Capital expenditures of $3.0 billion for our ongoing new shipbuilding program
- Capital expenditures of $602 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships and other of $351 million

- Purchases of short-term investments of $2.9 billion
- Proceeds from maturity of short-term investments of $2.7 billion

During 2020, net cash used in investing activities was $3.2 billion. This was caused by:

- Capital expenditures of $2.8 billion for our ongoing new shipbuilding program
- Capital expenditures of $868 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of $334 million
- Proceeds of $220 million from the settlement of outstanding derivatives

During 2019, net cash used in investing activities was $5.3 billion. This was caused by:

- Capital expenditures of $3.8 billion for our ongoing new shipbuilding program
- Capital expenditures of $1.7 billion for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of $26 million

Financing Activities

During 2021, net cash provided by financing activities of $6.9 billion was caused by the following:

- Issuances of $13.0 billion of long-term debt
- Repayments of $6.0 billion of long-term debt
- Premium payments of $545 million related to the extinguishment of debt
- Net proceeds of $1.0 billion from Carnival Corporation common stock
- Purchases of $188 million of Carnival plc ordinary shares and issuances of $206 million of Carnival Corporation common stock under our Stock Swap Program
- Payments of $319 million related to debt issuance costs

During 2020, net cash provided by financing activities of $18.6 billion was caused by the following:

- Net proceeds from short-term borrowings of $2.9 billion in connection with our availability of, and needs for, cash at various times throughout the period, including proceeds of $3.1 billion from the Revolving Facility
- Repayments of $1.6 billion of long-term debt
- Issuances of $15.0 billion of long-term debt
- Payments of cash dividends of $689 million
- Net proceeds of $3.0 billion from our public offerings of Carnival Corporation common stock
- Net proceeds of $222 million from a registered direct offering of Carnival Corporation common stock used to repurchase a portion of the Convertible Notes

During 2019, net cash used in financing activities of $655 million was substantially all due to the following:

- Net proceeds of short-term borrowings of $605 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of $1.7 billion of long-term debt
- Issuances of $3.7 billion of long-term debt
- Payments of cash dividends of $1.4 billion
- Purchases of $603 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

Material Cash Requirements

(in millions)	2022	2023	2024	2025	2026	Total
	Payments Due by					
Debt (a)	$ 3,251	$ 4,035	$ 5,922 (c)	$ 5,472	$ 5,293	$ 23,973
Newbuild capital expenditures (b)	4,355	2,576	1,641	987	—	9,560
Total	$ 7,606	$ 6,611	$ 7,564	$ 6,459	$ 5,293	$ 33,533

(a) Includes principal as well as estimated interest payments and does not include the impact of any future possible refinancings. Excludes undrawn export credits.

(b) As of November 30, 2021, we have committed undrawn export credit facilities of $5.6 billion which fund a portion of our Newbuild contractual commitments.

(c) Includes borrowings under the Revolving Facility. As of November 30, 2021, borrowings under the Revolving Facility were $2.8 billion, which mature in 2024.

Funding Sources

As of November 30, 2021, we had $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. In addition, we had $5.6 billion of undrawn export credit facilities to fund ship deliveries planned through 2024. We plan to use future cash flows from operations to fund our cash requirements including capital expenditures not funded by our export credit facilities.

(in billions)	2022	2023	2024
Future export credit facilities at November 30, 2021	$ 3.2	$ 1.8	$ 0.6

Our export credit facilities contain various financial covenants as described in Note 5 — “Debt”. At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements.

Stock Swap Program

We have a program that allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the “Stock Swap Program”). Under the Stock Swap Program, we may elect to offer and sell shares of Carnival Corporation common stock at prevailing market prices in ordinary brokers’ transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market.

Any sales of Carnival Corporation common stock and Carnival plc ordinary shares have been or will be registered under the Securities Act of 1933, as amended. During 2021, under the Stock Swap Program, we sold 8.9 million shares of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of $19 million which were used for general corporate purposes. During 2020 and 2019, there were no sales or repurchases under the Stock Swap Program.

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks, see the discussion below and the consolidated financial statements.

Fuel Price Risks

Substantially all our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We have installed Advanced Air Quality Systems on most of our ships, which has aided in the mitigation of the financial impact from the ECAs and global 0.5% sulfur requirements.

Foreign Currency Exchange Rate Risks

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates will affect our financial statements.

Investment Currency Risks

The foreign currency exchange rates were as follows:

	November 30,	
USD to 1:	2021	2020
AUD	$ 0.71	$ 0.74
CAD	$ 0.78	$ 0.77
EUR	$ 1.13	$ 1.20
GBP	$ 1.33	$ 1.33
RMB	$ 0.16	$ 0.15

If the November 30, 2020 currency exchange rates had been used to translate our November 30, 2021 non-U.S. dollar functional currency operations' assets and liabilities (instead of the November 30, 2021 U.S. dollar exchange rates), our total assets would have been higher by $667 million and our total liabilities would have been higher by $359 million.

As of November 30, 2021, we had a cross currency swap totaling of $201 million which settles through 2028. This cross currency swap is designated as a hedge of our net investments in foreign operations, which has a euro-denominated functional currency, thus partially offsetting the foreign currency exchange rate risk. Based on a 10% change in the U.S. dollar to euro exchange rate as of November 30, 2021, we estimate that the fair value of this cross currency swap and offsetting change in U.S. dollar value of our net investments would change by $22 million.

Newbuild Currency Risks

At November 30, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments, which represent a total unhedged commitment of $6.8 billion and relate to newbuilds scheduled to be delivered from 2021 through 2025 to non-euro functional currency brands. The functional currency cost of each of these ships will increase or decrease based on changes in the exchange rates until the unhedged payments are made under the shipbuilding contract. We may enter into additional foreign currency derivatives to mitigate some of this foreign currency exchange rate risk. Based on a 10% change in euro to U.S. dollar exchange rates as of November 30, 2021, the remaining unhedged cost of these ships would have a corresponding change of $675 million.

Interest Rate Risks

The composition of our debt, including the effect of cross currency swaps and interest rate swaps, was as follows:

	November 30, 2021
Fixed rate	45%
EUR fixed rate	13%
Floating rate	26%
EUR floating rate	14%
GBP floating rate	1%

At November 30, 2021, we had interest rate swaps that have effectively changed $160 million of EURIBOR-based floating rate euro debt to fixed rate euro debt. Based on a 10% change in the November 30, 2021 market interest rates, our 2021 interest expense on floating rate debt, including the effect of our interest rate swaps, would have changed by an insignificant amount.

COMMON STOCK AND ORDINARY SHARES

Carnival Corporation's common stock, together with paired trust shares of beneficial interest in the P&O Princess Special Voting Trust, which holds a Special Voting Share of Carnival plc, is traded on the NYSE under the symbol "CCL." Carnival plc's ordinary shares trade on the London Stock Exchange under the symbol "CCL." Carnival plc's American Depositary Shares ("ADSs"), each one of which represents one Carnival plc ordinary share, are traded on the NYSE under the symbol "CUK." The depositary for the ADSs is JPMorgan Chase Bank, N.A.

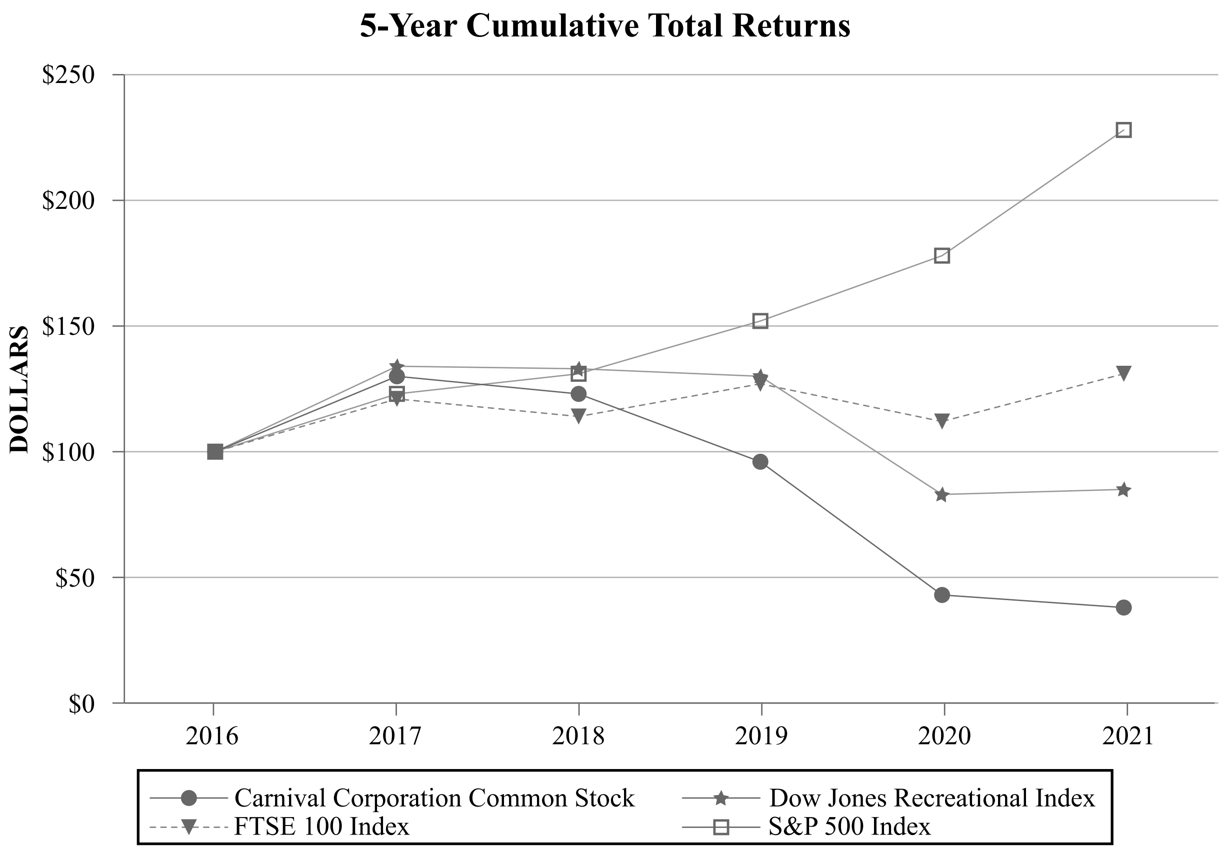
As of January 13, 2022, there were 2,962 holders of record of Carnival Corporation common stock and 29,720 holders of record of Carnival plc ordinary shares and 406 holders of record of Carnival plc ADSs. The past performance of our share prices cannot be relied on as a guide to their future performance.

On March 30, 2020, we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

STOCK PERFORMANCE GRAPHS

Carnival Corporation

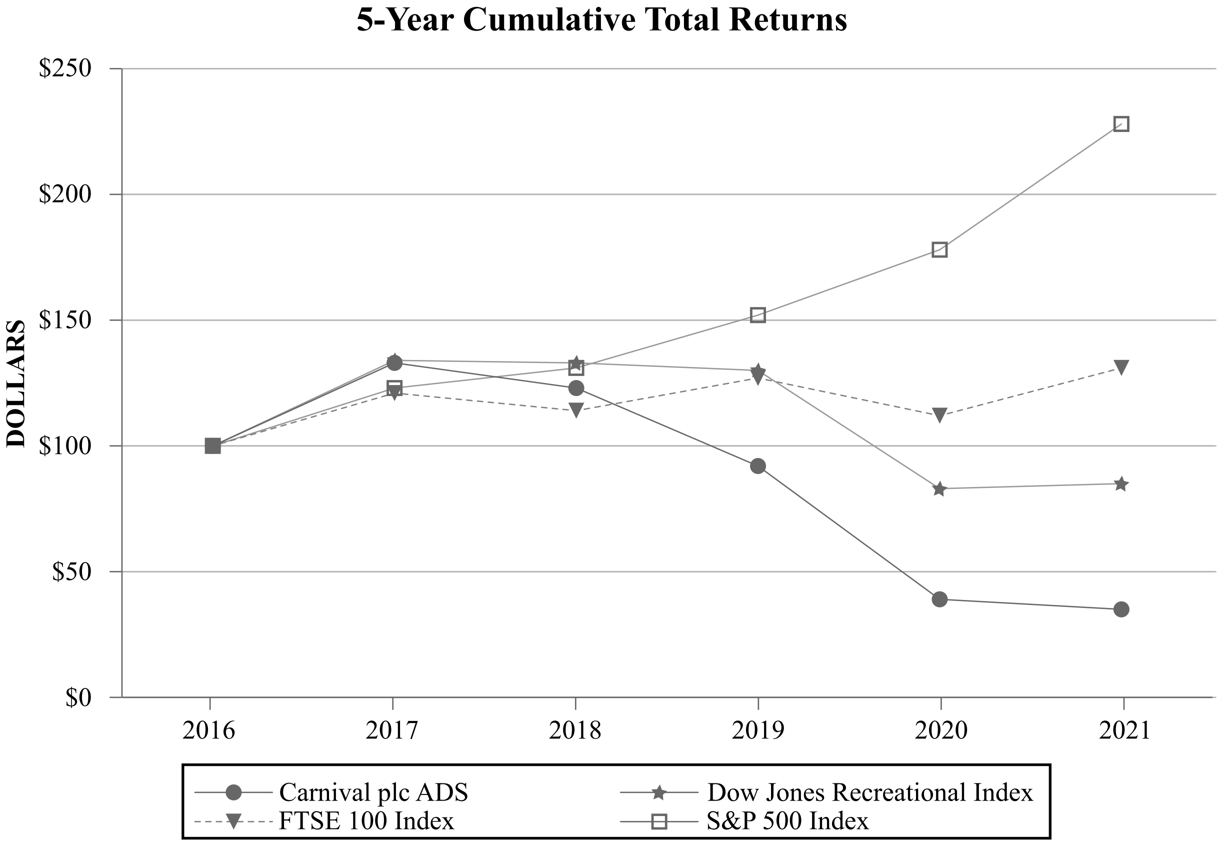
The following graph compares the Price Performance of $100 if invested in Carnival Corporation common stock with the Price Performance of $100 if invested in each of the Dow Jones U.S. Recreational Services Index (the "Dow Jones Recreational Index"), the FTSE 100 Index and the S&P 500 Index. The Price Performance, as used in the Performance Graph, is calculated by assuming $100 is invested at the beginning of the period in Carnival Corporation common stock at a price equal to the market value. At the end of each year, the total value of the investment is computed by taking the number of shares owned, assuming Carnival Corporation dividends are reinvested, multiplied by the market price of the shares.



	Assumes $100 Invested on November 30, 2016 Assumes Dividends Reinvested Years Ended November 30,					
	2016	**2017**	**2018**	**2019**	**2020**	**2021**
Carnival Corporation Common Stock	$100	$130	$123	$ 96	$ 43	$ 38
Dow Jones Recreational Index	$100	$134	$133	$130	$ 83	$ 85
FTSE 100 Index	$100	$121	$114	$127	$112	$131
S&P 500 Index	$100	$123	$131	$152	$178	$228

Carnival plc

The following graph compares the Price Performance of $100 invested in Carnival plc ADSs, each representing one ordinary share of Carnival plc, with the Price Performance of $100 invested in each of the indexes noted below. The Price Performance is calculated in the same manner as previously discussed.



	Assumes $100 Invested on November 30, 2016 Assumes Dividends Reinvested Years Ended November 30,					
	2016	**2017**	**2018**	**2019**	**2020**	**2021**
Carnival plc ADS	$100	$133	$123	$ 92	$ 39	$ 35
Dow Jones Recreational Index	$100	$134	$133	$130	$ 83	$ 85
FTSE 100 Index	$100	$121	$114	$127	$112	$131
S&P 500 Index	$100	$123	$131	$152	$178	$228

Annex 1

CORPORATE AND OTHER INFORMATION

SENIOR OFFICERS
CARNIVAL CORPORATION & PLC

Micky Arison
Chair of the Boards of Directors

Arnold W. Donald
President and Chief Executive Officer and Chief Climate Officer and Director

David Bernstein
Chief Financial Officer and Chief Accounting Officer

Peter C. Anderson
Chief Ethics and Compliance Officer

Enrique Miguez
General Counsel

COSTA GROUP and CARNIVAL ASIA

Michael Thamm
Group Chief Executive Officer

BOARDS OF DIRECTORS

Micky Arison[4]
Chair of the Board
Carnival Corporation & plc

Sir Jonathon Band[3, 5, 6]
Former First Sea Lord and
Chief of Naval Staff
British Navy

Jason Glen Cahilly[1]
Founder and Chief Executive Officer
Dragon Group LLC

Helen Deeble[2, 5]
Former Chief Executive Officer
P&O Ferries Division Holdings Ltd.

Arnold W. Donald[4]
President and Chief Executive Officer and Chief Climate Officer
Carnival Corporation & plc

Jeffrey J. Gearhart[3, 5]
Former Executive Vice President, Global Governance and Corporate Secretary
Walmart, Inc.

Richard J. Glasier[1, 2, 3, 6]
Former President and Chief Executive Officer
Argosy Gaming Company

Katie Lahey[5]
Former Chair
Korn Ferry Australasia

Sir John Parker[5, 6]
Non-Executive Chair
Laing O'Rourke

Stuart Subotnick[1, 3, 4, 6]
President and Chief Executive Officer
Metromedia Company

Laura Weil[1, 2, 3]
Founder and Managing Partner
Village Lane Advisory LLC

Randall J. Weisenburger[2, 3, 5, 6]
Managing Member
Mile26 Capital LLC

1 Audit Committees
2 Compensation Committees
3 Compliance Committees
4 Executive Committees
5 Health, Environmental, Safety & Security Committees
6 Nominating & Governance Committees

DIRECTORS EMERITUS AND LIFE PRESIDENTS

Ted Arison (1924-1999)
Chair Emeritus, Carnival Corporation

Maks Birnbach (1920-2007)
Director Emeritus, Carnival Corporation

A. Kirk Lanterman (1931-2019)
Chair Emeritus
Holland America Line Inc.

Meshulam Zonis (1933-2009)
Director Emeritus, Carnival Corporation

Uzi Zucker
Director Emeritus, Carnival Corporation & plc

Horst Rahe
Life President of AIDA Cruises

The Lord Sterling of Plaistow GCVO, CBE
Life President of P&O Cruises

OTHER INFORMATION

Corporate Headquarters
Carnival Corporation
Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178-2428 U.S.A.
305-599-2600

Registered Office
Carnival plc
Carnival House
100 Harbour Parade
Southampton S015 1ST UK
44 (0) 23 8065 5000

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
333 SE 2nd Avenue, Suite 3000
Miami, Florida 33131-2330 U.S.A.

Registrars and Stock Transfer Agents
Carnival Corporation
Computershare Investor Services
P.O. Box 505000
Louisville, Kentucky 40233-5000 U.S.A.
800-568-3476 (U.S.A, U.S.A Territories and Canada)
781-575-2879 (Outside U.S.A, U.S.A Territories and Canada)

Carnival plc
Equiniti Limited
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA UK
0371 384 2665 (UK)
44 121 415 7107 (Outside UK)

Legal Counsel
Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington D.C. 20036-5306 U.S.A.

Other Shareholder Information
Copies of our joint Annual Report on Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, Carnival plc Annual Accounts and all amendments to those reports, press releases and other documents, as well as information on our cruise brands are available through our website at www.carnivalcorp.com or www.carnivalplc.com.

CARNIVAL
CORPORATION&PLC

Carnival Place 3665 N.W. 87th Avenue Miami Florida 33178-2428 U.S.A. www.carnivalcorp.com
Carnival House 100 Harbour Parade Southampton S015 1ST UK www.carnivalplc.com

CARNIVAL
CORPORATION & PLC.

2022
NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS AND PROXY STATEMENT

CARNIVAL CORPORATION & PLC.

OUR COMPANY

Carnival Corporation & plc (NYSE: CCL and CUK; LSE: CCL), one of the world's largest leisure travel companies, provides travelers around the globe with extraordinary vacations at an exceptional value.

Together, our nine brands comprise the world's largest cruise company, totaling 243,200 lower berths. A total of 11 new ships are scheduled to be delivered to our brands through 2025.

Our nine cruise line brands offer a broad range of vacation options for millions of guests with a wide variety of leisure-time activities that accommodate people from multiple backgrounds, cultures and languages.

With our global corporate headquarters in Miami and several regional headquarters around the world, we are the only company in the world to be included in both the S&P 500 index in the U.S. and the FTSE 250 index in the UK.

OUR VISION STATEMENT

At Carnival Corporation & plc, our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. On this foundation, we aspire to deliver unmatched joyful vacations for our guests, always exceeding their expectations and in doing so driving outstanding shareholder value. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other—communicating, coordinating and collaborating while seeking candor, openness and transparency at all times. And we aspire to be an exemplary corporate citizen leaving the people and the places we touch even better.

AIDA · Carnival · Costa · CUNARD · Holland America Line · P&O CRUISES · P&O CRUISES AUSTRALIA · PRINCESS · SEABOURN

CARNIVAL
CORPORATION & PLC.

Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
United States

Carnival House
100 Harbour Parade
Southampton SO15 1ST
United Kingdom

Letter to Shareholders from the Chair

MICKY ARISON
Chair of the Boards

Dear Fellow Shareholders,

During 2021, we were focused on resuming operations as quickly as practical in a way that served the best interests of public health, while at the same time demonstrating prudent stewardship of capital. In addition, we believe that we have positioned ourselves well on the path to profitability and established effective protocols for COVID-19. We achieved all of this while reinforcing our commitment to compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees.

In 2021, we achieved key milestones related to our return to service including:

- Ending the year with 50 ships in guest cruise operations compared to one ship in 2020
- Returning over 65,000 crew members to our ships
- Carrying over 1.2 million guests indicating fundamental strength in demand for cruise vacations
- Delivering an exceptional guest experience with historically high net promoter scores

We ended the year with $9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving credit facility, and $3.5 billion of customer deposits, an increase of $1.3 billion from 2020. To date, through our debt management efforts, we refinanced over $9 billion, reducing our future annual interest by approximately $400 million per year and extending maturities, optimizing our debt maturity profile.

As of January 13, 2022, eight of our nine cruise brands, representing 67% of our capacity, had resumed guest cruise operations. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

We achieved important milestones during our return to service and broadened our commitment to environmental, social and governance goals with the introduction of our 2030 sustainability goals and 2050 aspirations. We also achieved many operational milestones, including reopening our eight owned and operated private destinations and port facilities which have been visited by over half of our guests since the restart and welcoming seven new more efficient ships across our brands.

Our decision to accelerate the exit of 19 ships as part of our fleet optimization strategy resulted in a more efficient fleet overall and lowered our planned capacity growth to approximately 2.5% compounded annually from 2019 through 2025, down from 4.5% annually pre-COVID-19. We achieved a unit cost benefit from the removal of these less efficient ships from our fleet which will grow from the delivery of the larger and more efficient ships.

Upon returning to full operations, nearly 15% of our capacity will consist of these recently delivered, larger and more efficient ships which we believe will expedite our return to profitability and improve our return on invested capital. In addition, this roster of new ships is expected to drive additional enthusiasm around our restart plans.

As of January 13, 2022, we are operating the only six cruise ships in the world currently powered by liquefied natural gas ("LNG"), which are 20% more carbon efficient. Upon returning to full cruise operations, our LNG efforts, our fleet optimization strategy and other innovative efforts to drive energy efficiency are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization.

Furthermore, we are focused on advancing our six critical sustainability focus areas—climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. Among these priorities, we are committed to continuing our reduction of carbon emissions and aspire to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets. While there is currently no clear path to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, we are partnering with key organizations to help identify and scale new technologies. We have and expect to continue to demonstrate leadership in executing carbon reduction strategies. We believe our scale will support our effort to lead the industry in climate action. Our carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Throughout the pause and the gradual resumption of guest cruise operations, we have been proactively managing to resume guest cruise operations as an even stronger and more efficient operating company to maximize cash generation and to deliver strong returns on invested capital. Once we return to full guest operations, our cash flow will be the primary driver to our return to an investment grade credit rating over time, creating greater shareholder value.

Sincerely,

MICKY ARISON
Chair of the Boards of Directors

February 15, 2022

Table of Contents

Information about Attending the Annual Meetings

You are cordially invited to attend our Annual Meetings of Shareholders:

DATE

Friday, April 8, 2022

TIME

8:30 a.m. (EDT)

The Carnival plc Annual General Meeting will begin first, followed by the Carnival Corporation Annual Meeting.

Shareholders of each may attend both meetings.

LOCATION

Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178
United States

LIVE VIDEO BROADCAST

Carnival House, 100 Harbour Parade, Southampton SO15 1ST, United Kingdom, 1:30 p.m. (BST)

Shareholders planning to attend the live video broadcast in Southampton must submit a proxy in order to vote as they will not be able to vote in person from Southampton. Shareholders attending the live video broadcast in Southampton will be able to submit questions live to the Directors in Florida, but will not be treated as, or considered to be, "in attendance" at the Annual Meetings.

Details regarding the matters to be voted on are contained in the attached Notices of Annual Meetings of Shareholders and Proxy Statement. Because of the dual listed company arrangement, all voting will take place on a poll (or ballot).

As the current situation with COVID-19 evolves, we continue to closely monitor the public health advisors and governmental regulations and guidelines on holding large public events and gatherings, as well as travel bans. Based on this advice at the time of writing, the Boards have decided to keep in place for this year some of the temporary changes to the format of the Annual Meetings of Shareholders that were instituted last year. Please read the section "Safety and Security Measures" below for further details on how we plan to conduct the meetings to prioritize the safety and security of our employees, shareholders and other stakeholders.

The Boards will continue to monitor the situation closely and may need to make further adjustments to the "Safety and Security Measures," including any additional restrictions or requirements for shareholders to attend. Shareholders planning to attend the meeting should therefore check the "Investor Relations" section of our website at www.carnivalcorp.com and www.carnivalplc.com for any updates, which will be posted at least one week prior to the Annual Meetings of Shareholders.

While we welcome the opportunity to engage with our shareholders in person at the Annual Shareholders Meetings, we strongly encourage shareholders to follow public health advice before deciding whether to attend the meeting or not.

Your vote is important. We encourage you to vote as soon as possible to ensure your vote is recorded promptly, even if you plan to attend the Annual Meetings of Shareholders.

The Boards of Directors recommend that you vote in favor of Proposals 1 through 20 and consider their approval to be in the best interests of Carnival Corporation and Carnival plc and their shareholders.

We are furnishing the proxy materials to shareholders on or about February 15, 2022

DIRECTIONS

For directions to the 2022 Annual Meetings of Shareholders, you may contact Investor Relations at:

Carnival Corporation & plc
Attention: Investor Relations
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
United States

ir@carnival.com

MEETING ADMISSION REQUIREMENTS

Attendance at the Annual Meeting of Carnival Corporation Shareholders is limited to shareholders and their duly appointed proxies or corporate representatives. Each attendee will be asked to present valid government-issued picture identification, such as a driver's license or passport.

Shareholders holding shares in brokerage accounts ("under a street name") will need to bring a copy of a brokerage statement reflecting share ownership as of the record date (February 7, 2022).

SAFETY AND SECURITY MEASURES

In the interests of mitigating any risks from the ongoing COVID-19 pandemic and to prioritize the well-being of our employees, shareholders and other stakeholders, the following measures will apply at the Annual Shareholders Meetings:

- social distancing measures will be in place;
- hand sanitizer will be provided on entry to the venue and we encourage it to be used;
- no refreshments will be provided; and
- attendees will have to comply with the health and safety measures at the venue, which may include having their temperature taken and the requirement to wear a face mask covering their nose and mouth at all times.

Attendees will be required to comply with any additional federal, state and/or local government guidance in force on the day of the Annual Shareholders Meetings. You should not attend the Annual Shareholders Meetings if you are suffering from any COVID-19 symptoms or you have come into close contact with someone who has tested positive for COVID-19 within the 14 days preceding the date of the Annual Shareholders Meetings. You will be asked to complete a Health Declaration Form upon arrival.

Due to security measures, all bags will be subject to search, and all persons who attend the meeting will be subject to a metal detector and/or a hand wand search. We will be unable to admit anyone who does not comply with these safety and security procedures.

The Boards will continue to monitor the situation closely and may need to make further adjustments to the "Safety and Security Measures," including any additional restrictions or requirements for shareholders to attend. Shareholders planning to attend the meeting should therefore check the "Investor Relations" section of our website at **www.carnivalcorp.com** and **www.carnivalplc.com** for any updates, which will be posted at least one week prior to the Annual Meetings of Shareholders.

Voting Information

YOUR VOTE IS IMPORTANT.

We encourage you to vote as soon as possible, even if you plan to attend the Annual Meetings of Shareholders.

ELIGIBILITY TO VOTE

All eligible shareholders may vote in person at the 2022 Annual Meetings of Shareholders. Please refer to details about how to vote in person in the "Question and Answers" section.

Carnival Corporation Shareholders	Carnival plc Shareholders
You are eligible to vote if you were a shareholder as of **the close of business (EDT) on February 7, 2022.**	You are eligible to vote if you are a shareholder as of **6:30 p.m. (BST) on April 6, 2022.**

HOW TO VOTE

REGISTERED HOLDERS

To make sure your vote is counted, please cast your vote as soon as possible by one of the following methods:

Voting Method	Carnival Corporation Shareholders	Carnival plc Shareholders
Internet	www.proxyvote.com, 24/7	www.sharevote.co.uk, 24/7
Telephone	1-800-690-6903 (toll-free)	N/A
CREST	N/A	Using CREST electronic proxy appointment service (if you hold your shares through CREST)
Mobile Device	Scan the QR code	Scan the QR code
Mail	Complete and mail your signed form	Complete and mail your signed proxy form
At the Meeting	Attend the annual meeting and cast your ballot	Attend the annual meeting and cast your ballot

BENEFICIAL OWNERS (HOLDERS IN STREET NAME): your bank or broker will provide you with instructions on how to vote.

ENROLL FOR ELECTRONIC DELIVERY

We encourage shareholders to sign up to receive future proxy materials electronically. If you have not already enrolled, please consider doing so as it:

- is simple and convenient
- saves time and money
- is environmentally friendly

	Carnival Corporation Shareholders	Carnival plc Shareholders
Internet	www.investordelivery.com	www.shareview.co.uk
Mobile Device	Scan the QR code	Scan the QR code

Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
United States

Notice of 2022 Annual Meeting of Carnival Corporation Shareholders

We are pleased to invite you to attend Carnival Corporation's 2022 Annual Meeting of Carnival Corporation Shareholders.

WHEN

Friday, April 8, 2022
8:30 a.m. (EDT)

WHERE

Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178
United States

ELIGIBILITY TO VOTE AND RECORD DATE

The Board of Directors set February 7, 2022 as the record date for the Annual Meeting of Carnival Corporation Shareholders. This means that our shareholders as of the close of business on that date are entitled to receive this notice of the meeting and vote their shares.

Items of Business		Board Recommendation	Page Reference
1-12	To re-elect 12 Directors, each to serve as a Director of Carnival Corporation and as a Director of Carnival plc	FOR each director nominee	7
1	To re-elect Micky Arison as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	11
2	To re-elect Sir Jonathon Band as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	11
3	To re-elect Jason Glen Cahilly as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	12
4	To re-elect Helen Deeble as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	12
5	To re-elect Arnold W. Donald as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	13
6	To re-elect Jeffery J. Gearhart as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	14
7	To re-elect Richard J. Glasier as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	14
8	To re-elect Katie Lahey as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	15
9	To re-elect Sir John Parker as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	16
10	To re-elect Stuart Subotnick as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	17
11	To re-elect Laura Weil as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	18
12	To re-elect Randall J. Weisenburger as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	19
13	To hold a (non-binding) advisory vote to approve executive compensation (in accordance with legal requirements applicable to U.S. companies)	FOR	38
14	To hold a (non-binding) advisory vote to approve the Carnival plc Directors' Remuneration Report (in accordance with legal requirements applicable to UK companies)	FOR	39

Items of Business		Board Recommendation	Page Reference
15	To re-appoint the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc and to ratify the selection of the U.S. firm of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Carnival Corporation	FOR	69
16	To authorize the Audit Committee of Carnival plc to determine the remuneration of the independent auditors of Carnival plc (in accordance with legal requirements applicable to UK companies)	FOR	69
17	To receive the UK accounts and reports of the Directors and auditors of Carnival plc for the year ended November 30, 2021 (in accordance with legal requirements applicable to UK companies)	FOR	73
18	To approve the giving of authority for the allotment of new shares by Carnival plc (in accordance with customary practice for UK companies)	FOR	74
19	To approve the disapplication of pre-emption rights in relation to the allotment of new shares by Carnival plc (in accordance with customary practice for UK companies)	FOR	74
20	To approve a general authority for Carnival plc to buy back Carnival plc ordinary shares in the open market (in accordance with legal requirements applicable to UK companies desiring to implement share buyback programs)	FOR	77
21	To transact such other business as may properly come before the meeting		

How to Vote

Your vote is important. Please review the proxy materials for the 2022 Annual Meeting of Carnival Corporation Shareholders and follow the instructions.

	INTERNET	TELEPHONE	MOBILE DEVICE	MAIL	AT THE MEETING
Registered Holders	www.proxyvote.com 24/7	Call 1-800-690-6903 (toll-free)	Scan the QR code	Complete and mail your signed form in the postage-paid envelope	Attend the annual meeting and cast your ballot
Beneficial Owners (Holders in Street Name)	Follow the instructions provided by your broker, bank or other nominee			Return a properly executed voting instruction form by mail, depending upon the methods your broker, bank or other nominee makes available	To attend the annual meeting, you will need proof of ownership and a legal proxy from your broker, bank or other nominee
Deadline	11:59 p.m. Eastern Time on April 7, 2022, if you are a registered holder		If you are a beneficial owner, please refer to the information provided by your broker, bank or other nominee		

Meeting Admission Requirements

Attendance at the Annual Meeting of Carnival Corporation Shareholders is limited to shareholders and their duly appointed proxies or corporate representatives. Each attendee will be asked to present valid government-issued picture identification, such as a driver's license or passport. Shareholders holding shares in brokerage accounts ("under a street name") will need to bring a copy of a brokerage statement reflecting share ownership as of the record date (February 7, 2022). Additional requirements are included in the "Safety and Security Measures" section above.

Notice of Internet Availability

Carnival Corporation is continuing to take advantage of U.S. Securities and Exchange Commission ("SEC") rules that allow it to deliver proxy materials over the Internet. Under these rules, Carnival Corporation is sending its shareholders a one-page notice regarding the Internet availability of proxy materials instead of a full set of proxy materials, unless they previously requested to receive printed copies. If you receive this one-page notice, you will not receive printed copies of the proxy materials unless you specifically request them. Instead, this notice tells you how to access and review on the Internet all of the important information contained in the proxy materials. This notice also tells you how to submit your proxy card on the Internet and how to request to receive a printed copy of the proxy materials. All Carnival Corporation shareholders are urged to follow the instructions in the notice and submit their votes using one of the voting methods described in the proxy materials. If you receive a printed copy of the proxy materials, the accompanying envelope for return of the proxy card requires no postage.

Any shareholder attending the Annual Meeting of Carnival Corporation Shareholders in Miami, Florida may personally vote on all matters that are considered, in which event any previously submitted proxy will be revoked.

On Behalf of the Board of Directors,

ARNALDO PEREZ
Company Secretary

January 27, 2022

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETINGS TO BE HELD ON APRIL 8, 2022	The Notice of Annual Meetings of Shareholders, Proxy Statement and the Annual Report are available our websites at **www.carnivalcorp.com** and **www.carnivalplc.com**.

CARNIVAL PLC

(incorporated and registered in England and Wales under number 4039524)

Carnival House
100 Harbour Parade
Southampton SO15 1ST
United Kingdom

Notice of 2022 Annual General Meeting of Carnival plc Shareholders

THIS NOTICE OF ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorized under the UK Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Carnival plc, please send this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that an ANNUAL GENERAL MEETING of Carnival plc will be held:

WHEN

Friday, April 8, 2022
8:30 a.m. (EDT)

WHERE

Carnival Place
3655 N.W. 87th Avenue
Miami, Florida 33178
United States

ELIGIBILITY TO VOTE

Carnival plc, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of Carnival plc at 6:30 p.m. (BST) on April 6, 2022 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the register of members after 6:30 p.m. (BST) on April 6, 2022 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

LIVE VIDEO BROADCAST

Carnival House, 100 Harbour Parade, Southampton SO15 1ST, United Kingdom, 1:30 p.m. (BST)

Shareholders planning to attend the live video broadcast in Southampton must submit a proxy in order to vote as they will not be able to vote in person from Southampton. Shareholders attending the live video broadcast in Southampton will be able to submit questions live to the Directors in Florida, but will not be treated as, or considered to be, “in attendance” at the Annual Meetings.

The meeting will be held for the purpose of considering and, if thought fit, passing the resolutions described below:

Proposals	Vote Required
• Proposals 1 through 18 will be proposed as **ordinary resolutions.**	For ordinary resolutions, the **required majority is more than 50% of the combined votes cast** at this meeting and the Annual Meeting of Carnival Corporation Shareholders.
• Proposals 19 and 20 will be proposed as **special resolutions.**	For special resolutions, the **required majority is not less than 75% of the combined votes cast** at this meeting and the Annual Meeting Carnival Corporation Shareholders.

Proposals			Board Recommendation	Page Reference
1-12	**RE-ELECTION OF 12 DIRECTORS NAMED IN THIS PROXY STATEMENT** To re-elect 12 Directors, each to serve as a Director of Carnival Corporation and as a Director of Carnival plc		FOR each director nominee	7
	1	To re-elect Micky Arison as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	11
	2	To re-elect Sir Jonathon Band as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	11
	3	To re-elect Jason Glen Cahilly as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	12
	4	To re-elect Helen Deeble as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	12
	5	To re-elect Arnold W. Donald as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	13
	6	To re-elect Jeffery J. Gearhart as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	14
	7	To re-elect Richard J. Glasier as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	14
	8	To re-elect Katie Lahey as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	15
	9	To re-elect Sir John Parker as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	16
	10	To re-elect Stuart Subotnick as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	17
	11	To re-elect Laura Weil as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	18
	12	To re-elect Randall J. Weisenburger as a Director of Carnival Corporation and as a Director of Carnival plc.	FOR	19
13	**EXECUTIVE COMPENSATION** To hold a (non-binding) advisory vote to approve executive compensation (in accordance with legal requirements applicable to U.S. companies).		FOR	38
14	**DIRECTORS' REMUNERATION REPORT** To hold a (non-binding) advisory vote to approve the Carnival plc Directors' Remuneration Report (as set out in the annual report for the year ended November 30, 2021).		FOR	39
15-16	**RE-APPOINTMENT AND REMUNERATION OF CARNIVAL PLC AUDITORS AND RATIFICATION OF CARNIVAL CORPORATION AUDITORS**		FOR	69
	15	To re-appoint the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc and to ratify the selection of the U.S. firm of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Carnival Corporation.	FOR	69

Proposals		Board Recommendation	Page Reference
16	To authorize the Audit Committee of the Board of Directors of Carnival plc to determine the remuneration of the independent auditors of Carnival plc.	FOR	69
17	**ACCOUNTS AND REPORTS** To receive the UK accounts and the reports of the Directors and auditors of Carnival plc for the year ended November 30, 2021.	FOR	73
18	**ALLOTMENT OF SHARES** THAT the Directors of Carnival plc be and they are hereby authorized to allot shares in Carnival plc and to grant rights to subscribe for or convert any security into shares in Carnival plc: (a) up to a nominal amount of $102,371,049 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and (b) up to a nominal amount of $204,742,097 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue: • to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and • to holders of other equity securities as required by the rights of those securities or as the Directors of Carnival plc otherwise consider necessary, and so that the Directors of Carnival plc may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of next year's Carnival plc Annual General Meeting (or, if earlier, until the close of business on July 7, 2023) but, in each case, during this period Carnival plc may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors of Carnival plc may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.	FOR	74
19	**DISAPPLICATION OF PRE-EMPTION RIGHTS** THAT, subject to Proposal 18 passing, the Directors of Carnival plc be given power to allot equity securities (as defined in the UK Companies Act 2006 (the "Companies Act")) for cash under the authority given by that resolution and/or to sell ordinary shares held by Carnival plc as treasury shares for cash as if Section 561 of the Companies Act did not apply to any such allotment or sale, such power to be limited: (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Proposal 18, by way of a rights issue only): • to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and • to holders of other equity securities, as required by the rights of those securities, or as the Directors of Carnival plc otherwise consider necessary, and so that the Directors of Carnival plc may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and	FOR	74

Proposals		Board Recommendation	Page Reference
	(b) the in the case of the authority granted under paragraph (a) of Proposal 18 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of $15,355,657, such power to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on July 7, 2023) but, in each case, during this period Carnival plc may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Directors of Carnival plc may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.		
20	**GENERAL AUTHORITY TO BUY BACK CARNIVAL PLC ORDINARY SHARES** THAT Carnival plc be and is generally and unconditionally authorized to make market purchases (within the meaning of Section 693(4) of the Companies Act) of ordinary shares of $1.66 each in the capital of Carnival plc subject to the following conditions: (a) the maximum number of ordinary shares authorized to be acquired is 18,500,792; (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is $1.66; (c) the maximum price which may be paid for an ordinary share is an amount (exclusive of expenses) equal to the higher of: • 105% of the average middle market quotation for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased; and • the higher of the last independent trade and the highest current independent bid for an ordinary share on the trading service venue where the purchase is carried out; and (d) unless previously revoked or renewed, this authority shall expire on the earlier of: • the conclusion of the Annual General Meeting of Carnival plc to be held in 2023; and • 18 months from the date of this resolution (except in relation to the purchase of ordinary shares, the contract of which was entered into before the expiry of such authority).	FOR	77

There are 20 Proposals that require shareholder approval at the Annual General Meeting this year. The Directors unanimously recommend that you vote in favor of Proposals 1 through 20 (inclusive).

The Directors encourage you to submit your vote using one of the voting methods described herein. Submitting your voting instructions by any of these methods will not affect your right to attend the meeting in person should you so choose.

Voting Arrangements for Carnival plc Shareholders

Your vote is important. Carnival plc shareholders can vote in any of the following three ways:

1. by attending the Annual General Meeting and voting in person or, in the case of corporate shareholders, by corporate representatives;
2. by appointing a proxy to attend and vote on their behalf, using the proxy form enclosed with this Notice of Annual General Meeting; or
3. by voting electronically as described below.

VOTING IN PERSON

If you come to the Annual General Meeting, please bring the attendance card (attached to the enclosed proxy form) with you. This will mean you can register more quickly.

In order to attend and vote at the Annual General Meeting, a corporate shareholder may appoint one or more individuals to act as its representative. The appointment must comply with the requirements of Section 323 of the Companies Act. Each representative should bring evidence of their appointment, including any authority under which it is signed, to the meeting. If you are a corporation and are considering appointing a corporate representative to represent you and vote your shareholding in Carnival plc at the Annual General Meeting, you are strongly encouraged to pre-register your corporate representative to make registration on the day of the meeting more efficient. In order to pre-register, please email your Letter of Representation to Carnival plc's registrars, Equiniti Limited, at proxyvotes@equiniti.com.

VOTING BY PROXY

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote in his or her stead. A proxy need not be a shareholder of Carnival plc. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, please follow the notes contained in the proxy form. A person who is nominated to enjoy information rights in accordance with Section 146 of the Companies Act, but who is not a shareholder, is not entitled to appoint a proxy.

If you are a person nominated to enjoy information rights in accordance with Section 146 of the Companies Act you may have a right under an agreement between you and the member by whom you were nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If you have no such right, or you have such a right but do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

To be effective, a duly completed proxy form and the authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited (whether delivered personally or by post) at the offices of Carnival plc's registrars as soon as possible and in any event no later than 1:30 p.m. (BST) on April 6, 2022.

Equiniti Limited
Aspect House
Spencer Road
Lancing BN99 6DA
United Kingdom

Alternatively, a proxy vote may be submitted via the Internet in accordance with the instructions set out on the proxy form.

In the case of joint registered holders, the signature of one holder on a proxy card will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which names stand on the register of shareholders of Carnival plc in respect of the relevant joint holding.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual, which can be viewed at www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the Notice of Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Carnival plc may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

VOTING ELECTRONICALLY

Shareholders are entitled to vote online at **www.sharevote.co.uk.** Shareholders voting electronically should vote as soon as possible, and in any event no later than 1:30 p.m. (BST) on April 6, 2022.

SHAREHOLDERS WHO ARE ENTITLED TO ATTEND OR VOTE

Carnival plc, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of Carnival plc at 6:30 p.m. (BST) on April 6, 2021 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the register of members after 6:30 p.m. (BST) on April 6, 2021 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Asking Questions at the Meeting

Any shareholder attending the meeting has the right to ask questions. Carnival plc must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of Carnival plc or the good order of the meeting that the question be answered.

Documents Available for Inspection

Copies of all service agreements (including letters of appointment) between each Director and Carnival plc will be available for inspection during normal business hours on any weekday (public holidays excluded) at the registered office of Carnival plc from the date of this notice until and including the date of the meeting and at the place of the meeting for at least 15 minutes prior to and during the meeting.

Rights Under Sections 338 and 338A

Under Sections 338 and 338A of the Companies Act 2006, shareholders meeting the threshold requirements in those Sections have the right to require Carnival plc: (i) to give, to shareholders of Carnival plc entitled to receive notice of the meeting, notice of a resolution to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective, (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorized by the person or persons making it, must be received by Carnival plc not later than February 25, 2022, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Website Materials

This Proxy Statement and other information required by Section 311A of the Companies Act have been posted on our websites at **www.carnivalcorp.com** and **www.carnivalplc.com**.

Under Section 527 of the Companies Act, shareholders meeting the threshold requirements set out in that section have the right to require Carnival plc to publish on a website a statement setting out any matter relating to:

- the audit of Carnival plc's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
- any circumstance connected with an auditor of Carnival plc ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act.

Carnival plc may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act. Where Carnival plc is required to place a statement on a website under Section 527 of the Companies Act, it must forward the statement to Carnival plc's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that Carnival plc has been required under Section 527 of the Companies Act to publish on a website.

By Order of the Board of Directors,

ARNALDO PEREZ
Company Secretary

January 27, 2022

REGISTERED OFFICE
Carnival House | 100 Harbour Parade | Southampton SO15 1ST | United Kingdom

Proxy Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider.

You should read the entire Proxy Statement carefully before voting.

Corporate Governance Highlights

Corporate Governance Best Practices

- ✔ 10 of our 12 directors are independent, including all members of the Audit, Compensation, Compliance, HESS and Nominating & Governance Committees
- ✔ Presiding Director and Senior Independent Director, with defined responsibilities
- ✔ 4 of our 12 directors are gender or ethnically diverse
- ✔ Balance of new and experienced directors
- ✔ Majority voting for directors in uncontested elections
- ✔ Stock ownership guidelines for directors and executives
- ✔ Regular shareholder engagement
- ✔ Annual director self-evaluation and committee assessment to ensure Board effectiveness
- ✔ All directors attended over 75% of 2021 meetings
- ✔ Regular executive sessions of independent directors
- ✔ Robust risk oversight
- ✔ Board review of company's financial performance, strategy and succession planning
- ✔ Code of Business Conduct and Ethics
- ✔ Commitment to corporate social responsibility and sustainability

Our governance documents are available at **carnivalcorp.com/governance** and **carnivalplc.com/governance**.

OUR COMMITMENT TO COMPLIANCE, SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Our reputation and success depend on having sustainable and transparent operations. At Carnival Corporation & plc, our responsibilities and priorities include:

- *operate safely*
- *protect the environment*
- *develop our workforce*
- *maintain our stakeholder relations*
- *continue to support the port communities that our ships visit*
- *maintain our fiscal strength*
- *be in compliance everywhere we operate in the world*

CARNIVAL CORPORATION & PLC
SUSTAINABLE FROM SHIP TO SHORE

carnivalsustainability.com

PROTECTING THE ENVIRONMENT

We are committed to operating a safe and reliable fleet and to protect the environment and the health, safety and well-being of our guests, the people in the communities we touch and our shipboard and shoreside employees. We are dedicated to fully complying with, or exceeding, all applicable legal and statutory requirements. We are also focused on enhancing our sustainable business model while reinforcing our commitment to and investment in sustainability solutions through our six critical sustainability focus areas:

- climate action;
- circular economy;
- sustainable tourism;
- good health and well-being;
- diversity, equity and inclusion; and
- biodiversity and conservation.

In order to continue supporting our sustainability strategy across our brands and business partners, we have established new goals for 2030 and aspirations for 2050 which incorporate the six key focus areas and align with elements of the United Nation's Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals.

Among these priorities, we are committed to continuing to reduce carbon emissions and have aspirations to achieve net carbon-neutral ship operations by 2050, well ahead of current International Maritime Organization's ("IMO") target, while minimizing the use of carbon offsets. Our carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

As part of our plan for carbon footprint reduction, we lead the cruise industry's use of liquefied natural gas ("LNG") powered cruise ships. As of January 13, 2022, we are operating the only six large cruise ships in the world currently powered by LNG. Upon returning to full cruise operations, our LNG efforts combined with other innovative efforts to drive energy efficiency are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization. LNG vessels generate up to 20% less carbon emissions than traditionally powered ships, while almost eliminating sulfur oxides, reducing nitrogen oxides by 85% and particulate matter by 95%-100%.

While fossil fuels are currently the only viable solution for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals, such as:

- partnering to evaluate and pilot maritime scale battery technology and methanol powered fuel cells on our ships; and
- working with Classification Societies and other stake holders to assess hydrogen, methanol, eLNG and biofuels as future low carbon fuel options for cruise ships.

We also pioneered the use of Advanced Air Quality Systems on board our ships to aid in the reduction of sulfur emissions and are promoting the use of shore power, enabling ships to use shoreside electric power where available while in port.

PROMOTING DIVERSITY AND INCLUSION

We believe that diversity and inclusion issues, such as the attraction, retention, development and promotion of women and people of color, are not only important topics in corporations and boardrooms world-wide, they are issues critically important to sustaining the success of our business. For years, we have partnered with organizations focused on improving the diversity and inclusiveness of workplaces and by extension, society in general. We strive to achieve greater performance through capturing the power of employee diversity across all elements such as race, ethnicity, age, gender and sexual orientation and identification.

Accordingly, Arnold W. Donald, our President, Chief Executive Officer and Chief Climate Officer, has committed to Catalyst's "Catalyst CEO Champions for Change" initiative to support the advancement of women's leadership and diversity in the workplace.

Mr. Donald is also signatory to the Executive Leadership Council's "CEO Action for Diversity and Inclusion" initiative to support and encourage diversity in the workplace.

It is the policy of Carnival Corporation & plc that disabled persons should receive full and fair consideration for all job vacancies and promotions for which they are qualified applicants. It is the policy of Carnival Corporation & plc to seek to retain employees who become disabled while in their service whenever possible and to provide appropriate training and accommodations for disabled persons.

Training and career development are provided and encouraged for all employees, including disabled persons.

INVESTING IN OUR COMMUNITIES

Carnival Foundation is dedicated to creating positive change through empowering youth, enhancing education and strengthening families in the communities where we live and work. Carnival Foundation and the brands of Carnival Corporation & plc support a broad spectrum of organizations that positively impact thousands of youth and families each year through charitable giving, in-kind donations and volunteerism. Whether it is providing job training to the homeless, preserving and protecting the environment, furthering medical research or investing in our future through education and mentoring, the reach of Carnival Foundation is all-encompassing.

During times of crisis, Carnival Foundation works closely with national and international relief organizations, coordinating corporate and employee donations for emergencies, such as hurricanes in the U.S. and in the Caribbean.

Carnival Foundation's contributions are spread to communities where the brands operate, but focus on organizations in South Florida, where Carnival Corporation is headquartered.

www.carnivalfoundation.com

CORPORATE AWARDS AND RECOGNITION

Carnival Corporation's Ethics and Compliance Program was one of five finalists for "Program of the Year" in *Compliance Week*'s 2021 Excellence in Compliance. These awards recognize compliance programs, leaders and consultants for their outstanding performance in this critical field. Our nomination for this award includes highlights and successes from its "Operations Oceans Alive" program.

Carnival Corporation & plc has been recognized for its commitment to corporate social responsibility leadership by *Newsweek* as one of America's Most Responsible Companies for 2021 for the second consecutive year. A total of 2,000 American public companies were evaluated and the top 300 are included on the list.

Carnival Corporation & plc was Recognized on *Forbes*' annual listings of America's Best Large Employers of 2021 for the third time, Best Employers for Diversity for the second consecutive year and America's Best Employers for Women in 2020.

Carnival Corporation & plc was awarded two 2021 Silver Anvils, the top PR award for campaigns by the Public Relations Society of America for its crisis work tied to COVID-19, as well as a Bronze Anvil and an award of excellence.

Carnival Corporation & plc was recognized as one of the Best Companies for Latinos to Work in 2021 by *Latino Leaders Magazine*, the only national magazine fully dedicated to showcasing and promoting leadership in the Latino community in the U.S.

Carnival Corporation & plc was named Glassdoor Employee's Choice Award winner, recognizing the company as one of the Best Places to Work in 2021.

Carnival Corporation & plc earned a perfect score on the Human Rights Campaign Foundation's 2021 Corporate Equality Index, designating the company as a Best Place to Work for LGBTQ Equality for the fifth consecutive year.

Executive Compensation Highlights

COMPENSATION POLICIES AND PRACTICES

What We Do

- ✓ Independent Compensation Committees that review and approve all compensation for our Named Executive Officers
- ✓ Independent compensation consultant
- ✓ Annual Say-on-Pay vote
- ✓ Stock ownership guidelines for directors and executives
- ✓ Compensation Committees assess compensation practices to deter excessive risk-taking
- ✓ Pay-for-performance philosophy
- ✓ Mix of compensation which includes short-term cash and long-term equity-based compensation
- ✓ Clawback policy

What We Don't Do

- ✗ No unlimited incentive payouts in our annual bonus plan
- ✗ No evergreen provisions
- ✗ No short sales, short-term hedging or margin sales of securities
- ✗ No stock option repricing
- ✗ No liberal share recycling of stock options or stock appreciation rights
- ✗ No pension plans or deferred compensation plans for our Named Executive Officers
- ✗ No single-trigger equity vesting

PRINCIPAL COMPENSATION OBJECTIVES

We believe that our executive compensation program should be appropriately tailored to balance short-term and long-term compensation opportunities to enable Carnival Corporation and Carnival plc to meet short-term objectives while continuing to produce value for their shareholders over the long-term. Our executive compensation program is designed to:

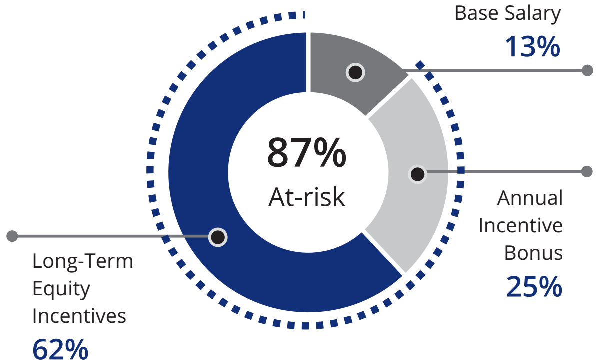
1. Reward results and effective strategic leadership through the use of both short-term and long-term incentives, taking into account each executives' performance, experience and responsibilities

2. Align executive interests with those of our shareholders by making a substantial portion of compensation at risk

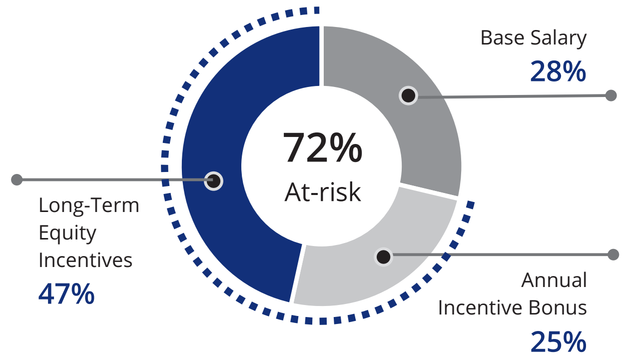
3. Remain competitive in the marketplace in order to attract, motivate and retain our talent that we believe is necessary to achieve our financial and strategic goals

TOTAL TARGET COMPENSATION MIX(1)

CEO



Average Other NEOs



(1) At-risk includes the Annual Incentive Bonus that is subject performance criteria, and the Long-Term Equity Incentives that are subject to change in value based on share price movements during the vesting period.

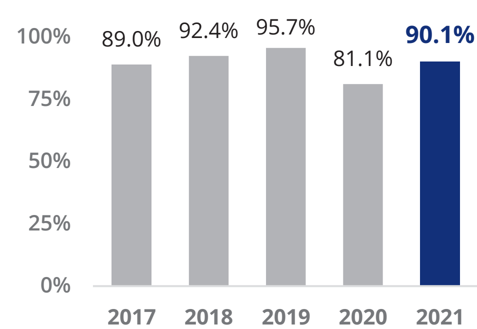
SHAREHOLDER ENGAGEMENT AND SAY-ON-PAY ADVISORY VOTE

- Carnival Corporation & plc has a long-standing shareholder outreach program and routinely interacts with shareholders on a number of matters, including executive compensation. The Compensation Committees consider all feedback received about executive compensation.
- In April 2021, shareholders approved our "say-on-pay" proposal with 90.1% of the votes cast in favor of the compensation paid to our Named Executive Officers. During the past year, we continued to engage with shareholders and seek feedback on our compensation program and incorporate the results of that feedback in our compensation decisions.
- The Compensation Committees have and will continue to consider results from the annual shareholder advisory votes, including the next vote in April 2022, as well as other shareholder input, when reviewing executive compensation programs and policies.

Historical Say-on-Pay Support

90%

average shareholder approval over last 5 years



Governance and Board Matters

PROPOSALS 1-12

Re-Election of Directors

1	Micky Arison	**5**	Arnold W. Donald	**9**	Sir John Parker
2	Sir Jonathon Band	**6**	Jeffrey J. Gearhart	**10**	Stuart Subotnick
3	Jason Glen Cahilly	**7**	Richard J. Glasier	**11**	Laura Weil
4	Helen Deeble	**8**	Katie Lahey	**12**	Randall J. Weisenburger

Governance

We are committed to governance policies and practices so that shareholder and other stakeholder interests are represented in a thoughtful and independent manner. Sound principles of corporate governance are critical to obtaining and retaining the trust of investors. They are also vital in securing respect from other key stakeholders and interested parties, including our workforce, guests and suppliers, the communities in which we conduct business, government officials and the public-at-large.

Carnival Corporation and Carnival plc operate under a dual listed company ("DLC") arrangement with primary stock listings in the United States ("U.S.") and the United Kingdom ("UK"). Accordingly, we implemented a single corporate governance framework consistent, to the extent possible, with the governance practices and requirements of both countries. While there are customs or practices that differ between the two countries, we believe our corporate governance framework effectively addresses the corporate governance requirements of both the U.S. and the UK.

Our corporate governance principles are set forth in our Corporate Governance Guidelines and the charters of our Board Committees. The actions described in these documents, which the Boards have reviewed and approved, implement applicable requirements, including the New York Stock Exchange listing requirements and, to the extent practicable, the UK Corporate Governance Code published by the UK Financial Reporting Council in July 2018 (the "UK Corporate Governance Code"), as well our own vision of good governance.

We will continue to monitor governance developments in the U.S. and the UK to ensure a vigorous and effective corporate governance framework of the highest international standards.

Our Corporate Governance Guidelines, copies of the charters of our Board Committees and our organizational documents are available under the "Governance" section of our website at **www.carnivalcorp.com** and **www.carnivalplc.com**.

The Boards are elected by the shareholders to exercise business judgment to act in what they reasonably believe to be in the best interests of Carnival Corporation & plc and its shareholders. The Boards select and oversee the members of senior management, who are charged by the Boards with conducting the business of the company.

Nominations of Directors

Carnival Corporation and Carnival plc are two separate legal entities and, therefore, each has a separate Board of Directors, each of which in turn has its own Nominating & Governance Committee. As the DLC arrangement requires that there be identical Boards of Directors, the Nominating & Governance Committees make one set of determinations in relation to both companies.

The Nominating & Governance Committees actively seek individuals qualified to become Board members and recommend to the Boards the nominees to stand for election as Directors at the Annual Meetings of Shareholders or, if applicable, at a Special Meeting of Shareholders.

When nominating candidates for the Boards of Directors, including incumbent Directors eligible for re-nomination, regardless of the source of the nomination, the Nominating & Governance Committees will consider, in accordance with their charter, such factors as they deem appropriate, including, but not limited to:

- the candidate's judgment;
- the candidate's skill;
- contributions to the Boards of Directors (with respect to incumbent Directors);
- diversity considerations;
- the candidate's experience with business and other organizations of comparable size;
- the interplay of the candidate's experience with the experience of other members of the Boards; and
- the extent to which the candidate would be a desirable addition to the Boards and any Committees of the Boards.

Our Corporate Governance Guidelines dictate that diversity should be considered by the Nominating & Governance Committees in the director identification and nomination process. This means that the Nominating & Governance Committees seek nominees who bring a variety of business backgrounds, experiences and perspectives to the Boards. The Boards believe that the backgrounds and qualifications of the Directors, considered as a group, should provide a broad diversity of experience, professions, skills, geographic representations, knowledge and abilities, as well as race, ethnicity, age, gender and sexual orientation and identification, that will allow the Boards to fulfill their responsibilities and the Nominating & Governance Committees assess the effectiveness of this approach as part of the annual evaluations of our Boards of Directors.

BOARD REFRESHMENT

We have added four new directors to our Boards since 2016, including two women.

2016

1 new director joined

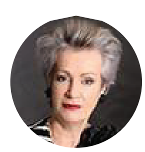
- Helen Deeble

2017

1 new director joined

- Jason Glen Cahilly

2019



1 new director joined

- Katie Lahey

2020

1 new director joined

- Jeffrey J. Gearhart

As of the date of this Proxy Statement, 25% of the members of the Boards are women (being three of 12 members). We had met our prior goal to achieve 33% of the members of the Boards being women, until a woman member stepped down in January 2020 just prior to the significant impact of the COVID-19 pandemic on our guest cruise operations. The Nominating & Governance Committees are in the process of engaging a search firm to assist them in identifying women Board candidates so that we can again achieve the goal of at least 33% of the Boards being women.

The Boards currently meet the Parker Review recommendation of having at least one ethnic minority director by 2021.

The Nominating & Governance Committees also use their best efforts to ensure that the composition of the Boards adheres to the independence requirements applicable to companies listed for trading on the New York Stock Exchange and the London Stock Exchange. The Nominating & Governance Committees and the Boards utilize the same criteria for evaluating candidates regardless of the source of the referral. Other than the foregoing, there are no stated minimum criteria for Director nominees.

The Nominating & Governance Committees identify nominees by first evaluating the current members of the Boards willing to continue in service. As part of director succession planning, current members of the Boards with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Boards with that of obtaining a new perspective. If any member of the Boards does not wish to continue in service or if the Nominating & Governance Committees or the Boards decide not to re-nominate a member for re-election, the Nominating & Governance Committees identify the desired skills and experience of a new nominee in light of the criteria above. Current members of the Nominating & Governance Committees and the Boards are polled for suggestions as to individuals meeting the criteria of the Nominating & Governance Committees. The Nominating & Governance Committees may consider candidates proposed by management but are not required to do so. The Nominating & Governance Committees may engage a third-party search firm to identify and attract potential nominees.

2022 Nominees for Re-Election to the Boards

The DLC arrangement requires the Boards of Carnival Corporation and Carnival plc to be identical. Shareholders are required to approve the election or re-election of Directors to each Board. There are 12 nominees for re-election to each Board of Directors. Each nominee currently serves as a Director of both companies. All nominees for Director are to be re-elected to serve until the next Annual Meetings of Shareholders and until their successors are elected.

All of the nominees have indicated that they will be willing and able to serve as Directors.

With respect to each Board nominee set forth below, the information presented includes such person's age, the year in which such person first became a Director, any other position held with Carnival Corporation and Carnival plc, such person's principal occupations during at least the past five years, any directorships held by such nominee in public or certain other companies over the past five years and the nominee's qualifications, including particular areas of expertise, to serve as a Director.

The Nominating & Governance Committees conducted performance evaluations of the members of our Boards of Directors serving during fiscal 2021 and reported the results to the Boards. The Boards determined that each nominee was an effective and committed member of the Boards and the Board Committees on which each serves. In addition, in 2019, the Nominating & Governance Committees engaged a third-party governance expert to perform an assessment of the effectiveness of the Boards. The third-party governance expert interviewed each Director and members of senior management who interact substantially with the Boards, reviewed the results of the assessment with the Senior Independent Director, and then organized and summarized the assessment for discussion with the full Boards.

Accordingly, the Boards of Directors unanimously recommend a vote **FOR** the re-election of each of the following Director nominees.

MICKY ARISON

AGE 72

Carnival Corporation Director since 1987

Chair of the Board of Carnival Corporation since 1990

Carnival plc Director since 2003

Chair of the Board of Carnival plc since 2003

COMMITTEES

- Executive Ⓒ

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Arison's qualifications to serve on the Boards include his decades of leadership experience with Carnival Corporation & plc, as well as in-depth knowledge of our business, our history and the cruise industry, all gained through 50 years of service with our companies.

CAREER HIGHLIGHTS

- **Carnival Corporation & plc**
  - Chair of the Board of Directors, Carnival Corporation (1990 to present)
  - Chair of the Board of Directors, Carnival plc (2003 to present)
  - Chief Executive Officer, Carnival Corporation (formerly known as Carnival Cruise Lines) (1979 to 2013)
  - Chief Executive Officer, Carnival plc ((2003 to 2013)

OTHER PUBLIC COMPANY BOARDS

- None

SIR JONATHON BAND

AGE 72

INDEPENDENT Carnival Corporation Director since 2010

INDEPENDENT Carnival plc Director since 2010

COMMITTEES

- Compliance
- HESS Ⓒ
- Nominating & Governance

KEY EXPERIENCE AND QUALIFICATIONS

Sir Jonathon Band's qualifications to serve on the Boards include his extensive experience in maritime and security matters gained through his 42 years of service with the British Navy. He also brings an international perspective of company and industry matters.

CAREER HIGHLIGHTS

- **The British Navy**
  - First Sea Lord and Chief of Naval Staff, the most senior officer position in the British Navy (2006 to 2009, when he retired)
  - Admiral and Commander-in-Chief Fleet (2002 to 2006)
  - Served as a naval officer in increasing positions of authority (1967 to 2002)

OTHER PUBLIC COMPANY BOARDS

- Harland & Wolffe Group Holdings plc (August 2021 to present)

PRIOR COMPANY BOARDS

- Survitec Group (2015 to 2019)
- Lockheed Martin UK Limited (2010 to 2015)

JASON GLEN CAHILLY

AGE 51

INDEPENDENT Carnival Corporation Director since 2017

INDEPENDENT Carnival plc Director since 2017

COMMITTEES

- Audit

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Cahilly's qualifications to serve on the Boards include his more than 25 years' experience in the global media, entertainment, sports, technology, leisure, communications and finance sectors in a variety of senior leadership roles.

CAREER HIGHLIGHTS

- **Dragon Group LLC and its affiliates**, a private firm that provides capital and business management consulting and advisory services worldwide
  - Chief Executive Officer (2017 to present)
- **The National Basketball Association**, a North American professional basketball league
  - Chief Strategic & Financial Officer (2013 to 2017)
- **Goldman Sachs & Co.**
  - Partner; Global Co-Head of Media and Telecommunications; Head of Principal Investing for Technology, Media & Telecommunications (TMT); Co-Head of TMT Americas Financing Group; and other roles of increasing responsibility (2000 to 2012)

OTHER PUBLIC COMPANY BOARDS

- Corsair Gaming, Inc. (2020 to present)

PRIOR COMPANY BOARDS

- NBA China (2013-2017)

HELEN DEEBLE

AGE 60

INDEPENDENT Carnival Corporation Director since 2016

INDEPENDENT Carnival plc Director since 2016

COMMITTEES

- Compensation
- HESS

KEY EXPERIENCE AND QUALIFICATIONS

Ms. Deeble's qualifications to serve on the Boards include her more than 30 years' experience in retail, transport, logistics and leisure sectors in finance and general management roles, including significant maritime operational and commercial experience gained through her service as a chief executive officer of a passenger shipping organization. She is also a UK Chartered Accountant.

CAREER HIGHLIGHTS

- **P&O Ferries Division Holdings Ltd.**, a pan-European shipping and logistics business
  - Chief Executive Officer (2006 to 2017)
  - Chief Operating Officer (2004 to 2006)
  - Chief Financial Officer (1998 to 2003)
- **UK Chamber of Shipping**
  - VP and President (2011 to 2013)
- Awarded **Commander of the Order of the British Empire** for services to shipping (2013)
- **Stena Line UK**, a European passenger and freight operator
  - Senior finance roles including Chief Financial Officer (1993 to 1998)

OTHER PUBLIC COMPANY BOARDS

- Non-Executive Director, CMO Group PLC (July 2021 to present)

OTHER CURRENT ENGAGEMENTS

- Member of the Supervisory Board, the UK Chamber of Shipping

PRIOR COMPANY BOARDS

- Non-Executive Director, the Port of London Authority (2014 to 2020)

ARNOLD W. DONALD

AGE 67

Carnival Corporation Director since 2001

Carnival plc Director since 2003

COMMITTEES

- Executive

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Donald's qualifications to serve on the Boards include his broad leadership and other executive skills gained through his prior executive leadership experience with a Fortune-100 science-based research and development, manufacturing and marketing company, a privately held company with global operations, and as head of a large international research-based not-for-profit corporation. He also has broad experience in corporate governance, having served as a director, past and present, of a number of other publicly-traded companies.

CAREER HIGHLIGHTS

- **Carnival Corporation & plc**
  - President and Chief Executive Officer (2013 to present)
  - Chief Climate Officer (January 2022 — present)
- **The Executive Leadership Council**, a professional network of African-American executives of major U.S. companies
  - President and Chief Executive Officer (2010 to 2012)
- **The Juvenile Diabetes Research Foundation International**
  - President and Chief Executive Officer (2006 to 2008)
- **Merisant Company**, a manufacturer and marketer of tabletop sweetener products, including the Equal® and Canderel® brands
  - Chair of the Board and Chief Executive Officer (2000 to 2003)
- **Monsanto Company**, a company that develops agricultural products and consumer goods
  - Senior Vice-President and President of its Nutrition and Consumer sector (1998 to 2000)

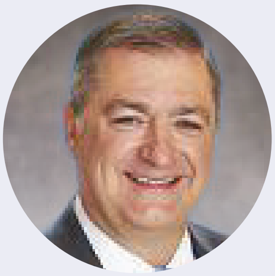
OTHER PUBLIC COMPANY BOARDS

- Bank of America Corporation (2013 to present)

PRIOR PUBLIC COMPANY BOARDS

- Crown Holdings, Inc. (1999 to 2019)
- Oil-Dri Corporation of America (1997 to 2013)
- Laclede Group (2003 to 2014)

JEFFREY J. GEARHART



AGE 57

INDEPENDENT Carnival Corporation Director since 2020

INDEPENDENT Carnival plc Director since 2020

COMMITTEES

- Compliance
- HESS

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Gearhart's qualifications to serve on the Boards include his experience as a lawyer and his leadership experience as general counsel at a global retail company, along with his expertise from having responsibility for global legal, compliance, ethics, and security and investigative functions.

CAREER HIGHLIGHTS

- **Walmart, Inc.** ("Walmart"), a global retailer
  - Executive Vice President, Global Governance and Corporate Secretary, responsible for oversight of Walmart's global legal, compliance, ethics and security and investigation functions, among others (2012 to 2018)
  - Executive Vice President, General Counsel and Corporate Secretary (2010 to 2012)
  - Executive Vice President, General Counsel (2009 to 2010)
  - Senior Vice President and Deputy General Counsel (2007 to 2009)
  - Vice President and General Counsel, Corporate Division (2003 to 2007)
- **Kutak Rock LLP**
  - Partner, Corporate Securities and Mergers and Acquisitions (1998-2003)

OTHER PUBLIC COMPANY BOARDS

- Bank OZK (2018 to present)

RICHARD J. GLASIER

AGE 76

INDEPENDENT Carnival Corporation Director since 2004

INDEPENDENT Carnival plc Director since 2004

COMMITTEES

- Audit (C)
- Compensation
- Compliance
- Nominating & Governance

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Glasier's qualifications to serve on the Boards include significant cruise industry experience as a senior financial officer of a major cruise line, as well as his managerial and corporate governance expertise acquired as the Chief Executive Officer of a New York Stock Exchange-listed operator of hotels and casinos, and as well as many years of public company board experience.

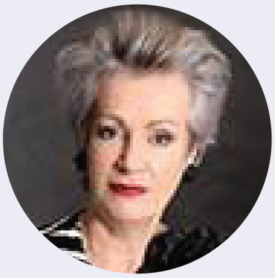
CAREER HIGHLIGHTS

- **Argosy Gaming Company**, an owner and operator of casinos
  - Chief Executive Officer (2003 to 2005)
  - President (2002 to 2005)
- **Royal Caribbean Cruises Ltd.**, a global cruise company
  - Executive Vice President and Chief Financial Officer (1995-2002)

OTHER PUBLIC COMPANY BOARDS

- None

KATIE LAHEY



AGE 71

INDEPENDENT Carnival Corporation Director since 2019

INDEPENDENT Carnival plc Director since 2019

COMMITTEES

- HESS

KEY EXPERIENCE AND QUALIFICATIONS

Ms. Lahey's qualifications to serve on the Boards include her more than 30 years' experience in the tourism, talent sourcing, cultural transformation, governmental, retail and the arts sectors in a variety of leadership roles, including within the cruise industry.

CAREER HIGHLIGHTS

- **Korn Ferry Australasia**, a leadership and talent firm
  - Non-Executive Chair (February to October 2019)
  - Executive Chair (2011 to 2019)
- **The Tourism and Transport Forum Australia**, a tourism and transportation industry group
  - Chair (2015 to 2018)
- **Carnival Australia**, a division of Carnival plc
  - Executive Chair (2006 to 2013)

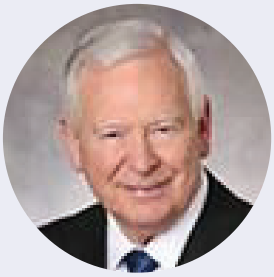
INDUSTRY RECOGNITION

- Member of the Order of Australia, for her significant services to business and commerce and the arts (2013)
- Awarded a Centenary Medal, for her contributions to Australian society in the area of business leadership (2003)

OTHER PUBLIC COMPANY BOARDS

- Non-Executive Director, The Star Entertainment Group Limited (2012 to present)

SIR JOHN PARKER



AGE 79

INDEPENDENT Carnival Corporation Director since 2003

INDEPENDENT Carnival plc Director since 2000

COMMITTEES

- HESS
- Nominating & Governance

KEY EXPERIENCE AND QUALIFICATIONS

Sir John's qualifications to serve on the Boards include his extensive international background and wealth of corporate experience. His past and present service as a Non-Executive Director of a number of listed UK companies provides the Boards with invaluable knowledge and insight with respect to UK corporate governance policies and practices. In addition, Sir John, as a qualified naval architect and former head of a major shipbuilding company, is very experienced in the design, construction and operation of ships.

CAREER HIGHLIGHTS

- **Laing O'Rourke**
  - Non-Executive Chair (2017 to present)
- **The Parker Review**, a UK Government commissioned review of ethnic diversity of UK Boards
  - Chair (2015 to present)
- **UK Government Cabinet Office**
  - Lead Non-Executive Director (2017 to 2018)
- Non-Executive Chair, Anglo American plc (2009 to 2017)
- Non-Executive Director and Deputy Chair, DP World Limited (2006 to 2015)
- **Royal Academy of Engineering**
  - President (2011 to 2014)
- Non-Executive Chair, National Grid plc (2002 to 2012)
- **The Prime Minister's Business Council for Britain**
  - Member of the Council (2006 to 2011)
- **University of Southampton**
  - Chancellor (2006 to 2011)
- **The Bank of England**
  - Senior Non-Executive Director and Chair of the Court (2004 to 2009)
- **P&O Princess Cruises**
  - Deputy Chair (2001 to 2003)
- **Lloyds Register Shipping**
  - Chair of the Technical Committee (1993 to 2002)
- **Babcock International Group plc**
  - Chair and Chief Executive Officer (1994 to 2000)
- **Royal Institution of Naval Architects**
  - President (1996 to 1999)

OTHER PUBLIC COMPANY BOARDS

- None

PRIOR PUBLIC COMPANY BOARDS

- Non-Executive Chair, Pennon Group plc (2015 to 2020)
- Non-Executive Director, Airbus Group NV (2007 to 2018)
- Non-Executive Chair, Mondi plc (2007 to 2009)
- Chair, RMC Group plc (2002 to 2005)
- Non-Executive Director, Brambles Industries plc (2001 to 2003)
- Chair, P&O Group plc (2000 to 2003)
- Non-Executive Director, GKN plc (1993 to 2002)

STUART SUBOTNICK

AGE 80

INDEPENDENT Carnival Corporation Director since 1987

INDEPENDENT Carnival plc Director since 2003

COMMITTEES

- Audit
- Compliance
- Nominating & Governance (C)
- Executive

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Subotnick's qualifications to serve on the Boards include his significant experience in financing, investing and general business matters, as well as his past Board experience with us, which are important to the Boards when reviewing our investor relations, assessing potential financings and strategies, and otherwise evaluating our business decisions.

CAREER HIGHLIGHTS

- **Metromedia Company**, a privately held diversified Delaware general partnership
  - President and Chief Executive Officer (2010 to present)
  - General Partner and Executive Vice President (1986 to 2010)

OTHER PUBLIC COMPANY BOARDS

- None

PRIOR PUBLIC COMPANY BOARDS

- AboveNet, Inc. (1997 to 2012)

LAURA WEIL

AGE 65

INDEPENDENT Carnival Corporation Director since 2007

INDEPENDENT Carnival plc Director since 2007

COMMITTEES

- Audit
- Compensation
- Compliance

KEY EXPERIENCE AND QUALIFICATIONS

Ms. Weil's qualifications to serve on the Boards include her extensive financial, strategic information technology and operating skills developed over many years as an investment banker and senior financial operating executive. Ms. Weil also brings significant experience in global digital transformation and consumer strategies from her leadership experience with multi-billion dollar New York Stock Exchange-listed retailers.

CAREER HIGHLIGHTS

- **Village Lane Advisory LLC**, which specializes in providing executive and strategic consulting services to retailers as well as private equity firms
  - Founder and Managing Partner (2015 to present)
- **New York & Company, Inc.**, a women's apparel and accessories retailer
  - Executive Vice President and Chief Operating Officer (2012 to 2014)
- **Ashley Stewart LLC**, a privately held retailer
  - Chief Executive Officer (2010 to 2011)
- **Urban Brands, Inc.**, a privately held apparel retailer
  - Chief Executive Officer (2009 to 2010)
- **AnnTaylor Stores Corporation**, a women's apparel company
  - Chief Operating Officer and Senior Executive Vice President (2005 to 2006)
- **American Eagle Outfitters, Inc.**, a global apparel retailer
  - Chief Financial Officer and Executive Vice President (1995 to 2005)

OTHER PUBLIC COMPANY BOARDS

- Global Fashion Group, S.A. (2019 to present)
- Pearl Holdings Acquisition Corp. (December 2021 to present)

PRIOR PUBLIC COMPANY BOARDS

- Christopher & Banks Corporation (2016 to 2019)

RANDALL J. WEISENBURGER

AGE 63

INDEPENDENT Carnival Corporation Director since 2009

INDEPENDENT Carnival plc Director since 2009

COMMITTEES

- Compensation C
- Compliance C
- HESS
- Nominating & Governance

KEY EXPERIENCE AND QUALIFICATIONS

Mr. Weisenburger's qualifications to serve on the Boards include his broad leadership and operational skills gained as a senior executive of a large multi-national corporation and his extensive financial and accounting skills acquired as an investment banker and senior financial operating executive. He also has broad experience in corporate governance, having served as a director, past and present, of a number of other publicly-traded companies.

CAREER HIGHLIGHTS

- **Mile 26 Capital LLC**, a private investment firm
  - Managing Member (2014 to present)
- **Omnicom Group Inc.**, a Fortune 250 global advertising, marketing and corporate communications company
  - Executive Vice President and Chief Financial Officer (1998 to 2014)

OTHER PUBLIC COMPANY BOARDS

- Corsair Gaming, Inc. (2020 to present)
- MP Materials Corp (2020 to present)
- Valero Energy Corporation (2011 to present)

Board and Committee Governance

BOARD MEETINGS

During the year ended November 30, 2021, the Board of Directors of each of Carnival Corporation and Carnival plc held a total of 16 meetings. Each Carnival Corporation Director and each Carnival plc Director attended either telephonically or in person at least 75% of all Carnival Corporation & plc Boards of Directors meetings and applicable Board Committee meetings held during the period that he or she served in fiscal 2021.

BOARD LEADERSHIP STRUCTURE

MICKY ARISON

Executive Chair of the Boards

ARNOLD W. DONALD

President, Chief Executive Officer and Chief Climate Officer

RANDALL J. WEISENBURGER

Presiding Director and Senior Independent Director

Our Boards of Directors are led by our executive Chair, Mr. Arison. The Chief Executive Officer position is currently separate from the Chair. The Boards maintain the flexibility to determine whether the roles of Chair and Chief Executive Officer should be combined or separated, based on what they believe is in the best interests of Carnival Corporation & plc at a given point in time. We believe that the separation of the Chair and Chief Executive Officer positions is appropriate corporate governance for us at this time, and that having Mr. Arison as our executive Chair enables Carnival Corporation & plc and the Boards to continue to benefit from Mr. Arison's skills and expertise, including his extensive knowledge of our business.

Our Non-Executive Directors, all of whom are independent, meet privately in executive session at least quarterly. The Presiding Director leads those meetings and also acts as the Senior Independent Director under the UK Corporate Governance Code. In addition, the Presiding Director serves as the principal liaison to the Non-Executive Directors, reviews and approves meeting agendas for the Boards and reviews meeting schedules. Our Non-Executive Directors, acting in executive session, elected Randall J. Weisenburger as the Presiding Director and Senior Independent Director.

The structure of our Boards facilitates the continued strong communication and coordination between management and the Boards and enables the Boards to fulfill their risk oversight responsibilities, as further described below.

BOARD COMMITTEES

The Boards delegate various responsibilities and authority to different Board Committees. The Board Committees regularly report on their activities and actions to the full Boards. The Board of Directors of each of Carnival Corporation and Carnival plc has established standing Board Committees, which are each comprised of the same Directors for each company, as follows:

Audit	Executive
Compensation	Health, Environmental, Safety & Security ("HESS")
Compliance	Nominating & Governance ("N&G")

Each Board Committee (other than the Executive Committee which does not have a charter) periodically reviews its charter in light of new developments in applicable regulations and may make additional recommendations to the Boards to reflect evolving best practices.

Committee charters are available at: **www.carnivalcorp.com/governance/committee-charters** and **www.carnivalplc.com/governance/committee-charters**.

Each Board Committee can engage outside experts, advisors and counsel to assist the Board Committee in its work.

The current Board Committee members are as follows:

		Carnival Corporation & plc Board Committees					
Name	**Independent**	**Audit**	**Compensation**	**Compliance**	**Executive**	**HESS**	**N&G**
Micky Arison ☆					Ⓒ		
Sir Jonathon Band	✓			👤		Ⓒ	👤
Jason Glen Cahilly	✓	👤 🖩					
Helen Deeble	✓		👤			👤	
Arnold W. Donald					👤		
Jeffrey J. Gearhart	✓			👤		👤	
Richard J. Glasier	✓	Ⓒ 🖩	👤	👤			👤
Katie Lahey	✓					👤	
Sir John Parker	✓					👤	👤
Stuart Subotnick	✓	👤 🖩		👤	👤		Ⓒ
Laura Weil	✓	👤 🖩	👤	👤			
Randall J. Weisenburger Ⓟ	✓		Ⓒ	Ⓒ		👤	👤

Ⓒ Committee Chair
👤 Committee Member
☆ Executive Chair
Ⓟ Presiding Director and Senior Independent Director
🖩 Audit Committee financial expert

AUDIT COMMITTEES

MEMBERS

- **Richard J. Glasier, Chair**
- Jason Glen Cahilly
- Stuart Subotnick
- Laura Weil

QUALIFICATIONS

- The Board of Directors of Carnival Corporation has determined that each member of the Audit Committees is both "independent" and an "audit committee financial expert," as defined by SEC rules.
- In addition, the Board of Directors of Carnival plc has determined that each member of the Audit Committees is "independent" and had "recent and relevant financial experience" for the purposes of the UK Corporate Governance Code.
- The Boards determined that each member of the Audit Committees has sufficient knowledge in reading and understanding the company's financial statements to serve on the Audit Committees.

FY2021 MEETINGS 9

KEY RESPONSIBILITIES

The Audit Committees assist the Boards in their general oversight of:

- integrity of our financial statements;
- our compliance with legal and regulatory requirements (other than health, environmental, safety and security matters);
- independent auditors' qualifications and independence,
- performance of our internal audit functions and independent auditors;
- relevant elements of our risk management program; and
- risk management with respect to information technology operations, cybersecurity and data privacy.

The Audit Committees are also responsible for the appointment, retention, compensation and oversight of the work of our independent auditors and our independent registered public accounting firm.

FOR ADDITIONAL INFORMATION

The responsibilities and activities of the Audit Committees are described in detail in "Report of the Audit Committees" and the Audit Committees' charter.

COMPENSATION COMMITTEES

MEMBERS

- **Randall J. Weisenburger, Chair**
- Helen Deeble
- Richard J. Glasier
- Laura Weil

QUALIFICATIONS

- The Boards of Directors have determined that each member of the Compensation Committees is independent.

FY2021 MEETINGS 5

KEY RESPONSIBILITIES

The Compensation Committees have authority for:

- reviewing and determining salaries, performance-based incentives and other matters related to the compensation of our executive officers; and
- administering our stock incentive plans, including reviewing and granting equity-based grants to our executive officers and other employees.

The Compensation Committees also review and determine various other compensation policies and matters, including:

- making recommendations to the Boards with respect to the compensation of the Non-Executive (non-employee) Directors, incentive compensation and equity-based plans generally; and
- administering the employee stock purchase plans.

FOR ADDITIONAL INFORMATION

For more information on the responsibilities and activities of the Compensation Committees, including the Committees' processes for determining executive compensation, see "Compensation Discussion and Analysis" and "Executive Compensation" sections and the Compensation Committees' charter.

COMPLIANCE COMMITTEES

MEMBERS

- **Randall J. Weisenburger, Chair**
- Sir Jonathon Band
- Jeffrey J. Gearhart
- Richard J. Glasier
- Stuart Subotnick
- Laura Weil

QUALIFICATIONS

- The Boards of Directors have determined that each member of the Compliance Committees is independent.

FY2021 MEETINGS 6

KEY RESPONSIBILITIES

The Compliance Committees assist with the Boards' oversight of our ethics and compliance function.

They receive regular reports from, and provide direction to, the Chief Ethics and Compliance Officer with respect to the implementation of our ethics and compliance strategic plan, the effectiveness of the overall ethics and compliance function as well as the adequacy of staffing and resources. They are also responsible for:

- monitoring, in coordination with the HESS Committees, implementation of our Environmental Compliance Plan;
- taking steps, in coordination with the Boards' Audit and HESS Committees, reasonably designed to ensure that all significant allegations of misconduct by management, employees or agents receive appropriate attention and remediation; and
- promoting accountability of senior management with respect to ethics and compliance matters.

FOR ADDITIONAL INFORMATION

For more information on the responsibilities and activities of the Compliance Committees, see the Compliance Committees' charter.

EXECUTIVE COMMITTEES

MEMBERS

- **Micky Arison, Chair**
- Arnold W. Donald
- Stuart Subotnick

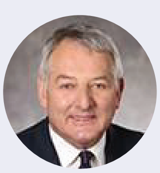
FY2021 MEETINGS 0

KEY RESPONSIBILITIES

The Executive Committees may exercise the authority of the full Boards between meetings of the Boards, except to the extent that the Boards have delegated authority to another Board Committee or to other persons, and except as limited by applicable law.

HESS COMMITTEES

MEMBERS



- **Sir Jonathon Band, Chair**
- Helen Deeble
- Jeffrey J. Gearhart
- Katie Lahey
- Sir John Parker
- Randall J. Weisenburger

QUALIFICATIONS

- The Boards of Directors have determined that each member of the HESS Committees is independent.

FY2021 MEETINGS 7

KEY RESPONSIBILITIES

The HESS Committees review, recommend and oversee compliance with policies relative to the protection of the environment and the health, safety and security of employees, contractors, guests and the public.

The HESS Committees also:

- supervise and monitor health, environmental, safety, security and sustainability policies and programs; and
- review with management significant risks or exposures and actions required to minimize such risks.

FOR ADDITIONAL INFORMATION

For more information on the responsibilities and activities of the HESS Committees, see the HESS Committees' charter.

NOMINATING & GOVERNANCE COMMITTEES

MEMBERS

- **Stuart Subotnick, Chair**
- Sir Jonathon Band
- Richard J. Glasier
- Sir John Parker
- Randall J. Weisenburger

QUALIFICATIONS

- The Boards of Directors have determined that each member of the Nominating & Governance Committees is independent.

FY2021 MEETINGS 4

KEY RESPONSIBILITIES

The Nominating & Governance Committees:

- engage in succession planning for the Boards;
- assist the Boards by identifying individuals qualified to become Board members; and
- report to the Boards on a periodic basis with regard to matters of corporate governance and succession planning;
- review and assess the effectiveness of our Corporate Governance Guidelines;
- make recommendations to the Boards regarding proposed revisions to the Corporate Governance Guidelines; and
- make recommendations to the Boards regarding the size and composition of the Boards and their Committees.

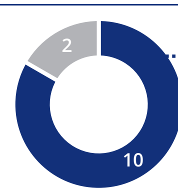
FOR ADDITIONAL INFORMATION

For more information on the responsibilities and activities of the Nominating & Governance Committees, see "Nominations of Directors" and "Procedures Regarding Director Candidates Recommended by Shareholders" sections and the Nominating & Governance Committees' charter.

Additional information with respect to Carnival plc's corporate governance practices during fiscal 2021 is included in the Carnival plc Corporate Governance Report attached as Annex C to this Proxy Statement.

BOARD AND COMMITTEE INDEPENDENCE

Under New York Stock Exchange and UK Corporate Governance Code standards of independence for directors, the Boards must determine that a Director does not have any material relationship with Carnival Corporation & plc or its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with Carnival Corporation & plc) and meets certain bright-line tests. Following an assessment of the Directors' independence, including a review of their independence questionnaires, the Boards of Directors have determined that each of the following is an "independent" director in accordance with the New York Stock Exchange and the UK Corporate Governance Code standards of independence for directors and that all members of the Audit Committees and Compensation Committees meet the heightened independence criteria applicable to Directors serving on those Committees under SEC rules and New York Stock Exchange listing standards and the UK Corporate Governance Code:



83%
of the Board are Independent Directors

- Sir Jonathon Band
- Jason Glen Cahilly
- Helen Deeble
- Jeffrey J. Gearhart
- Richard J. Glasier
- Katie Lahey
- Sir John Parker
- Stuart Subotnick
- Laura Weil
- Randall J. Weisenburger

Accordingly, a majority of the Directors of each company, all of our Non-Executive Directors and all of the members of the Audit, Compensation, Compliance, HESS and Nominating & Governance Committees of each company are independent (as defined by the New York Stock Exchange listing standards, SEC rules and the UK Corporate Governance Code).

RISK OVERSIGHT

Our Boards use the following Committees to assist in their risk oversight responsibility as follows:

AUDIT COMMITTEES

Our Audit Committees are responsible for oversight of our financial, operational and compliance controls (other than with respect to HESS-related legal and regulatory requirements) and including information systems controls and security and oversee management's processes to identify principal and emerging risks, including those related to information technology operations, cybersecurity and data privacy. They monitor our principal and emerging financial risks and non-HESS operational and compliance risks identified by the risk assessment processes and report their findings to the Boards of Directors. They are also responsible for overseeing the adequacy of our system of internal control policies and procedures for the identification, assessment and reporting of risk, including identifying new risks as they arise. They review and make recommendations arising from management reports on the effectiveness of internal controls and risk management systems. In addition, the Audit Committees review audit coverage, the audit plan for the upcoming year and results of any testing carried out by Carnival Corporation & plc's internal audit department called Risk Advisory & Assurance Services ("RAAS"), and its external auditors. The Audit Committees also review any concerns about improprieties in our financial reporting and financial controls or other matters, which employees may confidentially raise.

COMPENSATION COMMITTEES

Our Compensation Committees are responsible for oversight of risk associated with our executive compensation structure, policies and programs.

COMPLIANCE COMMITTEES

Our Compliance Committees are responsible for providing oversight of our ethics and compliance function and ethics and compliance risks. Specifically, they receive regular reports from the Chief Ethics and Compliance Officer regarding the implementation of the ethics and compliance strategic plan, the effectiveness of the overall ethics and compliance function as well as the adequacy of staffing and resources. They monitor the implementation of the environmental compliance plan. In addition, they are responsible for taking steps, in coordination with the Audit and HESS Committees, to ensure that all allegations of material misconduct by management, employees or agents are reported and receive appropriate attention and remediation. They also make recommendations to the Boards of Directors for the framework, structure and design of the Boards of Directors' permanent, steady-state oversight of Carnival Corporation & plc's ethics and compliance function and perform any other duties as requested by the Boards of Directors.

HESS COMMITTEES

Our HESS Committees monitor our performance in managing and/or mitigating principal and emerging non-financial risks, principally those arising in respect of health, environment, safety, security and sustainability. The HESS Committees oversee management's processes to identify principal and emerging HESS-related risks and review with management the actions required to minimize such risks. In addition, the HESS Committees review audit coverage, the HESS audit plan for the upcoming year, the HESS long-term strategic plan and results of any work carried out by RAAS in respect of HESS-related matters.

NOMINATING & GOVERNANCE COMMITTEES

Our Nominating & Governance Committees are responsible for oversight of risk associated with Board processes and corporate governance, including succession planning.

The Chairs of each of these Committees present on their Committees' area of risk oversight to the full Boards for review.

Discussions between management and the Boards regarding the Carnival Corporation & plc strategic plan, consolidated business results, capital structure and other business-related activities include a discussion of the risks associated with the particular item under consideration. In response to the significant operational and financial impact of COVID-19 on our organization, the Boards continued to have bi-weekly meetings until mid-2021 and then continued with monthly meetings. The Boards received regular reports from management regarding:

- our liquidity;
- status of the gradual return to service, including returning ships to guest cruise operations, returning crew members to our ships as well as maintaining the enhanced health and safety protocols;
- compliance status and transparency;
- our environmental, social and governance ("ESG") performance; and
- other critical matters.

The Boards believe that the structure and assigned responsibilities provides the appropriate focus, oversight and communication of principal risks faced by our companies.

COMPENSATION RISK ASSESSMENT

Carnival Corporation & plc's management, in conjunction with the Compensation Committees' independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook"), conducted a thorough review of our compensation programs, including those programs in which our Named Executive Officers participate, to determine if aspects of those programs contribute to excessive risk-taking. Based on the findings from this review and the annual reassessment, the Compensation Committees continue to believe that our compensation policies and practices do not encourage excessive risk-taking and are not reasonably likely to have a material adverse effect on Carnival Corporation & plc.

To reach this conclusion, key elements of our compensation programs were assessed to determine if they exhibited excessive risk. These elements included:

- pay mix (cash vs. equity) and pay structure (short vs. long-term focus);
- performance metrics;
- performance goals and ranges;
- the degree of leverage;
- incentive maximums;
- payment timing;
- incentive adjustments;
- use of discretion; and
- stock ownership requirements.

Our assessment reinforced the Compensation Committees' belief that our compensation programs are not contributing to excessive risk-taking, but instead contain many features and elements that help to mitigate risk.

For example:

✔ **PAY STRUCTURE.** Our compensation programs for our Named Executive Officers, excluding the Chief Ethics & Compliance Officer, emphasize both short- and long-term performance through our annual bonus program (delivered in cash) and through the delivery of long-term incentives (equity) a balanced approach (approximately 45% through base salary and bonus and 55% in long-term equity grants). The mix of our pay program is intended to motivate management to consider the impact of decisions on shareholders in the short, intermediate and long-term.

✔ **CHIEF ETHICS & COMPLIANCE OFFICER PAY.** Our compensation program for the Chief Ethics & Compliance Officer, who is also a Named Executive Officer, is designed to support the independent judgement and execution of duties on our behalf without creating a conflict of interest. This compensation program also emphasizes both short- and long-term performance through an annual bonus measuring individual performance measures consistent with this role's responsibility and time-vested long-term equity incentives.

- **INCENTIVE LIMITS.** Bonuses cannot exceed 200% of target levels.
- **LONG-TERM SHARE INCENTIVE GRANTS.** The January 2021 long-term share incentive grants were made in the form of time-based restricted stock units to strengthen alignment with shareholder interests, to promote retention and leadership stability in a highly uncertain and volatile operating environment due to COVID-19.
- **PERFORMANCE MEASUREMENT.** For corporate and operating unit officers, the performance measurement used when determining their annual bonus is based on the performance of Carnival Corporation & plc with reference to qualitative metrics, including cash management, return to service, compliance and culture and ESG.
- **STOCK OWNERSHIP POLICY.** All senior executives who are designated as reporting officers under Section 16 of the Exchange Act are subject to a stock ownership policy which specifies target ownership levels of Carnival Corporation and Carnival plc shares in terms of the value of the equity holdings as a multiple of each officer's base salary.
- **CLAWBACK POLICY.** The Carnival plc 2014 Employee Share Plan (which was approved by shareholders in 2014), the Carnival Corporation 2020 Stock Plan (which was approved by shareholders in 2020) and the incentive plan used to determine annual bonuses contain clawback provisions, authorize us to recover incentive-based compensation granted under those plans in the event Carnival Corporation & plc is required to restate their financial statements due to fraud or misconduct.

CORPORATE GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines address various governance issues and principles, including:

- Director qualifications and responsibilities;
- access to management personnel;
- Director compensation;
- Director orientation and continuing education; and
- annual performance evaluations of the Boards, their Committees and individual Directors.

Our Corporate Governance Guidelines are posted on our website at **www.carnivalcorp.com** and **www.carnivalplc.com.**

CHIEF EXECUTIVE OFFICER SUCCESSION PLANNING

Our Boards believe that planning for the succession of our Chief Executive Officer is an important function. Our multi-brand structure enhances our succession planning process. At the corporate level, a highly-skilled management team oversees a collection of cruise brands. At both the corporate and brand levels, we continually strive to foster the professional development of senior management. As a result, Carnival Corporation & plc has developed a very experienced and strong group of leaders, with their performance subject to ongoing monitoring and evaluation, as potential successors to all of our senior executive positions, including our Chief Executive Officer.

The Boards and the Nominating & Governance Committees are responsible for succession planning, including emergency succession planning. The independent Non-Executive Directors meet with the Chair and the Chief Executive Officer (both together and individually) at least quarterly to plan for the succession of the Chief Executive Officer, including plans in the event of an emergency. During those sessions, each of the Chair and the Chief Executive Officer discusses his recommendations of potential successors, along with an evaluation and review of any development plans for such individuals. As provided in our Corporate Governance Guidelines, the Nominating & Governance Committees will, when appropriate, make recommendations to the Boards with respect to potential successors to the Chief Executive Officer. All members of the Boards will work with the Nominating & Governance Committees to see that qualified candidates are available and that development plans are being utilized to strengthen the skills and qualifications of the candidates. When assessing the qualifications of potential successors to the Chief Executive Officer, the Boards and the Nominating & Governance Committees will take into account our business strategy as well as any other criteria they believe are relevant.

PROCEDURES REGARDING DIRECTOR CANDIDATES RECOMMENDED BY SHAREHOLDERS

The Nominating & Governance Committees will consider shareholder recommendations of qualified Director nominees when such recommendations are submitted in accordance with the procedures below. In order to recommend a candidate for consideration by the Nominating & Governance Committees for election at the 2023 Annual Meetings of Shareholders, a shareholder must provide the same information as is required for shareholders to submit Director nominations under the advance notice provision set forth in Carnival Corporation's By-laws. Specifically, any such recommendation must include, in addition to any other informational requirements specifically set forth in Carnival Corporation's and Carnival plc's governing documents:

- the name and address of the candidate;
- a brief biographical description, including his or her occupation and service on Boards of Directors of any public company or registered investment company for at least the last five years;
- a statement of the particular experience, qualifications, attributes or skills of the candidate, taking into account the qualification requirements set forth above; and
- the candidate's signed consent to serve as a Director if elected and to be named in the Proxy Statement.

Once we receive the recommendation, we may deliver to the candidate a questionnaire that requests additional information about the candidate's independence, qualifications and other matters that would assist the Nominating & Governance Committees in evaluating the candidate, as well as certain information that must be disclosed about the candidate in our Proxy Statement or other regulatory filings, if nominated. Candidates must complete and return the questionnaire within the time frame provided to be considered for nomination by the Nominating & Governance Committees at the Annual Meetings of Shareholders. For our 2023 Annual Meetings of Shareholders, the Nominating & Governance Committees will consider recommendations received by our Company Secretary at our headquarters no later than September 1, 2022.

COMMUNICATIONS BETWEEN SHAREHOLDERS OR INTERESTED PARTIES AND THE BOARDS

Shareholders or interested parties who wish to communicate with the Boards, the Presiding Director, the Non-Executive Directors as a group or any individual Director should address their communications to:

Carnival Corporation & plc
Attention: Company Secretary
3655 N.W. 87th Avenue
Miami, Florida 33178-2428
United States

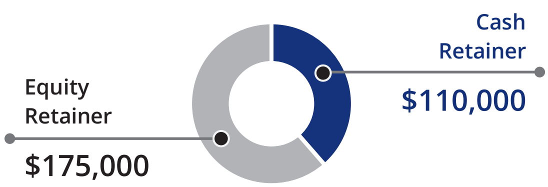
The Company Secretary will maintain a log of all such communications, promptly forward to the Presiding Director those which the Company Secretary believes require immediate attention, and also periodically provide the Presiding Director with a summary of all such communications and any responsive actions taken. The Presiding Director will notify the Boards or the Chairs of the relevant Board Committees as to those matters that he believes are appropriate for further action or discussion.

CODE OF BUSINESS CONDUCT AND ETHICS

Carnival Corporation and Carnival plc's Code of Business Conduct and Ethics applies to all employees and members of the Boards of Carnival Corporation and Carnival plc and provides guiding principles on areas such as identifying and resolving conflicts of interest. Our Code of Business Conduct and Ethics is posted on our website at **www.carnivalcorp.com** and **www.carnivalplc.com**.

Non-Executive Director Compensation

Annual Compensation



Additional Annual Cash Retainers ($)

Presiding Director	25,000
Chair of a Board Committee	30,000

During fiscal 2021, our Non-Executive Directors were entitled to receive an annual retainer of $110,000 per year, equity compensation, as further described below, and reimbursement for travel, meals and accommodation expenses attendant to their Board membership. We do not provide retirement benefits or other benefits to our Non-Executive Directors. We reimburse Directors for travel expenses incurred for spouses or partners when we request that they attend a special event. Any amount reimbursed for spousal or partner travel is reported below in the "Director Compensation for Fiscal 2021" table. For fiscal 2021, the Presiding Director received an additional retainer of $25,000 per annum. In addition, each Non-Executive Director who served as Chair of a Board Committee received an additional $30,000 as compensation for such service on each Board Committee.

Board members who are employed by us do not receive additional compensation for their services as a member of the Boards of Directors.

The Boards of Directors are committed to attracting and retaining a highly diverse, experienced and capable group of Non-Executive Directors. To that end, the Compensation Committees review non-executive director pay levels and compensation practices of certain other publicly-listed companies on an annual basis with the assistance of their consultant to ensure our compensation program is competitive. Non-Executive Directors receive payment of their earned retainer in quarterly installments. Annual retainers are pro-rated so that adjustments can be made during the year. Unearned portions of cash retainers are forfeited upon termination of service.

Non-Executive Directors receive annual restricted share grants under the Carnival Corporation 2020 Stock Plan. In April 2021, each Non-Executive Director received a grant with a dollar value equal to approximately $175,000. As a result, a grant of 6,804 Carnival Corporation restricted shares was made to each Non-Executive Director re-elected on April 20, 2021 based on the closing price of a Carnival Corporation share on that date of $25.72.

The annual restricted share grants under the Carnival Corporation 2020 Stock Plan are released from restriction on April 20, 2024 (and are not forfeitable provided the Director has served at least a full year). Restricted shares granted have the same rights with respect to dividends and other distributions as all other outstanding shares of Carnival Corporation common stock. Generally, Non-Executive Directors will receive their annual grants initially upon their election to the Boards and subsequently at the time of their annual re-election to the Boards.

DIRECTOR COMPENSATION FOR FISCAL 2021

The following table details the total compensation earned by our Directors in fiscal 2021, other than Mr. Donald who is a Named Executive Officer. Mr. Donald's compensation is reflected in the "Summary Compensation Table," which follows the "Compensation Discussion and Analysis" section. Board members who are employed by us do not receive additional compensation for their services as a member of the Boards of Directors.

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1)(2) ($)	All Other Compensation(3) ($)	Total ($)
Micky Arison(4)	—	—	120,088	120,088
Sir Jonathon Band	140,000(5)	174,999	—	314,999
Jason Glen Cahilly	110,000	174,999	—	284,999
Helen Deeble	110,000	174,999	—	284,999
Jeffrey J. Gearhart	110,000	174,999	—	284,999
Richard J. Glasier	140,000	174,999	—	314,999
Katie Lahey	110,000	174,999	—	284,999
Sir John Parker	110,000	174,999	—	284,999
Stuart Subotnick	140,000	174,999	—	314,999
Laura Weil	110,000	174,999	—	284,999
Randall J. Weisenburger	195,000	174,999	—	369,999

(1) No stock option grants were made in fiscal 2021. Represents the grant date fair value, assuming no risk of forfeiture, of the grants of Carnival Corporation restricted shares made in fiscal 2021, calculated in accordance with Accounting Standards Codification Topic 718, "Stock Compensation" ("ASC 718"). In April 2021, each of the Non-Executive Directors received a grant of 6,804 restricted shares based on the closing price of a share on April 20, 2021, the day they were re-elected, of $25.72. The restrictions on the shares granted in 2021 lapse on April 20, 2024. The restrictions on the shares granted to Non-Executive Directors also lapse upon the death or disability of the Director, and are not forfeited if a Director ceases to be a Director for any other reason after having served as a Director for at least one year. All of the Directors who received grants served for all of fiscal 2021.

(2) None of the directors holds stock options. The aggregate number of Carnival Corporation and Carnival plc restricted shares held at November 30, 2021 were as follows:

Name	Unvested Restricted Shares (#)
Micky Arison	0
Sir Jonathon Band	24,087
Jason Glen Cahilly	24,087
Helen Deeble	24,087
Jeffrey J. Gearhart	19,567
Richard J. Glasier	24,087
Katie Lahey	24,087
Sir John Parker	24,087
Stuart Subotnick	24,087
Laura Weil	24,087
Randall J. Weisenburger	24,087

(3) Benefits provided to Mr. Arison include private medical health insurance costs ($81,643), driver and security ($13,133), and the following other benefits ($25,312): accidental death or dismemberment, disability and, life insurance premiums, automobile lease and automobile repairs and expenses and tax gross-ups for certain benefits.

(4) Represents compensation for Mr. Arison's service as executive Chair.

(5) Exclusive of value-added tax.

NON-EXECUTIVE DIRECTOR POLICIES

The following policies also apply to our Non-Executive Directors:

- **STOCK OWNERSHIP POLICY.** The stock ownership policy for Non-Executive Directors provides that all Non-Executive Directors are required to own shares (inclusive of unvested restricted shares, restricted stock units ("RSUs") and shares in a trust beneficially owned by the Director) of either Carnival Corporation common stock or Carnival plc ordinary shares with a value equal to five times the cash retainer. New Directors must achieve this requirement no later than five years from the date of their initial election to the Boards by the shareholders. The stock ownership policy for Non-Executive Directors provides that a Non-Executive Director will be deemed to be in compliance with the ownership requirements if the decline in the Carnival Corporation or Carnival plc share price after February 28, 2020 resulted in the Non-Executive Director falling below the applicable ownership level, provided that they were in compliance prior to February 28, 2020 and do not sell or transfer ownership of any such shares until after the ownership target has again been achieved, unless otherwise approved by the Boards of Directors. This modification was deemed appropriate given the extraordinary impact of the COVID-19 pandemic on our share price. Other than Mr. Gearhart (initially elected in 2021), each of the Non-Executive Directors elected has achieved this Board-mandated requirement.
- **PRODUCT FAMILIARIZATION.** All Non-Executive Directors are encouraged to take a cruise(s) for up to a total of 14 days per year for product familiarization and pay a fare of $35 per person per day for such cruises (or $50 per day in the case of Seabourn), plus taxes, fees and port expenses. All other charges associated with the cruise (e.g., air, ground transfers, gratuities, tours and fuel supplements, if any) are the responsibility of the Non-Executive Director.

CARNIVAL PLC NON-EXECUTIVE DIRECTOR COMPENSATION

Additional information with respect to Carnival plc's compensation and reimbursement practices during fiscal 2021 for Non-Executive Directors is included in Part II of the Carnival plc Directors' Remuneration Report, which is attached as Annex B to this Proxy Statement.

Related Person Transactions

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

Consistent with our written policies and procedures, it is our practice to review all relationships and transactions in which Carnival Corporation or Carnival plc is a participant and in which our Directors, nominees and executive officers and their immediate family members and any five percent beneficial holders have an interest in order to determine whether such related persons have a direct or indirect material interest. Our Legal and Global Accounting and Reporting Services Departments are primarily responsible for the development and implementation of processes and controls to obtain information from the Directors, nominees and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether a related person has a direct or indirect material interest in the transaction. As required under SEC rules, transactions exceeding $120,000 in which Carnival Corporation & plc was or is to be a participant and a related person had or will have a direct or indirect material interest are disclosed in this Proxy Statement.

In addition, in accordance with our Schedule of Matters Reserved to the Boards and their Committees for their Decision, the Boards review and approve or ratify any related person transaction involving:

- a Director, regardless of the amount; and
- a non-director executive officer with an aggregate value in excess of $50,000.

In the course of their review and approval or ratification of a related person transaction, the Boards may consider factors as follows:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of transaction;
- the importance of the transaction to the related person;
- the importance of the transaction to Carnival Corporation & plc;
- whether the transaction would impair the judgment of a Director or executive officer to act in our best interest; and
- any other matters the Boards deem appropriate.

Any member of the Boards who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction, provided, however, that such Director may be counted in determining the presence of a quorum at a meeting of the Board that considers the transaction.

TRANSACTIONS WITH RELATED PERSONS

TRANSACTIONS WITH MICKY ARISON

Micky Arison, our Chair, is also the Chair, President and the indirect majority shareholder of FBA II, Inc., the general partner of Miami Heat Limited Partnership ("MHLP"), the owner of the Miami Heat, a professional basketball team. He is also the indirect shareholder of Basketball Properties, Inc., the general partner of Basketball Properties, Ltd. ("BPL"), which is the manager and operator of the FTX Arena (formerly known as the American Airlines Arena). In July 2021, Carnival Cruise Line entered into an amendment of the advertising and promotion agreement between Carnival Cruise Line, MHLP and BPL to waive certain payments for the most recent contract year of the agreement and extend the term through 2025, with a four-year extension option. Pursuant to this agreement, Carnival Cruise Line paid $433,000 during fiscal 2021.

In August 2015, Carnival Corporation entered into a nonexclusive Aircraft Lease Agreement with an owner trustee under a trust agreement with Ad Astra I, LLC (the "Lease Agreement"); and in August 2020, Carnival Corporation entered into a Services Agreement with Nickel Cayman Management, LLC (the "Services Agreement" and together with the Lease Agreement, the "Aircraft Agreements"). In March 2021, the Lease Agreement and the Services Agreement were amended to adjust the rental rate and aircraft management fee to account for substantially all flight department overhead being borne by Nickel Cayman Management, LLC following Carnival Corporation's disposal of its own aircraft in December 2020.

Each of Ad Astra I, LLC and Nickel Cayman Management, LLC are companies directly or indirectly controlled by a trust of which Mr. Arison is a beneficiary. He is also an officer of Nickel Cayman Management, LLC.

Under the terms of the amended Lease Agreement, Carnival Corporation leases an aircraft beneficially owned by Ad Astra I, LLC from time-to-time in exchange for an hourly rent of $7,920 plus applicable taxes, which is based on market lease rates for similar aircraft as adjusted for costs of operations borne by Carnival Corporation (i.e., fuel and line maintenance during its operation of the aircraft) and hourly service plan expenses.

Under the terms of the amended Services Agreement, Carnival Corporation provides aircraft management services to Nickel Cayman Management, LLC with respect to the aircraft, including overseeing its operation, maintenance, and staffing, and is paid an annual fee of $162,000 (which is based on market rates for similar arrangements) (the "Service Fee"). In addition, Carnival Corporation is reimbursed for operating, maintenance and personnel costs and related third party costs incurred in connection with the services ("Service Costs"). The terms of the Aircraft Agreements are one year and renew automatically for one-year periods, unless terminated sooner by either party upon 30 days' written notice.

During fiscal 2021, Carnival Corporation paid Ad Astra I, LLC $583,000 under the Lease Agreement, and Nickel Cayman Management, LLC paid Carnival Corporation $189,000 as the Service Fee and reimbursed Carnival Corporation $2,597,613 for the Service Costs.

The Boards have reviewed and approved or ratified these transactions.

Share Ownership

Share Ownership of Certain Beneficial Owners and Management

DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the share ownership as of January 13, 2022 of:

- each of our Directors;
- each individual named in the "Summary Compensation Table" which appears elsewhere in this Proxy Statement; and
- all Directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, Director or executive officer is determined under SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual would have the right to acquire as of March 13, 2022 (being 60 days after January 13, 2022) through the vesting of RSUs.

Name and Address of Beneficial Owners or Identity of Group(1)	Amount and Nature of Beneficial Ownership of Carnival Corporation Common Stock*	Percentage of Carnival Corporation Common Stock (%)	Amount and Nature of Beneficial Ownership of Carnival plc Ordinary Shares	Percentage of Carnival plc Ordinary Shares (%)	Percentage of Combined Voting Power** (%)
Peter C. Anderson	23,116(2)	***	0	***	***
Micky Arison	121,136,034(3)(4)	12.3	0	—	10.7
Sir Jonathon Band	42,951	***	0	—	***
David Bernstein	73,760(5)	***	0	—	***
Jason Glen Cahilly	29,050	***	0	—	***
Helen Deeble	31,759	***	0	—	***
Arnold W. Donald	863,115(5)(6)	***	0	—	***
Jeffrey J. Gearhart	21,313	***	0	—	***
Richard J. Glasier	60,507(7)	***	0	—	***
Katie Lahey	26,301	***	0	—	***
Sir John Parker	53,127	***	10,052(8)	***	***
Enrique Miguez	34,372(9)	***	0	***	***
Arnaldo Perez	82,031(5)(10)	***	0	—	***
Stuart Subotnick	73,870	***	0	—	***
Michael Thamm	0	—	175,949(5)	***	***
Laura Weil	73,067	***	0	—	***
Randall J. Weisenburger	761,409	***	0	—	***
All Directors and executive officers as a group (16 persons)	123,385,783	12.5	186,001	***	10.9

* As part of the establishment of the DLC arrangement, Carnival plc issued a special voting share to Carnival Corporation, which transferred such share to the trustee of the P&O Princess Special Voting Trust (the "Trust"), a trust established under the laws of the Cayman Islands. Trust shares of beneficial interest in the Trust were transferred to Carnival Corporation. The trust shares represent a beneficial interest in the Carnival plc special voting share. Immediately following the transfer, Carnival Corporation

distributed such trust shares by way of a dividend to holders of shares of Carnival Corporation common stock. Under a pairing agreement, the trust shares of beneficial interest in the Trust are paired with, and evidenced by, certificates representing shares of Carnival Corporation common stock on a one-for-one basis. In addition, under the pairing agreement, when a share of Carnival Corporation common stock is issued to a person after the implementation of the DLC arrangement, a paired trust share will be issued at the same time to such person. Each share of Carnival Corporation common stock and the paired trust share may not be transferred separately. The Carnival Corporation common stock and the trust shares (including the beneficial interest in the Carnival plc special voting share) are listed and trade together on the New York Stock Exchange under the ticker symbol "CCL." Accordingly, each holder of Carnival Corporation common stock is also deemed to be the beneficial owner of an equivalent number of trust shares.

** As a result of the DLC arrangement, on most matters that affect all of the shareholders of Carnival Corporation and Carnival plc, the shareholders of both companies effectively vote together as a single decision-making body. Combined voting is accomplished through the special voting shares that have been issued by each company.

*** Less than one percent.

(1) The address of each individual is 3655 N.W. 87 Avenue, Miami, Florida 33178.

(2) Includes management incentive plan-tied equity ("MTE"), special retention and incentive program ("RET") grants scheduled to be released on January 18, 2022. The executive officer will also receive additional shares at the time of vesting to take into account dividend reinvestment during the period for the MTE.

(3) Mr. Arison is a member of the Arison Group (defined below), which has filed a joint statement on Schedule 13D with respect to the shares of Carnival Corporation common stock held by such persons. Each member of the Arison Group may be deemed to own the shares of common stock held by all other members of the Arison Group. For information on the share ownership of other members of the Arison Group, see "Principal Shareholders" table below.

(4) Includes (i) 4,934,166 shares of common stock held by the various Arison family trusts, (ii) 80,736,445 shares of common stock held by MA 1994 B Shares, L.P. and (iii) 35,465,423 shares of common stock held by the Artsfare 2005 Trust No. 2 by virtue of the authority granted to Mr. Arison under the last will of Ted Arison. Mr. Arison does not have an economic interest in the shares of common stock held by Artsfare 2005 Trust No. 2.

(5) Includes MTE, RET, time-based share ("TBS") and performance-based shares ("PBS") grants scheduled to be released on January 18, 2022 (MTE and Special RET), January 19, 2021 (2021 TBS) and February 15, 2022 (PBS). The executive officer will also receive additional shares at the time of vesting to take into account dividend reinvestment during the period for the MTE and PBS.

(6) Includes 587,942 shares held by The Arnold W. Donald Revocable Trust UAD 5/26/98.

(7) Includes 23,792 shares held by The Richard J. Glasier Revocable Living Trust.

(8) Includes 7,048 shares held by Julius Baer International Ltd. on behalf of Barnett Waddingham Trustees Ltd., the trustee for Sir John Parker's Fixed Unapproved Restricted Retirement Scheme.

(9) Includes 2019 TBS, Special TBS ("STBS") and 2021 TBS grants scheduled to be released on January 14, 2022 (2019 TBS), January 18, 2022 (STBS) and January 19, 2022 (2021 TBS). The executive officer will also receive additional shares at the time of vesting to take into account dividend reinvestment during the period for the 2019 TBS.

(10) Includes 37,138 shares held by The Arnaldo Perez Trust U/A/D 3/18/2014.

PRINCIPAL OWNERS

Set forth below is information concerning the share ownership of as of January 13, 2022:

- all persons known by us to be the beneficial owners of more than 5% of the 986,363,933 shares of Carnival Corporation common stock and trust shares of beneficial interest in the P&O Princess Special Voting Trust outstanding; and
- all persons known by us to be the beneficial owners of more than 5% of the 185,007,921 ordinary shares of Carnival plc outstanding, 34,596,640 of which are directly or indirectly owned by Carnival Corporation and have no voting rights.

Micky Arison, Chair of the Board of each of Carnival Corporation and Carnival plc, certain other members of the Arison family and trusts for their benefit (collectively, the "Arison Group"), beneficially own shares representing approximately 12.3% of the voting power of Carnival Corporation and approximately 10.7% of the combined voting power of Carnival Corporation & plc and have informed us that they intend to cause all such shares to be voted in favor of Proposals 1 through 20. The table below begins with the ownership of the Arison Group.

Name and Address of Beneficial Owners or Identity of Group	Amount and Nature of Beneficial Ownership of Carnival Corporation Common Stock*	Percentage of Carnival Corporation Common Stock (%)	Amount and Nature of Beneficial Ownership of Carnival plc Ordinary Shares	Percentage of Carnival plc Ordinary Shares (%)	Percentage of Combined Voting Power** (%)
MA 1994 B Shares, L.P. 1201 North Market Street Wilmington, DE 19899	80,736,445(1)(2)	8.2	0	—	7.1
MA 1994 B Shares, Inc. 1201 North Market Street Wilmington, DE 19899	80,736,445(1)(2)	8.2	0	—	7.1
Artsfare 2005 Trust No. 2 c/o SunTrust Delaware Trust Company 1011 Centre Road Suite 108 Wilmington, DE 19805	35,465,423(1)(4)	3.6	0	—	3.2
Verus Protector, LLC Two Alhambra Plaza Suite 1040 Coral Gables, FL 33134	35,465,423(1)(3)	3.6	0	—	3.2
Richard L. Kohan Two Alhambra Plaza Suite 1040 Coral Gables, FL 33134	121,138,034(1)(4)	12.3	0	—	10.7
James M. Dubin Madison Place Partners, LLC One Madison Place Harrison, NY 10528	85,671,611(1)(5)(7)	8.7	0	—	7.5
JMD Delaware, LLC 1201 North Market Street Wilmington, DE 19899	82,419,457(1)(5)(7)	8.4	0	—	7.3
KLR, LLC Two Alhambra Plaza Suite 1040 Coral Gables, FL 33134	82,419,457(1)(8)	8.4	0	—	7.3
Nickel 2015-94 B Trust 1313 North Market Street Suite 5300 Wilmington, DE 19801	80,736,445(1)(2)	8.2	0	—	7.1
SunTrust Delaware Trust Company 1011 Centre Road Suite 108 Wilmington, DE 19805	35,465,423(1)(6)	3.6	0	—	3.2
Aristeia Capital, L.L.C. One Greenwich Plaza Greenwich, CT 06830	0	—	9,350,746(9)	6.2	***
Norges Bank Bankplassen 2 PO Box 1179 Sentrum NO 0107 Oslo, Norway	0	—	9,331,407(10)	6.2	***

Name and Address of Beneficial Owners or Identity of Group	Amount and Nature of Beneficial Ownership of Carnival Corporation Common Stock*	Percentage of Carnival Corporation Common Stock (%)	Amount and Nature of Beneficial Ownership of Carnival plc Ordinary Shares	Percentage of Carnival plc Ordinary Shares (%)	Percentage of Combined Voting Power** (%)
UBS Group AG Bahnhofstrasse 45 Zurich, Switzerland	0	—	9,813,464(11)	6.5	***
Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	63,062,479(12)	6.4	0	—	5.6
The Public Investment Fund P.O. Box 6847 Riyadh 11452 Kingdom of Saudi Arabia	50,830,926(13)	5.2	0	—	4.5

*, ** and *** have the same meanings as indicated in the table above.

(1) The Arison Group has filed a joint statement on Schedule 13D with respect to the shares of Carnival Corporation common stock held by such persons. Each member of the Arison Group may be deemed to own the shares of common stock held by all other members of the Arison Group.

(2) MA 1994 B Shares, L.P. ("MA 1994, L.P.") owns 80,736,445 shares of common stock. The general partner of MA 1994, L.P. is MA 1994 B Shares, Inc. ("MA 1994, Inc."), which is wholly-owned by the Nickel 2015-94 B Trust, a trust established for the benefit of Mr. Arison and members of his family (the "B Trust"). The sole limited partner of MA 1994, L.P. is the B Trust. Under the terms of the instrument governing the B Trust, Mr. Arison has the sole right to vote and direct the sale of the common stock indirectly held by the B Trust. By virtue of the limited partnership agreement of MA 1994, L.P., MA 1994, Inc. may be deemed to beneficially own all such 80,736,445 shares of common stock. By virtue of the B Trust being the sole stockholder of MA 1994, Inc., the B Trust may be deemed to beneficially own all such 80,736,445 shares of common stock. By virtue of Mr. Arison's interest in the B Trust and the B Trust's interest in MA 1994, L.P., Mr. Arison may be deemed to beneficially own all such 80,736,445 shares of common stock. The administrative trustee of the B Trust is the Northern Trust Company of Delaware.

(3) Verus Protector, LLC is the protector of Artsfare 2005 Trust No. 2. Verus Protector, LLC has shared voting and dispositive power with respect to the shares of common stock held by Artsfare 2005 Trust No. 2.

(4) By virtue of being the sole member of Verus Protector, LLC, the sole member of KLR, LLC and a trustee of various Arison family trusts, Mr. Kohan may be deemed to own the aggregate of 121,136,034 shares of common stock beneficially owned by such entities, as to which he disclaims beneficial ownership. Mr. Kohan also owns 1,000 shares of common stock directly and owns 1,000 shares of common stock indirectly by virtue of such shares owned by Mr. Kohan's wife.

(5) By virtue of being the sole member of JMD Delaware, LLC and trustee of various Arison family trusts, Mr. Dubin may be deemed to own the aggregate of 85,670,611 shares of common stock beneficially owned by such entities, as to which he disclaims beneficial ownership. Mr. Dubin also owns 1,000 shares of common stock directly.

(6) SunTrust Delaware Trust Company acts as trustee for the Artsfare 2005 Trust No. 2.

(7) JMD Delaware, LLC is a Delaware limited liability company wholly owned by Mr. Dubin. JMD Delaware, LLC acts as a distribution advisor of various Arison family trusts and has shared dispositive power over the shares of common stock held by certain of such trusts.

(8) KLR, LLC is a Delaware limited liability company wholly owned by Mr. Kohan. KLR, LLC acts as a distribution advisor for various Arison family trusts and has shared dispositive power over the shares of common stock held by certain of such trusts.

(9) As reflected in a TR-1 notification received by Carnival plc on November 15, 2022, Aristeia Capital, L.L.C. and its affiliates reported voting rights over 9,350,746 Carnival plc American Depositary Shares.

(10) As reflected in a TR-1 notification received by Carnival plc on September 3, 2021, Norges Bank reported direct voting rights over 8,931,289 ordinary shares and voting rights over 400,118 shares on loan.

(11) As reflected in a Schedule 13G, filed on February 12, 2021, with the SEC, UBS Group AG reported sole voting power over 1,228,327 ordinary shares and shared dispositive power over 9,813,464 shares.

(12) As reflected in a Schedule 13G/A, filed on February 10, 2021, with the SEC, Vanguard Group reported shared voting power over 998,208 shares of common stock, sole dispositive power over 2,758,769 shares of common stock, and shared dispositive power over 63,062,479 shares of common stock.

(13) As reflected in a Schedule 13G/A, filed on February 16, 2021, with the SEC, the Public Investment Fund has sole voting and dispositive power over 50,830,926 shares of common stock.

PROPOSAL 13

Advisory (Non-Binding) Vote to Approve Executive Compensation

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and pursuant to Section 14A of the Exchange Act, our shareholders are being provided with the opportunity to cast an advisory (non-binding) vote to approve our executive compensation. We refer to this vote as the "say-on-pay" vote. Although this vote is advisory and is not binding on the Boards, the Compensation Committees will take into account the outcome of the vote when considering future executive compensation decisions.

The "say-on-pay" vote is required to be offered to our shareholders at least once every three years. In 2017, our Boards recommended that we provide shareholders with the opportunity to cast their "say-on-pay" vote each year and our shareholders agreed. As a result, the next "say-on-pay" vote is expected to occur at the 2023 Annual Meetings of Shareholders.

The Boards are committed to corporate governance best practices and recognize the significant interest of shareholders in executive compensation matters. The Compensation Committees seek to balance short-term and long-term compensation opportunities to enable Carnival Corporation and Carnival plc to meet short-term objectives while continuing to produce value for their shareholders over the long-term. They also promote a compensation program designed to attract, motivate and retain key executives. As discussed in the Compensation Discussion and Analysis, the Compensation Committees believe that our current executive compensation program directly links executive compensation to our performance and aligns the interests of our Named Executive Officers with those of our shareholders. For example:

- ✔ Our compensation philosophy places more emphasis on variable elements of compensation (such as annual bonuses and equity-based compensation) than fixed remuneration.
- ✔ In accordance with the Compensation Committees' focus on long-term shareholder returns, the Compensation Committees have historically approved performance-based share grants for our Named Executive Officers which vest based upon the extent to which certain pre-grant or post-grant performance criteria are attained. In light of the ongoing impact of the COVID-19 pandemic, the unanticipated pause in our guest cruise operations in mid-March 2020 and the uncertainty surrounding the gradual restart of sailing since September 2020, the Compensation Committees acknowledged the inability to set meaningful or realistic long-term financial goals at the start of fiscal 2021 in the current business environment and approved TBS grants in the form of RSUs for fiscal 2021. The Compensation Committee expects to return to performance-based share grants for fiscal 2022.
- ✔ To further promote long-term shareholder alignment, we require our Named Executive Officers to meet and maintain stock ownership requirements.
- ✔ The Compensation Committees review the position of each element of total direct compensation relative to the competitive market, and use the range of total direct compensation levels in the competitive market

to assess the extent to which the compensation provided to our Named Executive Officers is generally consistent with that offered by the competitive market to their named executive officers.

- ✔ Carnival Corporation & plc does not offer U.S. executives excise tax gross-up protections.

We encourage you to read our Compensation Discussion and Analysis contained within this Proxy Statement for a more detailed discussion of our compensation policies and procedures.

Our shareholders have the opportunity to vote for or against, or to abstain from voting on, the following resolution:

> "RESOLVED, that the shareholders approve the compensation of our Named Executive Officers as disclosed pursuant to the compensation disclosure rules of the SEC (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and any related material disclosed in this Proxy Statement)."

The Boards of Directors unanimously recommend a vote FOR approval of the compensation of our Named Executive Officers as disclosed pursuant to the compensation disclosure rules of the SEC (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this Proxy Statement).

PROPOSAL 14

Advisory (Non-Binding) Vote to Approve the Carnival plc Directors' Remuneration Report

In accordance with Section 439 of the Companies Act and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the "LMCG Regulations"), shareholders are voting to approve adoption of the Carnival plc Directors' Remuneration Report. The Carnival plc Directors' Remuneration Report is in two parts. Part I also constitutes the Compensation Discussion and Analysis as required by regulations promulgated by the SEC, and includes information that Carnival plc is required to disclose in accordance with the LMCG Regulations. Part II of the Carnival plc Directors' Remuneration Report is set forth as Annex B to this Proxy Statement and includes the additional information that Carnival plc is required to disclose in accordance with the LMCG Regulations, including certain information which has been audited for the purposes of the Carnival plc Annual Report.

UK law only requires an advisory vote on the substance and content of the Carnival plc Directors' Remuneration Report. Accordingly, disapproval of this Proposal 14 will not require us to amend the report or require any Director to repay any amount. However, the Boards and Compensation Committees are expected to take into account both the voting result and the views of our shareholders in their application, development and implementation of compensation policies and plans.

The Boards of Directors unanimously recommend a vote FOR the approval of the Carnival plc Directors' Remuneration Report.

Compensation Discussion and Analysis and Carnival plc Directors' Remuneration Report (Part I)

CONTENTS

INTRODUCTION

Carnival Corporation and Carnival plc are separate legal entities (together referred to in this Report as "Carnival Corporation & plc") and each company has its own Board of Directors and Compensation Committee. However, as is required by the agreements governing the DLC arrangement, the Boards of Directors and members of the Committees of the Boards, including the Compensation Committees, are identical and there is a single senior management team.

Carnival Corporation and Carnival plc are subject to disclosure regimes in the U.S. and UK. While some of the disclosure requirements are the same or similar, some are very different. As a result, the Carnival plc Directors' Remuneration Report is in two parts. The information contained in this Part I constitutes the Compensation Discussion and Analysis as required by regulations promulgated by the SEC and includes information that Carnival plc is required to disclose in accordance with Schedule 8 of the LMCG Regulations.

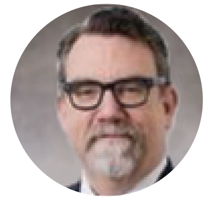
Part II of the Carnival plc Directors' Remuneration Report is set forth as Annex B to this Proxy Statement and includes the additional information that Carnival plc is required to disclose in accordance with the LMCG Regulations, including certain information that has been audited for the purposes of the Carnival plc Annual Report.

Parts I and II of the Carnival plc Directors' Remuneration Report are in compliance with the LMCG Regulations, the UK Corporate Governance Code, the Companies Act and the Listing Rules of the UK Financial Conduct Authority (the "FCA"). Both Parts I and II form part of the Carnival plc Annual Report for the year ended November 30, 2021.

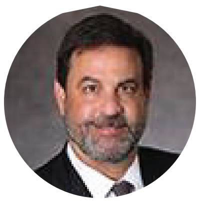
Pursuant to rules promulgated by the SEC and the LMCG Regulations, this Compensation Discussion and Analysis reviews the compensation of the following Named Executive Officers of Carnival Corporation & plc:

ARNOLD W. DONALD
President,
Chief Executive Officer
and Chief Climate Officer

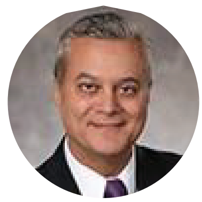
DAVID BERNSTEIN
Chief Financial Officer and
Chief Accounting Officer



PETER C. ANDERSON
Chief Ethics and Compliance
Officer



ENRIQUE MIGUEZ
General Counsel



ARNALDO PEREZ
Company Secretary and
Senior Vice President(1)

MICHAEL THAMM
Group Chief Executive
Officer of Costa Group and
Carnival Asia

(1) Mr. Perez served as an executive officer until March 2021 when he stepped down as General Counsel. Mr. Perez continues to serve as Company Secretary and Senior Vice President. He is included as a Named Executive Officer for 2021 because disclosure would have been provided pursuant to Item 402 of Regulation S-K but for the fact that he was not serving as an executive officer at the end of 2021.

EXECUTIVE SUMMARY

Our executive compensation program was designed to reward financial results and effective strategic leadership through use of both short-term rewards and long-term incentives and to promote alignment of the financial interests of our executive officers with our shareholders. We seek to provide a total direct compensation package (salary, bonus and equity grants) that allows us to be competitive in the labor markets where we compete for executive talent, adjusted as necessary to take into consideration factors including the relevant senior executive's performance, experience and responsibilities. We endeavored to align our compensation program's performance measures with the interests of our shareholders and senior executives by linking actual pay to operating performance and shareholder outcomes.

Our compensation philosophy has historically been to emphasize at-risk incentive pay in order to drive a pay-for-performance culture. In furtherance of this philosophy, prior to the COVID-19 pandemic, all direct compensation for our Named Executive Officers, other than base salary, was 100% at-risk and performance-based. This compensation philosophy also extends beyond our Named Executive Officers to include other key executives, reflecting the Compensation Committees' commitment to aligning compensation with the success of Carnival Corporation & plc.

Given the impact of the COVID-19 pandemic, we made changes to the compensation elements of our Named Executive Officers as outlined below.

Most of our executive officers are located in the U.S., with one based in Europe. As a global entity, it is challenging to establish consistent compensation practices across geographic and operating company units that satisfy the particular requirements of all jurisdictions and local market demands. Since the largest presence of executive officers is in the U.S., our compensation policies primarily reflect U.S. market practices. However, the Compensation Committees seek to incorporate UK compensation principles, including those contained in the UK Corporate Governance Code, to the degree practicable.

2021 BUSINESS ENVIRONMENT

With guest cruise operations completely halted by the COVID-19 global pandemic in early 2020, Carnival Corporation & plc diverted attention to protecting the health and safety of guests and team members, took action to preserve cash and obtain additional capital to increase liquidity, and took steps to optimize business operations and the future fleet. Later that year, we resumed limited guest operations with adjusted passenger capacity and enhanced health protocols. Despite our best efforts, the impact of COVID-19 resulted in unpredictable starts and stops of guest operations, and we could not predict the timing of our complete return to service or when various ports would reopen to our ships. At the beginning of 2021, only one of our ships was operating with guests onboard.

Throughout fiscal 2021, we continued to emphasize business recovery while maintaining our commitment to compliance, environmental protection and the health, safety and well-being of our guests, crew, shoreside employees and the people in the communities our ships visit. By November 30, 2021, 61% of our company's capacity was operating with guests on board and we are continuing to work diligently with the goal of returning the full fleet to service by the spring of 2022.

Our ability to resume guest cruise operations is enabled by our relentless efforts to protect the health and safety of guests and team members. We have established, and continually review protocols for COVID-19 and its variants by working directly with various local governmental authorities, world-leading public health, epidemiological and policy experts. These advisors continue to provide guidance based on the latest scientific evidence and best practices for protection and mitigation.

2021 COMPENSATION OVERVIEW

In early 2021, the Compensation Committees met with management to discuss the 2021 compensation program in light of evolving business priorities, continuing business disruption caused by the COVID-19 pandemic, the uncertain operating outlook, the need to promote retention and leadership stability, and in consideration of shareholder feedback and support. Prior to 2021, our annual and long-term incentive programs were entirely performance-based, and centered around formulaic pre-established goals promoting growth, compliance and profitability.

The Compensation Committees determined it would need to temporarily modify its approach to incentive compensation in 2021 to address the business environment. The magnitude and duration of the global COVID-19 pandemic is uncertain and we have never previously experienced a complete cessation and subsequent gradual resumption of our guest cruise operations, and as a consequence, it was impractical to set any pre-established operating income goals on a short- or long-term basis. The Compensation Committees wanted to promote behaviors consistent with our top priority which is compliance, environmental protection and the health, safety and well-being of our guests, the people in communities we touch and serve, and our shipboard and shoreside employees.

For these reasons, the Compensation Committees elected to build fiscal 2021 compensation on three key components: base salary, annual bonus and a time-based long-term incentive, as permitted under the Carnival plc Directors' Remuneration Policy that was approved in April 2020. The bonus plan rewards qualitative performance objectives under an extended pause in guest cruise operations with the objective to concentrate global company-wide efforts on four key priorities: (1) cash management, (2) return to service, (3) compliance and culture and (4) ESG. The long-term incentive is in the form of TBS grants. TBS grants promote retention and leadership stability in a highly uncertain and volatile business environment.

Fiscal 2021 marks a temporary change in the design of our incentive compensation program to address unprecedented business challenges; however, our compensation philosophy has not changed as we continue to emphasize at-risk pay in order to drive a pay-for-performance culture. Despite the substantial challenges presented by the COVID-19 pandemic, our management team has worked tirelessly to ensure our business returns safer and stronger when our fleet returns to full service. As our business recovers, we anticipate our incentive plans will also return to reflect a fully at-risk and performance-based design.

PROCESS FOR MAKING COMPENSATION DETERMINATIONS

The Compensation Committees determine the compensation policy and the compensation payable to all of our executive officers. The Compensation Committees interact with the management of Carnival Corporation & plc on compensation issues primarily through communications, meetings and discussions with the Chief Executive Officer, the Chair of the Boards of Directors and the Chief Human Resources Officer, who also attend meetings of the Compensation Committees as requested by the Compensation Committees. As part of the fiscal 2021 annual compensation determination process, the Chief Executive Officer and the Chair of the Boards of Directors recommended to the Compensation Committees key initiatives and goals for Carnival Corporation & plc at the beginning of the fiscal year.

In fiscal 2021, the Compensation Committees continued to consult with the leadership team and their independent consultants on matters such as compensation planning, staffing levels and retention incentives with the goals of supporting employees, attracting necessary personnel and recognizing the extraordinary efforts of management and the workforce in navigating the pause and resumption of guest cruise operations. The Compensation Committees took into consideration business needs and the impact of decisions on employees and shareholders.

After the fiscal year was completed, the Chief Executive Officer and the Chair of the Boards of Directors reviewed with the Compensation Committees the results of those initiatives, progress towards goals and other material items relating to overall Carnival Corporation & plc performance. The Chief Executive Officer reviewed the annual competitive market analysis provided by the independent consultant, as well as individual performance of each Named Executive Officer and the results of the group of brands or company-wide results, as appropriate, and provided the Compensation Committees with recommended total target compensation levels for each Named Executive Officer, except for his own. The compensation for our Named Executive Officers was then determined by the Compensation Committees using their discretion to evaluate the individual performance of our Named Executive Officers and the overall performance of Carnival Corporation & plc.

INDEPENDENT COMPENSATION CONSULTANTS

The Compensation Committees have engaged Frederic W. Cook & Co., Inc. ("FW Cook") (together with its UK affiliated firm, FIT Remuneration Consultants LLP ("FIT")) to assist in their annual review of our executive and Director compensation programs. The Compensation Committees believe that FW Cook and FIT provided objective advice to the Compensation Committees. FW Cook and FIT provide no other services to Carnival Corporation & plc.

During fiscal 2021, a consultant from FW Cook attended meetings of the Compensation Committees and provided FW Cook's views on proposed actions by the Compensation Committees.

In accordance with the New York Stock Exchange rules relating to compensation consultant independence, the Compensation Committees have determined that FW Cook and FIT and their consultants are independent after taking into consideration the factors set forth in the New York Stock Exchange rules. Pursuant to the foregoing factors, the Compensation Committees have determined that FW Cook's and FIT's work raised no conflicts of interest.

PEER GROUP CHARACTERISTICS

The Compensation Committees perform an annual review of the compensation practices of certain other publicly-listed companies with the assistance of their consultant. This annual market assessment consists of an analysis of executive pay at a group of publicly-listed peer companies.

In April 2019, based on the recommendations of FW Cook, the Compensation Committees approved a peer group listed below (the "Peer Group"), which was used when assessing the fiscal 2021 compensation for our Named Executive Officers. The Peer Group consists of 19 publicly-listed companies from diverse industries that exhibit similar pre-COVID-19 pandemic size and business characteristics with Carnival Corporation & plc, noting also that not all members of the Peer Group were impacted by the COVID-19 pandemic in the same way. At the time the Peer Group was approved, our revenue ranked at the 45th percentile and market capitalization ranked at the 59th percentile of the Peer Group. We operate in a niche industry with a limited number of other publicly traded cruise operators. The Peer Group reflects the market in which we may compete for business, investor capital and/or executive talent and is more closely aligned to our business complexity, breath, scope, median reviews and market capitalization. The Peer Group reflects a balanced group of companies in the consumer discretionary sector, including media, retailing, services and transportation companies. For these reasons, the Peer Group was not changed in 2021 and is anticipated to be used in assessing fiscal 2022 compensation for our Named Executive Officers.

Peer Group Companies

- American Airlines Group Inc.
- Darden Restaurants, Inc.
- Delta Air Lines, Inc.
- FedEx Corporation
- General Mills, Inc.
- Hilton Worldwide Holdings Inc.
- International Consolidated Airlines Group, S.A.
- Kimberly-Clark Corporation
- Las Vegas Sands Corp.
- Live Nation Entertainment, Inc.
- Marriott International, Inc.
- McDonald's Corporation
- MGM Resorts International
- Mondelēz International, Inc.
- Norwegian Cruise Line Holdings Ltd.
- Royal Caribbean Cruises Ltd.
- Starbucks Corporation
- United Continental Holdings, Inc.
- United Parcel Service, Inc.

COMPETITIVE MARKET (PEER GROUP) COMPARISON

Annually, the Compensation Committees' independent consultant, FW Cook, conducts a competitive market review to assist the Compensation Committees in their assessment of our Named Executive Officers' competitive positioning of total compensation relative to the markets in which Carnival Corporation & plc competes for executive talent. FW Cook conducted a competitive market assessment on behalf of the Compensation Committees for fiscal 2021. The Compensation Committees reviewed our aggregate Named Executive Officer total compensation in comparison to the competitive market, which consists of the Peer Group as well as third-party surveys that reflect a broad database of hundreds of companies. The Compensation Committees were not provided with the identities of the companies in the surveys generally (or of the subsets of companies which had data for relevant comparable positions). As applicable, any utilized survey data was combined with the data for the Peer Group to produce a consolidated aggregated competitive market range for total direct compensation.

These analyses suggest that, in the aggregate, total direct compensation levels for our Named Executive Officers are competitively positioned. The Compensation Committees, as advised by FW Cook, consider total direct compensation to be generally competitive when within a range of 15% above or below the market median. Actual pay positioning can vary based on factors including job responsibilities, experience, impact of role and individual performance.

Consistent with the approach that the Compensation Committees take in reviewing each element of total direct compensation, the Compensation Committees utilize these analyses to assess the extent to which the compensation provided to our Named Executive Officers is generally consistent with that offered by companies with whom Carnival Corporation & plc competes for executive level talent. The Compensation Committees do not use these analyses to peg any particular element of compensation (or total compensation) to any specific targeted Peer Group level.

NAMED EXECUTIVE OFFICER COMPENSATION DESIGN, ELEMENTS AND PAY MIX

The compensation elements for our Named Executive Officers consist of:

- base salary;
- an annual bonus;
- equity-based compensation; and
- perquisites.

In determining the amount of any particular compensation element, the Compensation Committees consider the impact of such an element on total compensation (and thus, each element affects the amount paid in respect of other elements of compensation). For example, the Compensation Committees consider the amount of the base salary and annual bonus that may be earned by a Named Executive Officer when making an equity grant.

2021 COMPENSATION RECOMMENDATIONS AND RATIONALE

RISK CONSIDERATIONS

The Compensation Committees believe that the incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behavior, and that risks arising from Carnival Corporation & plc's compensation policies and practices for their workforce are not reasonably likely to have a material adverse effect on Carnival Corporation & plc. Please refer to the "Compensation Risk Assessment" section for additional information.

In this regard, Mr. Anderson does not participate in the Management Incentive Plan. According to his employment agreement entered into when he was retained as our Chief Ethics and Compliance Officer, his annual bonus is intentionally based solely on his personal performance to ensure that his incentives for annual performance are linked directly to his role supporting our ethics and compliance objectives and performance.

BASE SALARIES

Base salaries are intended to provide a level of fixed compensation that is reflective of each Named Executive Officer's level of responsibility. Base salaries of our Named Executive Officers for fiscal 2021 are reported in the "Summary Compensation Table." The Compensation Committees annually review each Named Executive Officer's performance and may increase the base salary of a Named Executive Officer at their discretion if merited by performance or other market factors necessary to attract and retain our executives.

Salaries for our Named Executive Officers for fiscal 2021 were returned to 2020 target levels ending the temporary reductions applied from July through the end of fiscal 2020. There was no increase in the base salaries of our Named Executive Officers for fiscal 2021, except for Mr. Miguez, whose salary was increased commensurate with his increased responsibilities as General Counsel, and Mr. Perez, whose salary was increased as part of an adjustment in compensation to reflect the changes in his role, which adjustment also involved the removal of other components of his compensation.

ANNUAL BONUSES

In fiscal 2021, each Named Executive Officer's target bonus comprised a significant portion of their respective total cash compensation opportunity, supporting Carnival Corporation & plc's objective to emphasize pay for performance. Annual bonus payments are intended to reward short-term individual and corporate, performance results and achievements. The emphasis on the annual bonus as compared to base salary allows Carnival Corporation & plc to more closely link individual and overall company performance. Fiscal 2021 bonuses for our Named Executive Officers are reported in the "Summary Compensation Table" under the column labeled "Non-Equity Incentive Plan Compensation."

Annual cash bonuses for our Named Executive Officers, other than Mr. Anderson as described above, are determined in accordance with the Carnival Corporation & plc Management Incentive Plan (the "Management Incentive Plan"). The Management Incentive Plan is designed to focus the attention of our executives on achieving strong performance results and is a core component of our compensation program that supports our pay for performance philosophy.

Historically, the Management Incentive Plan structure closely linked financial results to individual and overall company performance, primarily using the metric of operating income. This was the approach put in place for fiscal 2020, finalized just a few months before the unprecedented total shutdown of our guest cruise operations in March of 2020 due to the COVID-19 pandemic. The ongoing impact of the COVID-19 pandemic on the cruise industry created significant uncertainty as to our revenue and earnings for 2021 and 2022, which, together with the many other issues relating to the COVID-19 pandemic, forced us to adjust our near term priorities.

At the start of the COVID-19 pandemic, management was faced with an overwhelmingly complicated set of tasks—to understand as best they could what they were dealing with as far as the epidemiology of COVID-19; to return over 250,000 guests and close to 90,000 crew members to their homes, at a time when airports and nations were shutting down; to manage extensive and constantly changing health protocols from each of the many countries in which we operate and so much more.

As it became apparent that the COVID-19 pandemic was going to continue to significantly impact the cruise industry and our company in 2021 and likely into 2022, the Boards of Directors, working with management, established clear priorities for the management, including our Named Executive Officers for fiscal 2021. The Compensation Committees, working with its advisors, developed a performance program to align management with those priorities.

In January 2021, the Chief Executive Officer provided the Compensation Committees with his recommendations regarding the fiscal 2021 target bonus amounts under the Management Incentive Plan for our Named Executive Officers (other than himself and Mr. Anderson), in which there was no increase from their fiscal 2020 target bonuses. Mr. Anderson's target bonus is set forth in his employment agreement. The Compensation Committees accepted the Chief Executive Officer's recommendations. These amounts were established by the Compensation Committees after taking into consideration the competitive market analysis prepared by its advisors, historical bonus payout levels, the challenging areas of priority established by the Compensation Committees for fiscal 2021 and the Compensation Committees' continued philosophy to place emphasis on performance-based pay elements.

The priorities established by the Boards of Directors for 2021 were organized into four areas:

- to have adequate liquidity to manage through the COVID-19 pandemic;
- to do everything possible to enable our ships for return to service safely with health protocols and procedures in place for our crew and guests;
- to improve our operational capability through reenforcing a culture of compliance and transparency; and
- to maintain our long-term commitment to the environment and our ESG goals.

In evaluating Carnival Corporation & plc's and management's performance over the year against these priorities, the Compensation Committees met regularly with management to review their specific actions and results.

It is the determination of the Compensation Committees that the performance of management, including the Named Executive Officers, in fiscal 2021 was exemplary and should therefore be rewarded accordingly. In making this determination, the Compensation Committees evaluated management's performance in each of the focus areas as follows:

Liquidity

In evaluating management's responsibility to manage cash and to ensure solvency, the Compensation Committees considered that management executed $27 billion of financing transactions over the course of the pandemic, ending fiscal 2021 with $9.4 billion in liquidity and $3.5 billion in customer deposits. Management also renegotiated more than 100 different financing arrangements and was able to optimize our debt maturity profile by refinancing $9 billion in debt, while at the same time reducing our annual future interest expense by approximately $400 million per year and extending maturities. Maintaining ample liquidity through this period was critical in positioning us to continue to deal with the ongoing uncertainties created by the COVID-19 pandemic. We have been able to restart guest cruise operations and were able to achieve positive cash from operations in the month of November 2021.

Return to Service

In evaluating management's efforts in return to service, the Compensation Committees considered how management resumed operations as quickly and as practical, while at the same time demonstrating prudent stewardship of capital, and in a way that serves the best interests of public health. As of November 30, 2021, 61% of our capacity was operating with guests on board, compared to one ship operating at the beginning of the year. Revenue per passenger cruise day for the fourth quarter of fiscal 2021 was ahead of what was a very strong fiscal 2019. This is a testament to the fundamental strength of the core business and management's successful efforts in formulating health and safety protocols to bolster consumer confidence and demand for our services. In the face of what has been called the "great resignation" or alternatively, the "great realization," we retained, motivated and returned more than 60,000 employees back to work from over 90 countries around the globe. Against nearly impossible obstacles, management proactively made available vaccines, and now boosters for our crew members, many of whom otherwise may not have had access to vaccines. Management worked with top scientists and public health, epidemiological and policy experts to put in place comprehensive health and safety protocols to support our return to service. We believe these protocols and procedures have made cruising amongst the safest forms of travel, vacation and social gathering, which has directly contributed to consumer confidence in cruising and is evidenced by the fact that at November 31, 2021, cumulative advanced bookings for the second half of 2022 and first half of 2023 were at the higher end of historical ranges and at higher prices. In addition, management worked with governments and health organizations around the world to allow cruising to resume while serving the best interests of public health.

Compliance and Transparency

Importantly, throughout 2021, management also kept compliance excellence as one of their highest priorities through its ongoing efforts to improve our overall compliance culture by strengthening the focus on the essential behaviors of respect, listening, empowering, speaking up, communicating and continually improving. Management led by example through training and development, frequent messaging by leaders to increase awareness and highlight learnings, and everyday real time feedback. Using 17 leading quantitative indicators of environmental and compliance progress, management, including the Named Executive Officers, continued to demonstrate overall positive trend improvement in these key metrics.

ESG Performance

In 2021, management also upheld their commitment to elevating Carnival Corporation & plc's ESG performance, focusing on advancing our six critical sustainability focus areas—climate action; circular economy; sustainable tourism; good health and well-being; diversity, equity and inclusion; and biodiversity and conservation. A key focus of these efforts is climate action, which includes a commitment to reduce carbon emissions.

The Compensation Committee considered management's leadership in executing carbon reduction strategies, including innovating to drive energy efficiency and partnering with key organizations and stakeholders on research and development. In 2021, we were the only company in the world to be operating cruise ships powered by LNG, which are 20% more carbon efficient, decreasing our unit fuel consumption today. In addition, Carnival Corporation & plc's CDP (formerly Carbon Disclosure Project) score for climate change improved from a "C" to a "B" in recognition of its enhanced disclosures, including the establishment of its 2030 sustainability goals and 2050 aspirations.

Even though we are already among the most diverse companies in the world with a global employee base representing over 130 countries, we continued to focus efforts on making continued progress on diversity and inclusion at every level and in all areas of our operations.

In summary, fiscal 2021 was a year that challenged many management teams across many industries. Of all industry segments, one of the most seriously impacted has been travel and tourism, and within the travel and tourism sector, without question, one of the most challenged has been the cruise sector.

Management, including our Named Executive Officers, met all the challenges of the COVID-19 pandemic head on through their highest level of commitment and their highest level of performance, allowing shareholders and stakeholders alike to have confidence that their investments and interests in Carnival Corporation & plc are being met with a high degree of professionalism and stewardship.

In January 2022, the Compensation Committees met again with management to review their specific performance as well as received a comprehensive report describing the accomplishments in each of the four areas described above. After review and in acknowledgement of the extraordinary efforts and accomplishments in fiscal 2021, the Compensation Committees determined that the bonus payout for the Named Executive Officers for fiscal 2021 would be 200% of target. In addition, the Compensation Committees received an assessment of Mr. Anderson's performance from Chief Executive Officer after consultation with the Audit, Compliance and HESS Committees. The Compensation Committees determined that Mr. Anderson's personal performance warranted him receiving the maximum bonus under his employment agreement. Accordingly, the fiscal 2021 target and earned bonuses were as follows:

Named Executive Officer	Fiscal 2021 Target Bonus	Fiscal 2021 Earned Bonus
Arnold W. Donald	$3,000,000	$6,000,000
David Bernstein	$1,000,000	$2,000,000
Peter C. Anderson	$ 400,000	$ 600,000[(1)]
Enrique Miguez	$ 300,000	$ 600,000
Arnaldo Perez	$ 450,000	$ 221,918[(2)]
Michael Thamm	€1,116,000	€2,232,000

(1) According to Mr. Anderson's employment agreement, his maximum bonus is $600,000.

(2) Mr. Perez stepped down from the General Counsel role in March 2021 and therefore his bonus payout for fiscal 2021 was prorated.

EQUITY-BASED COMPENSATION

General

The Compensation Committees grant equity-based compensation to our Named Executive Officers to provide long-term incentives and align management and shareholder interests. The Compensation Committees believe that a substantial portion of compensation should be equity-based. The equity-based compensation program is designed to:

1. recognize scope of responsibilities
2. reward demonstrated performance and leadership
3. motivate future superior performance
4. align the interests of the executive with our shareholders

To further augment these views, the equity program prior to fiscal 2021 was 100% performance-based for our Named Executive Officers and other key executives within Carnival Corporation & plc. However, given the continuing impact of the COVID-19 pandemic, the unanticipated pause in our guest cruise operations and uncertainty surrounding the restart of sailing, in January 2021 the Compensation Committees acknowledged the inability to set meaningful or realistic long-term financial goals in the current business environment and approved TBS grants for fiscal 2021.

Our equity-based compensation grants are made pursuant to the Carnival Corporation 2020 Stock Plan or the Carnival plc 2014 Employee Share Plan, and are consistent with the Carnival plc Directors' Remuneration Policy, which have been approved by Carnival Corporation & plc's shareholders. Messrs. Donald, Bernstein, Anderson, Miguez and Perez received equity grants under the Carnival Corporation 2020 Stock Plan. Mr. Thamm received equity grants under the Carnival plc 2014 Employee Share Plan.

The specific equity grants made to our Named Executive Officers in early 2021 reflected the desire of the Compensation Committees to promote retention and leadership stability, to continue to align management around our evolving priorities and strengthen the alignment with shareholder interests. The number and form of equity grants made annually to our Named Executive Officers are determined both in the discretion of the Compensation Committees and pursuant to certain agreements with certain Named Executive Officers. Existing ownership levels are not a factor in grant determinations, as the Compensation Committees do not want to discourage executives from holding significant amounts of Carnival Corporation and Carnival plc shares.

The value of equity grants made to our Named Executive Officers other than the Chief Executive Officer was determined by the Compensation Committees after reviewing the recommendation of the Chief Executive Officer and the Chair of the Boards of Directors and the other elements of the Named Executive Officer's current year compensation, taking into account:

- the position and role of the Named Executive Officer;
- the individual performance in the preceding fiscal year and historically; and
- the perceived future value to Carnival Corporation & plc.

When reviewing the competitive market assessment provided by FW Cook for total direct compensation, the Compensation Committees also evaluated the long-term and short-term incentive compensation components to confirm that the value of a Named Executive Officer's aggregate equity-based compensation and total direct compensation remains generally competitive. Similar to the approach taken for the other Named Executive Officers, the value of equity grants made to the Chief Executive Officer was determined by the Compensation Committees after consultation with FW Cook, taking into account:

- his position and role;
- his individual performance;
- perceived future value; and
- competitive market position.

Disclosure and the Timing of Equity-Based Compensation

The Compensation Committees met in January 2021 to determine the target values of the TBS grants, which are the equity-based compensation for key executives in fiscal 2021.

Fiscal 2021 Annual Grants

2021 TBS Grants

In January 2021, the Compensation Committees approved a TBS grant value for each of our Named Executive Officers and certain other executives. Each grant value was determined after consideration of recommendations received from the Chief Executive Officer and the Chair of the Boards of Directors, as well as reviewing the scope of the Named Executive Officers' responsibilities, performance and long-term retention considerations. TBS vest on a three-year pro-rata basis starting on the first anniversary of the grant date.

Disclosure of Prior Years' Grant Results

2019 PBS Grants

The 2019 PBS grants made to the Named Executive Officers in January 2019 reached the end of the performance period at the end of fiscal 2021 and will vest on February 15, 2022. Under the terms of the 2019 PBS grant, shares vested based upon the extent to which annual adjusted Operating Income (60% weighting), as further adjusted for 100% of year-over-year fuel price changes and currency exchange rate impact for each of fiscal 2019, 2020 and 2021 ("Program Adjusted Operating Income") and three-year average Return on Invested Capital ("ROIC") result (40% weighting) reached or exceeded the following:

	Annual Program Adjusted Operating Income Growth Goal			Annual Operating Income Goal				
Goal Level	**2019 (% of Goal)**	**2020 (% of Goal)**	**2021 (% of Goal)**	**2019 ($ in billions)**	**2020 ($ in billions)**	**2021 ($ in billions)**	**Three-Year Average ROIC Goal (%)**	**Payout for Program Adjusted Operating Income and ROIC Goals (%)**
Threshold	92.6	105.0	105.0	3.337	3.472	(4.640)	10.0	50
At 97.9%	97.9	N/A	N/A	3.530	N/A	N/A	N/A	90
Target	100.0	108.0	108.0	3.604	3.571	(4.493)	10.3	100
Maximum	106.3	112.0	112.0	3.831	3.703	(4.298)	10.6	200

The Corporation Operating Income and ROIC results for the 2019 PBS grant were as follows:

Program Adjusted Operating Income and ROIC Results	**2019 Program Adjusted Operating Income**	**2020 Program Adjusted Operating Income**	**2021 Program Adjusted Operating Income**	**Three-Year Average ROIC**
Annual Program Adjusted Operating Income ($ in billions)	3.458	(5.026)	(6.166)	
Percent of Target Annual Program Adjusted Operating Income Growth (%)	95.94	(152.02)	(126.24)	(5.5)%
Annual Program Adjusted Operating Income Growth Payout (%)	75.01	0.00	0.00	

The fiscal 2019, 2020 and 2021 annual adjusted Program Adjusted Operating Income growth payout percentages were averaged, and the three-year average ROIC result was calculated to determine the respective payout percentages that were then weighted to obtain final payout percentages, as follows:

Payout % and TSR Modifier	**Unweighted Payout (%)**	**Weighting (%)**	**Weighted Payout (%)**
Average Annual Program Adjusted Operating Income Payout	25.00	60	15.00
ROIC Payout	0.00	40	0.00
Final Payout			15.00

The results reflect the impact of the COVID-19 pandemic on our organization. Based on these performance measures and a 15% final payout percentage, the Named Executive Officers will receive the following on or about February 15, 2022:

Named Executive Officer	**2019 PBS Target Shares (#)**	**2019 PBS Earned Shares[(1)] (#)**
Arnold W. Donald	53,323	7,998
David Bernstein	15,108	2,266
Peter C. Anderson[(2)]	N/A	N/A
Enrique Miguez[(2)]	N/A	N/A
Arnaldo Perez	8,887	1,333
Michael Thamm	23,590	3,538

(1) Additional shares will be provided to take into account any dividends paid during the period.

(2) Neither Mr. Anderson nor Mr. Miguez received a 2019 PBS grant.

2019 Shareholder Equity Alignment ("SEA") Grants

The 2019 SEA grants made to the Named Executive Officers in January 2019 reached the end of the performance period at the end of fiscal 2021. Under the terms of the 2019 SEA grant, shares vest based upon the extent to which our absolute TSR compound annual growth rate over the December 1, 2018 to November 30, 2021 performance period and TSR ranking relative to the 2019 Peer Group for the same period reached or exceeded certain goals. The 90-day average starting price for the 2019 SEA grant was $52.88. As a result of the COVID-19 pandemic's impact on our share price, the ending 90-day average price at November 30, 2021 was $24.23, resulting in no payout for these grants.

PERQUISITES AND OTHER COMPENSATION

Our Named Executive Officers are provided various perquisites believed by the Compensation Committees to be representative of common practices for executives in their respective countries. Some of Messrs. Donald's and Thamm's perquisites and other benefits are provided pursuant to terms of their employment agreements. The Compensation Committees, with the assistance of FW Cook, review perquisites provided to our Named Executive Officers on a periodic basis and take into account each Named Executive Officer's particular circumstances and overall level of compensation, and believe that perquisites provided by Carnival Corporation & plc continue to be an appropriate element of the overall compensation package used to attract and retain such officers.

The Compensation Committees have approved a policy to establish procedures and controls as to the authorized use of aircraft owned, operated or chartered by Carnival Corporation & plc (the "Aircraft"). According to the policy, the Aircraft can only be used for business purposes. Guests may accompany these executives when traveling. The Compensation Committees have also agreed to allow Mr. Donald to use the Aircraft for personal use so long as the incremental cost to Carnival Corporation & plc does not exceed $200,000 per year. Once that threshold is reached, Mr. Donald will reimburse us for those costs (subject to applicable regulatory limitations). The Compensation Committees determined that the Aircraft usage policy and levels of usage and costs were consistent with those offered by large multinational companies like Carnival Corporation & plc.

In lieu of participation in the Carnival Corporation Nonqualified Savings Plan under which plans were discontinued in accordance with Section 457A of the U.S. Internal Revenue Code, the Compensation Committees approved payment of additional annual compensation directly to these employees in an amount equal to what would have been deposited on behalf of those employees into that plan, less, as described below, any amount Carnival Corporation contributes to the Carnival Corporation Fun Ship Savings Plan, a 401(k) plan (the "401(k) Plan"). These payments are taxable as ordinary income.

Beginning with the 2010 calendar year, the 401(k) Plan was amended and currently allows Messrs. Donald, Bernstein. Anderson, Miguez and Perez (as well as all other highly compensated employees) to defer a limited amount of compensation into the 401(k) Plan subject to nondiscrimination testing. Until June 2020, when the matching contributions were suspended through the end of December 2020, and from January 2021, Carnival Corporation made matching contributions to the 401(k) Plan under the plan's formula, subject to nondiscrimination testing.

The perquisites received by each Named Executive Officer in fiscal 2021, as well as their incremental cost to Carnival Corporation & plc, are reported in the "Summary Compensation Table" and its accompanying footnotes.

POST-EMPLOYMENT COMPENSATION OBLIGATIONS

Carnival Corporation & plc does not have any change of control agreements that provide cash severance to our Named Executive Officers upon a change of control of Carnival Corporation & plc, with the exception of the employment agreement with Mr. Donald. Carnival Corporation & plc does not have employment agreements with any of our Named Executive Officers that provide cash severance benefits in connection with the termination of the executive's employment, with the exception of employment agreements with Messrs. Donald, Anderson and Thamm.

Mr. Donald's employment agreement is subject to renewal annually on October 14th of each year. If Mr. Donald wishes to leave prior to the end of the current term, he would generally need to provide at least 60 days' written notice. The payments to Mr. Donald in the event of termination are set forth in the "Post-Employment Cash Compensation Obligations to Mr. Donald" section.

Mr. Anderson's employment agreement is for a four-year term, commencing August 12, 2019. The payments to Mr. Anderson in the event of termination are set forth in the "Post-Employment Cash Compensation Obligations to Mr. Anderson" section.

Mr. Thamm's employment agreement provides that he is generally entitled to an amount equal to 50% of his total remuneration most recently received by him as compensation for his agreement not to engage in competition with us for period of 12 months. The Compensation Committees believe that the severance benefits provided to Mr. Thamm under his employment agreement are reasonable and in accordance with market practice in the European Union.

Upon termination of employment for certain circumstances or upon a change of control, our Named Executive Officers may be entitled to retain or receive accelerated vesting of equity grants. Under the terms of the Carnival Corporation 2011 Stock Plan, the Carnival plc 2014 Employee Share Plan and the Carnival Corporation 2020 Stock Plan, however, the default provision upon a change in control would provide only for a "double trigger" acceleration of equity grants (such that no acceleration would occur unless the participant's employment were subsequently terminated by Carnival Corporation & plc (or its successor) without cause). These benefits are provided under the terms of the plans pursuant to which the equity grants were made, the grant agreement and under individual agreements with certain Named Executive Officers. However, none of our Named Executive Officers are entitled to receive any tax gross-up payments in respect of their severance benefits or accelerated equity grants. The benefits that our Named Executive Officers may be eligible to receive in connection with the termination of their employment or upon a change of control are described in detail in the "Potential Payments Upon Termination or Change of Control" section.

The Compensation Committees believe that these arrangements are reasonable and encourage an executive to comply with post-termination non-compete and other restrictive covenants and to cooperate with us both before and after their employment is terminated.

PENSIONS AND DEFERRED COMPENSATION PLANS

Carnival Corporation & plc do not operate pension or deferred compensation programs for the Named Executive Officers.

COMPENSATION POLICIES AND PRACTICES

STOCK OWNERSHIP POLICY

Our Boards of Directors and Compensation Committees believe it is important for Directors and executive officers to build and maintain a long-term ownership position in Carnival Corporation or Carnival plc shares in order to align their financial interests with those of our shareholders and to encourage the creation of long-term value. Our compensation structure provides for a significant percentage of compensation to be equity-based, which places a substantial portion of compensation at risk over a long-term period. Accordingly, our executive officers, including our Named Executive Officers who are currently executive officers, are subject to a stock ownership policy. The policy specifies target ownership levels of Carnival Corporation or Carnival plc shares for each executive expressed in terms of the value of the equity holdings (excluding PBS and SEA grants which have not vested) as a multiple of each executive officer's base salary. The target ownership levels are as follows:

Officers	Ownership Target—Multiple of Base Salary		Compliance Period
Chair and/or Chief Executive Officer	● ● ● ● ● ●	6x salary	5 years from appointment or promotion
Vice Chair and/or Chief Operating Officer	● ● ● ●	4x salary	
Other Executive Officers	● ● ●	3x salary	

Other than Mr. Anderson and Mr. Miguez (initially appointed as executive officers in 2021), all of our executive officers have achieved this Board-mandated requirement. Individuals who are newly designated as executive officers are expected to be in compliance with the stock ownership policy within five years of the date of becoming an executive officer.

Carnival Corporation & plc does not make any commitment to any persons covered by the stock ownership policy that they will receive any particular level of equity-based grants. The stock ownership policy provides that executive officers be required to retain at least 50% of the shares received upon release after deducting withholding taxes, until their target ownership is achieved.

HEDGING POLICY

Because we believe it is improper and inappropriate for any Board member or employee to engage in short-term or speculative transactions involving Carnival Corporation & plc securities, our Securities Trading Policy provides that they may not engage in any of the following activities with respect to Carnival Corporation & plc securities at any time:

- purchasing of shares of either Carnival Corporation or Carnival plc on margin;
- short sales; or
- buying or selling puts, calls or other derivatives in respect of Carnival Corporation & plc securities.

Board members and employees may pledge shares, including as part of a margin account, but they are warned that sales of such shares could have securities law implications, including under Section 16 of the U.S. Securities Act.

Although we discourage speculative hedging transactions, employees (other than executive officers) are permitted to engage in long-term hedging transactions that are designed to protect their investment in Carnival Corporation and Carnival plc shares (i.e., the hedge must be for at least one year and relate to shares or options held by the individual). Any such transactions must be pre-cleared by the Legal Department. Because these activities raise issues under the U.S. federal securities laws, any person intending to engage in permitted hedging transactions is strongly urged to consult his or her own legal counsel.

Our Securities Trading Policy provides additional restrictions for Directors and executive officers. They are prohibited from purchasing, selling or writing any exchange-traded call and put options that have Carnival Corporation or Carnival plc shares as the underlying security. In addition, Directors and executive officers may not engage in any hedging transaction on Carnival Corporation or Carnival plc shares that they beneficially own, including, but not limited to, "forward contracts," "collars," "equity swaps" or "straddles."

SHAREHOLDER ENGAGEMENT

Carnival Corporation & plc has a long-standing shareholder outreach program and routinely interacts with shareholders on a number of matters, including executive compensation. The Compensation Committees consider all feedback received about executive compensation.

In April 2021, shareholders approved our "say-on-pay" proposal with 90.1% of the votes cast in favor of the compensation paid to our Named Executive Officers. During the past year, we continued to engage with shareholders and seek feedback on our compensation program and incorporate the results of that feedback in our compensation decisions. The Compensation Committees did not make any changes to the executive compensation program specifically as a result of the 2021 "say-on-pay" vote.

The Compensation Committees have and will continue to consider results from the annual shareholder advisory votes, including the next vote in April 2022, as well as other shareholder input, when reviewing executive compensation programs and policies.

IMPACT OF REGULATORY REQUIREMENTS ON COMPENSATION

In making determinations regarding executive compensation, the Compensation Committees consider relevant issues relating to accounting treatment, tax treatment (both company and individual) and regulatory requirements. The global nature of Carnival Corporation & plc's operations necessarily means that monitoring these technical issues and considering their potential impact on the appropriate design and operation of executive remuneration programs is an increasingly complex exercise. Technical issues are evaluated in light of Carnival Corporation & plc's philosophy and objectives for executive compensation and their corporate governance principles, as described earlier in this Compensation Discussion and Analysis.

Report of the Compensation Committees

The Compensation Committees have reviewed the Compensation Discussion and Analysis and discussed it with the management of Carnival Corporation & plc. Based on their review and discussions with management, the Compensation Committees recommended to our Boards of Directors that the Compensation Discussion and Analysis be incorporated by reference into the Carnival Corporation & plc 2021 joint Annual Report on Form 10-K and included in the Carnival Corporation & plc 2022 Proxy Statement. This Report is provided by the following independent Directors, who comprise the Compensation Committees:

THE COMPENSATION COMMITTEE OF CARNIVAL CORPORATION	THE COMPENSATION COMMITTEE OF CARNIVAL PLC


RANDALL J. WEISENBURGER, Chair


HELEN DEEBLE


RICHARD J.GLASIER


LAURA WEIL

Compensation Committee Interlocks and Insider Participation

During fiscal 2021, the Compensation Committees were comprised of the four independent Directors listed above. No member of the Compensation Committees is a current, or during fiscal 2021 was a former, officer or employee of Carnival Corporation, Carnival plc or any of their subsidiaries. During fiscal 2021, no member of the Compensation Committees had a relationship that must be described under the SEC rules relating to disclosure of related person transactions. In fiscal 2021, none of our executive officers served on the board of directors or compensation committee of any entity that had one or more of its executive officers serving on the Board or the Compensation Committee of Carnival Corporation or Carnival plc.

Compensation Tables

SUMMARY COMPENSATION TABLE

Although Carnival Corporation and Carnival plc are two separate entities, our business is run by a single senior management team. The following tables, narrative and footnotes discuss the compensation of our Chief Executive Officer, our Chief Financial Officer, our three other most highly compensated executive officers for the year ended November 30, 2021 and one former executive officer for whom disclosure would have been provided pursuant to Item 402 of Regulation S-K but for the fact that he was not serving as an executive officer at the end of fiscal 2021, who are referred to as the Named Executive Officers. Mr. Thamm's cash compensation was payable in euro. These euro amounts have been converted into U.S. dollars at the average U.S. dollar to euro exchange rate for fiscal 2021 of $1.19:€1. The value for Carnival plc ordinary shares has been converted from sterling into U.S. dollars based on the exchange rate on the date of grant, being $1.36:£1 on January 19, 2021.

Name and Principal Position	Fiscal Year	Salary ($)	Stock Awards(1) ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation(2) ($)	Total ($)
Arnold W. Donald President, CEO & Chief Climate Officer	2021	1,500,000	7,449,735	6,000,000	114,053	15,063,788
	2020	857,413	12,228,417	0	220,267	13,306,097
	2019	1,500,000	7,111,120	2,250,000	288,394	11,149,514
David Bernstein CFO & CAO	2021	750,000	2,129,909	2,000,000	77,298	4,957,207
	2020	526,902	3,682,967	0	216,455	4,426,324
	2019	750,000	1,979,949	750,000	292,472	3,772,421
Peter C. Anderson(3) Chief Ethics & Compliance Officer	2021	600,000	299,985	600,000	50,284	1,550,269
Enrique Miguez(3) General Counsel	2021	437,500	219,991	600,000	106,292	1,363,783
Arnaldo Perez Company Secretary & Senior Vice President	2021	487,500	1,005,475	221,918	86,235	1,801,128
	2020	414,347	1,698,758	0	211,869	2,324,974
	2019	450,000	1,016,893	337,500	266,016	2,070,409
Michael Thamm Group CEO of Costa Group & Carnival Asia	2021	1,023,698	2,981,753	2,656,080	190,238	6,851,769
	2020	631,781	4,369,595	0	175,443	5,176,819
	2019	963,480	3,284,809	474,970	476,915	5,200,173

(1) No stock option grants were made in fiscal 2019 through 2021. The amounts included in the "Summary Compensation Table" reflect the grant date fair value, assuming no risk of forfeiture, of the grants of Carnival Corporation restricted shares and Carnival plc RSUs made to our Named Executive Officers in fiscal 2021, calculated in accordance with ASC 718. The valuation of share-based grants is discussed in Notes 2 and 13 to the financial statements in the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2021. The amounts reflect the grant date fair value of the TBS grants made in February 2021, calculated in accordance with ASC 718. For the proceeds actually received by the Named Executive Officers upon the vesting of restricted shares or RSUs, see the "Stock Vested for Fiscal 2021" table.

(2) See the "All Other Compensation" table for additional information.

(3) Mr. Anderson and Mr. Miguez are Named Executive Officers for the first time in fiscal 2021.

ALL OTHER COMPENSATION

Each component of the "All Other Compensation" column in the "Summary Compensation Table" for fiscal 2021 is as follows:

NEO	Employer Contributions to Defined Contribution Plan ($)	Private Medical/ Health Insurance Costs and Premiums(1) ($)	Automobile Lease or Allowance ($)	Personal Use of Aircrafts and Other Personal Air Travel(2) ($)	Driver and Security ($)	Reimbursement of Advisor Fees and Associated Gross-Up(3) ($)	Other(4) ($)	Total ($)
Arnold W. Donald	10,150	52,621	24,000	20,339	—	—	6,943	114,053
David Bernstein	10,150	46,775	11,400	—	—	—	8,973	77,298
Peter C. Anderson	10,150	37,281	—	—	—	—	2,853	50,284
Enrique Miguez	9,100	80,570	10,800	—	—	—	5,822	106,292
Arnaldo Perez	10,150	57,396	11,400	—	—	—	7,289	86,235
Michael Thamm	—	15,415	22,025	—	25,116	97,119	30,561	190,236

(1) Certain of our Named Executive Officers are eligible to participate in an executive health insurance program, which includes a fully insured plan and a secondary insured plan. Amounts reported represent the cost of the premiums paid on a Named Executive Officer's behalf under these plans plus the additional costs of medical services rendered during the fiscal year. Named Executive Officers participating in this plan generally have until March 31, 2022 to submit their 2021 claims for reimbursement, and as a result, these amounts may increase. The maximum amount that may be reimbursed in any year under the secondary plan is $20,000.

(2) Represents the aggregate incremental cost to Carnival Corporation & plc for travel on the Aircraft not related to company business. The aggregate incremental cost for the use of the Aircraft for personal travel is calculated by multiplying the hourly variable cost rate for the Aircraft used by the hours used. The hourly variable cost rate primarily includes fuel, airport handling and other fees, Aircraft repairs and maintenance, crew expenses and catering. The hourly variable cost rate is recomputed annually to reflect changes in costs. Fixed costs which do not change based on usage, such as pilots' salaries, Aircraft depreciation and overhead costs, are excluded.

(3) In connection with the reimbursement of over withheld taxes described in the "Transactions with Related Persons" section in the Proxy Statement for fiscal 2019, we reimbursed a portion of Mr. Thamm's advisor fees ($46,943) incurred in connection with that transaction and provided an additional payment to cover taxes incurred related to the reimbursement ($50,176).

(4) Includes the total amount of other benefits provided, none of which individually exceeded $25,000 or 10% of the total amount of benefits for the designated Named Executive Officer. These other benefits include accidental death and dismemberment insurance premiums, automobile repair and expenses, life and disability insurance premiums, tax planning and return preparation fees, personal transportation and spousal meals.

Additional information with respect to Carnival plc's compensation and reimbursement practices during fiscal 2021 for Non-Executive Directors is included in Part II of the Carnival plc Directors' Remuneration Report, which is attached as Annex B to this Proxy Statement.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2021

Equity grants and non-equity awards made to the Named Executive Officers during fiscal 2021 are as follows:

	Grant Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) ($)			All Other Stock Awards: Number of Shares of Stock or Units(2) (#)	Grant Date Fair Value of Stock Awards(3) ($)
			Threshold	Target	Maximum		
Arnold W. Donald			1,500,000	3,000,000	6,000,000		
	TBS	1/19/2021				356,959	7,449,735
David Bernstein			500,000	1,000,000	2,000,000		
	TBS	1/19/2021				102,056	2,129,909
Peter C. Anderson			N/A	400,000	600,000		
	TBS	1/19/2021				14,374	299,985
Enrique Miguez			150,000	300,000	600,000		
	TBS	1/19/2021				10,541	219,991
Arnaldo Perez			0	0	0		
	TBS	1/19/2021				48,178	1,005,475
Michael Thamm			664,020	1,328,040	2,656,080		
	TBS	1/19/2021				167,045	2,981,753(4)

(1) Represents the potential value of the payout of the annual bonuses under the Management Incentive Plan for fiscal 2021 performance, other than for Mr. Anderson who does not participate in the Management Incentive Plan. The Non-Equity Incentive Plan awards were made under the Management Incentive Plan (other than for Mr. Anderson whose Non-Equity Incentive Plan award is determined as set forth in his employment agreement). The actual amount of a Named Executive Officer's annual bonus paid in fiscal 2022 for fiscal 2021 performance is shown in the "Summary Compensation Table" in the "Non-Equity Incentive Plan Compensation" column. For a more detailed description of the potential payout under each plan, see the description in the "2021 Annual Bonuses" section of the Compensation Discussion and Analysis.

(2) Represents the number of shares under the TBS grants made under the Carnival Corporation 2020 Stock Plan, with the exception of Mr. Thamm. Mr. Thamm received the TBS grants under the Carnival plc 2014 Employee Share Plan.

(3) Represents the full grant date fair values of the equity grants made in fiscal 2021, which were determined based on the assumptions set forth in Notes 2 and 13 to the financial statements in the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2021 (disregarding estimated forfeitures). The full grant date fair value for a grant is the amount that Carnival Corporation & plc will expense in their financial statements over the grant's vesting schedule or until the retirement eligibility date, if such date is earlier than the vesting date, when vesting is not contingent upon future performance. The full grant date fair value may not correspond to the actual value that will be realized.

(4) The value for Carnival plc ordinary shares has been converted from sterling into U.S. dollars based on the exchange rate on the date of grant, being $1.36:£1 on January 19, 2021.

NARRATIVE DISCLOSURE TO THE "SUMMARY COMPENSATION TABLE" AND THE "GRANTS OF PLAN-BASED AWARDS IN FISCAL 2021" TABLE

EMPLOYMENT AGREEMENTS

Three of our Named Executive Officers have employment agreements as follows:

- Mr. Donald entered into an employment agreement in October 2013, which was amended in October 2016, setting forth the contractual and economic terms of his post as the President and Chief Executive Officer of Carnival Corporation & plc. The employment agreement is subject to automatic renewal annually. Mr. Donald's compensation is determined at the discretion of the Boards of Directors.
- Mr. Anderson entered into an employment agreement in March 2019 setting forth the contractual and economic terms of his post as the Chief Ethics and Compliance Officer of Carnival Corporation & plc. Mr. Anderson's incentive bonus and equity grant recommendations are made by the CEO, in consultation with the HESS, Audit and Compensation Committees and are subject to Compensation Committees approval.
- Mr. Thamm entered into a new agreement in April 2017 setting forth the contractual and economic terms of his post as the Chief Executive Officer of Costa Group and Carnival Asia. Mr. Thamm's compensation is determined at the discretion of the Compensation Committees.

For more detailed information regarding the employment agreements, please refer to the Compensation Discussion and Analysis and the exhibit index to the Carnival Corporation & plc 2021 joint Annual Report on Form 10-K.

ANNUAL BONUS PLANS

Annual bonuses for our Named Executive Officers (other than for Mr. Anderson) are determined based on the Management Incentive Plan. Mr. Anderson's bonus is determined as described in his employment agreement. For more detailed information regarding this plan, please refer to the Compensation Discussion and Analysis and the exhibit index to the Carnival Corporation & plc 2021 joint Annual Report on Form 10-K.

EQUITY-BASED COMPENSATION

The Compensation Committees made TBS grants in January 2021, all in the form of RSUs to our Named Executive Officers.

None of these grants receive dividends or have voting rights. Each grant is credited with dividend equivalents equal to the value of cash and stock dividends, if any, paid on Carnival Corporation common stock or Carnival plc ordinary shares. The dividend equivalents are settled only when these RSUs are released from restriction.

Please refer to the Compensation Discussion and Analysis for additional detail on these grants. For further information regarding forfeiture and treatment upon termination or change of control, refer to the "Potential Payments Upon Termination or Change of Control" section.

OUTSTANDING EQUITY AWARDS AT FISCAL 2021 YEAR-END

Our Named Executive Officers do not hold options over either Carnival Corporation or Carnival plc shares. Information with respect to outstanding Carnival Corporation restricted shares and RSUs granted by Carnival Corporation & plc to and held by our Named Executive Officers as of November 30, 2021, except for Mr. Thamm whose RSUs are related to Carnival plc ordinary shares, is as follows:

	Stock Awards			
Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested[1] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Arnold W. Donald	10,838[2]	190,966	53,323	140,925[3]
	75,000[4]	1,321,500	71,959	1,267,918[5]
	356,959[6]	6,289,618	150,000	2,643,000[7]
			35,000	0[8]
			50,000	881,000[9]
TOTAL	442,797	7,802,084	360,282	4,932,843
David Bernstein	2,890[2]	50,922	15,108	39,927[3]
	23,326[4]	411,004	20,388	359,237[5]
	102,056[6]	1,798,227	46,650	821,973[7]
			10,000	0[8]
			15,000	264,300[9]
TOTAL	128,272	2,260,153	107,146	1,485,437
Peter C. Anderson	5,780[10]	101,844		
	11,676[4]	205,731		
	23,350[13]	411,427		
	14,374[6]	253,270		
TOTAL	55,180	971,267		
Enrique Miguez	4,118[11]	72,559	479	8,440[5]
	3,853[10]	67,890		
	6,426[12]	113,226		
	10,541[6]	185,732		
TOTAL	24,938	439,407	479	8,440
Arnaldo Perez	1,806[2]	31,822	8,887	23,487[3]
	11,676[4]	205,731	11,993	211,317[5]
	48,178[6]	848,896	23,350	411,427[7]
			2,500	0[8]
			4,000	70,480[9]
TOTAL	61,660	1,086,449	50,730	716,711
Michael Thamm	4,050[2]	63,909	23,590	55,830[3]
	32,350[4]	510,483	31,144	491,452[5]
	167,045[6]	2,635,970	64,700	1,020,966[7]
			12,000	0[8]
			18,000	317,160[9]
TOTAL	203,445	3,210,362	149,434	1,885,408

(1) Market value of the stock awards is based on the closing price of Carnival Corporation common stock on November 30, 2021 of $17.62, except for the Carnival plc RSUs granted to Mr. Thamm under the Carnival plc 2014 Employee Share Plan, which are based on closing price of Carnival plc ordinary shares on November 30, 2021 of £11.86, which has been converted into $15.78 based on the November 30, 2021 exchange rate of $1.33:£1.

(2) Restrictions lapsed on January 18, 2022.

(3) Market value reflects the final performance payout of 15% of target on the February 2019 PBS grant for which the performance

period ended on November 30, 2021. These grants vested based upon the extent to which annual Adjusted Operating Income, as adjusted for fuel price changes and currency exchange rate impacts for each of the three fiscal years in the 2019-2021 performance cycle and ROIC for the three-year performance cycle, exceeds specified performance goals. The TSR modifier had no impact. Additional shares were provided to take into account dividend reinvestment during the performance period. Restrictions lapse on February 15, 2022.

(4) The RET grant vests on a 25% pro-rata basis in January and July of each of 2021 and 2022. The first tranche vested on January 14, 2021 and the second tranche vested on July 14, 2021. The third tranche vested on January 18, 2022.

(5) Market value is based on target performance assuming 100% payout on the February 2020 PBS grant as at November 30, 2021. These grants vest zero to 200% of target based upon the extent to which annual Adjusted Operating Income, as adjusted for fuel price changes and currency exchange rate impacts, for each of the three fiscal years in the 2020-2021 performance cycle, the average of ROIC for fiscal 2021 and 2022 and certain ESG metrics over the three-year performance cycle, exceeds specified performance goals.

(6) Restrictions lapse on January 19 in each of 2022, 2023 and 2024.

(7) Market value is based on target performance assuming 100% payout on the August 2020 Special PBS ("SPBS") grant as at November 30, 2021. These grants vest zero to 150% of target based upon the extent to which certain ESG metrics for the three fiscal years in the 2020-2022 performance cycle exceeds specified performance goals.

(8) Market value reflects final performance for the January 2019 SEA grant as at November 30, 2021. These grants vest zero to 300% of target based on attaining certain absolute TSR growth goals and may be modified by TSR rank relative to our 2019 Peer Group at the end of a three-year performance period. The maximum relative TSR modification is 200% of the absolute TSR performance for a combined maximum payout of six times target. The 2019 SEA grant is also subject to a value cap of seven times the grant date value. Threshold performance was not achieved resulting in no payout.

(9) Market value is based on target performance assuming 100% payout on the January 2020 SEA grant as at November 30, 2021. These grants vest zero to 300% of target based on attaining certain absolute TSR growth goals and may be modified by TSR rank relative to our 2020 Peer Group at the end of a three-year performance period. The maximum relative TSR modification is 150% of the absolute TSR performance for a combined maximum payout of 4.5 times target. The 2020 SEA grant is also subject to a value cap of 5.5 times the grant date value.

(10) Restrictions lapse on January 17, 2023.

(11) Restrictions lapse on January 14, 2022.

(12) The August 2020 STBS grant vested 62.5% in January 2021 and 12.5% on each of July 14, 2021 and January 18, 2022. Restrictions on the final trance lapses on July 18, 2022.

(13) Restrictions lapse on February 6, 2023.

STOCK VESTED FOR FISCAL 2021

None of our Named Executive Officers held options during fiscal 2021. The following table provides information for our Named Executive Officers on the number of shares acquired upon the vesting of RSUs and the value realized, before the payment of any applicable withholding tax and broker commissions.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting[(1)] ($)**
Arnold W. Donald	144,525	3,082,169
David Bernstein	46,704	993,836
Peter C. Anderson	22,341	474,395
Enrique Miguez	22,792	484,570
Arnaldo Perez	22,812	488,713
Michael Thamm	75,274	1,364,317

(1) The fair market value of Carnival Corporation common stock realized on vesting has been determined using the average of the highest and lowest sale prices reported as having occurred on the New York Stock Exchange on the date of vesting. The fair market value of Carnival plc ordinary shares realized on vesting has been determined using the average of the highest and lowest sale prices reported as having occurred on the London Stock Exchange on the date of vesting. The value for Carnival plc ordinary shares has been converted from sterling into U.S. dollars based on the exchange rate on the date of vesting.

PENSION BENEFIT IN FISCAL 2021

None of the Named Executive Officers participate in any defined benefit pension plans sponsored by Carnival Corporation or Carnival plc.

NONQUALIFIED DEFERRED COMPENSATION IN FISCAL 2021

None of the Named Executive Officers participate in any non-qualified deferred compensation plans sponsored by Carnival Corporation or Carnival plc.

Messrs. Donald, Bernstein, Anderson, Miguez and Perez and other Carnival Corporation employees who are deemed highly compensated employees under IRS regulations are generally eligible to receive a matching contribution under the 401(k) Plan and are paid a profit-sharing contribution as additional cash compensation. The matching contribution is contributed to the 401(k) Plan by Carnival Corporation on behalf of these individuals, whereas the profit-sharing contribution is paid directly to these individuals as a cash bonus. Profit-sharing contributions were suspended during 2020 and matching contributions were suspended from June 1, 2020 through December 31, 2020 for all Carnival Corporation employees. Employees hired after January 1, 2020 are also not eligible to participate in profit-sharing.

From January 1, 2021, Carnival Corporation matched 100% of employee deferrals up to 1% of eligible pay plus 50% of employee deferrals that exceed 1% of eligible pay but do not exceed 6% of eligible pay.

"Eligible pay" includes regular pay (before any pre-tax contributions from pay and taxes) and bonus. For matching and profit-sharing contributions, eligible pay does not include amounts in excess of the maximum compensation rate under Internal Revenue Code Section 401(a)(17).

The profit-sharing contributions are based upon eligible pay and years of service according to the following schedule:

Years of Service at December 31, 2021	Award (% of Eligible Pay)
<2	0%
2-5	1%
6-9	2%
10-13	3%
14-16	5%
17-19	7%
20-22	9%
23-25	12%
≥26	15%

As of November 30, 2021, Messrs. Donald, Bernstein, Anderson, Miguez and Perez had 9, 24, 2, 25 and 30 years of service, respectively. No additional years of service will be counted for purposes of the profit-sharing contributions after December 31, 2021.

Potential Payments Upon Termination or Change of Control

Each of our Named Executive Officers may be eligible to receive certain payments and benefits in connection with termination of employment under various circumstances. The potential benefits payable to our Named Executive Officers in the event of termination of employment under various scenarios on November 30, 2021 are described below.

In addition to benefits described below, our Named Executive Officers will be eligible to receive any benefits accrued under Carnival Corporation & plc broad-based benefit plans, such as distributions under life insurance and disability benefits and accrued vacation pay, in accordance with those plans and policies. These benefits are generally available to all employees.

CASH SEVERANCE BENEFITS

It is the policy of the Compensation Committees for executive officers to have notice periods of not more than 12 months in duration. The Compensation Committees may make an exception to this practice where they believe doing so would be in the best interests of Carnival Corporation and Carnival plc and their shareholders. The Compensation Committees will continue to consider the individual circumstances of each case taking account of best practice in the UK and the U.S. and the expected cost to Carnival Corporation & plc of any termination of an executive's employment arrangements.

Accordingly, Messrs. Bernstein, Miguez and Perez have no employment agreements and no entitlement to severance except for possible retention of unvested restricted share grants depending on the circumstances of their separation of employment discussed below.

Messrs. Donald, Anderson and Thamm are our only Named Executive Officers with employment agreements providing cash severance and other benefits. The table below details the various payments associated with certain termination events. Payment outcomes associated with the treatment of equity is detailed in the "Potential Value of Equity Grants upon Termination of Employment or Change of Control" section.

POST-EMPLOYMENT CASH COMPENSATION OBLIGATIONS TO MR. DONALD

Upon termination of Mr. Donald's employment, he will be entitled to certain payments as follows:

Reason for Termination	Payment Type
By the company for cause	• All amounts earned or accrued through the termination date
By Mr. Donald, other than for good reason	• All amounts earned or accrued through the termination date
Because of death or disability	• Benefits or payments under any applicable disability or life insurance benefits plans
By Mr. Donald for good reason	• Severance pay equal to one times his base salary and target bonus for the year of termination • Continued medical, dental, group life, accidental death or dismemberment, and disability insurance premiums for up to 18 months ("Post-Employment Benefits")
By the company other than for cause, death or disability	• Severance pay equal to one times his base salary and target bonus for the year of termination • Post-Employment Benefits
Following a change in control event	• Severance pay equal to two times the sum of his base salary and target bonus for the year of termination • Post-Employment Benefits

POST-EMPLOYMENT COMPENSATION OBLIGATIONS TO MR. THAMM

Mr. Thamm is eligible to receive 12 months of base salary plus his target bonus if his employment is terminated, as compensation for his non-competition and non-solicitation obligations.

POST-EMPLOYMENT COMPENSATION OBLIGATIONS TO MR. ANDERSON

Mr. Anderson is eligible to receive 12 months of base salary plus his target bonus for the fiscal year during which termination occurs if his employment is terminated for performance reasons. If Mr. Anderson's employment is terminated by reason of his death or disability, Mr. Anderson is eligible to receive benefits or payments under any applicable disability or life insurance benefit plans, programs or arrangements in accordance with the terms and conditions of such employee benefit plans, programs or arrangements, in addition to any base salary earned to the termination date. If Mr. Anderson's employment is terminated for cause, Mr. Anderson is eligible to receive his base salary earned to the termination date.

ESTIMATED CASH AND BENEFITS PAYMENTS UPON TERMINATION OF EMPLOYMENT

The following table quantifies the cash compensation or value of benefits that Messrs. Donald, Anderson and Thamm would receive upon termination of employment. The amounts shown assume the event that triggered the treatment occurred on November 30, 2020. The table does not include amounts they would be entitled to without regard to the circumstances of termination, such as earned or accrued compensation.

Name	Benefit	Termination without Cause ($)	Voluntary Termination (without Good Reason) ($)	Voluntary Termination (with Good Reason) ($)	Death or Disability ($)	Change of Control ($)
Arnold W. Donald	Separation Payment	4,500,000	0	4,500,000	0	9,000,000
	Post-Employment Benefits	87,253	0	87,253	0	87,253
TOTAL		4,587,253	0	4,587,253	0	9,087,253
Peter C. Anderson	Separation Payment	1,000,000	0	0	0	0
TOTAL		1,000,000	0	0	0	0
Michael Thamm	Non-Competition Compensation(1)	2,351,738	1,183,576	1,183,576	1,183,576	1,183,576
TOTAL		2,351,738	1,183,576	1,183,576	1,183,576	1,183,576

(1) These amounts would be payable in euro. Mr. Thamm's potential non-competition compensation has been converted into U.S. dollars using the average U.S. dollar to euro exchange rate for fiscal 2021 of $1.19:€1.

EQUITY-BASED COMPENSATION

Vesting of RSUs upon termination of a Named Executive Officer's employment is dependent upon the reasons his employment is terminated, the terms of the respective equity plan and the associated equity grant agreement. Equity grants made to our Named Executive Officers are subject to the same terms as all other participants generally, except as described below.

CARNIVAL CORPORATION 2011 STOCK PLAN AND CARNIVAL CORPORATION 2020 STOCK PLAN

All our Named Executive Officers, except Mr. Thamm, have received annual equity grants under both the Carnival Corporation 2011 Stock Plan ("CC 2011") and the Carnival Corporation 2020 Stock Plan ("CC 2020"). Mr. Thamm has received grants under both the CC 2011 and Carnival plc 2014 Employee Share Plan ("Plc 2014"). The following table summarizes the types of equity grants that are issued to our Named Executive Officers under each of CC 2011, CC 2020 and Plc 2014:

Name	MTE	PBS	SEA	RET	SPBS	STBS	TBS
Arnold W. Donald	CC 2011	CC 2011	CC 2011	CC 2020	CC 2020		CC 2020
David Bernstein	CC 2011	CC 2011	CC 2011	CC 2020	CC 2020		CC 2020
Peter C. Anderson				CC 2020		CC 2020	CC 2011 CC 2020
Enrique Miguez		CC 2011				CC 2020	CC 2011 CC 2020
Arnaldo Perez	CC 2011	CC 2011	CC 2011	CC 2020	CC 2020		CC 2020
Michael Thamm	Plc 2014	Plc 2014	CC 2011	Plc 2014	Plc 2014		Plc 2014

The terms of the Carnival Corporation 2011 Stock Plan and Carnival Corporation 2020 Stock Plan and the equity grant agreements applicable to participants generally provide that upon termination for death or disability, all unvested equity grants will immediately vest. The terms of the equity grants to Named Executive Officers made pursuant to the Carnival Corporation 2011 Stock Plan provide that if their employment is terminated without cause or they voluntarily terminate due to a diagnosis of a terminal medical condition, the MTE grants will continue to vest according to their original vesting schedule and remain subject to confidentiality and non-competition provisions. The SEA grants will also be retained if employment is terminated without cause. The RET, SPBS and STBS grants are forfeited upon termination for any reasons other than after a change of control. If the Named Executive Officers' employment is terminated for any reason, the TBS grants will be forfeited. For the purposes of the agreement, "cause" is defined as any action or inaction which constitutes fraud, embezzlement, misappropriation, dishonesty, breach of trust, a felony or moral turpitude, as determined by the Boards of Directors.

Upon retirement, MTE and TBS, other than STBS grants made in 2020 and TBS grants made in 2021, grants continue to vest according to their terms as though employment had not ended; provided, however, that as each participant reaches retirement age, 50% of the grant will immediately vest, if such participant becomes subject to tax obligations at that time. Retirement is defined as voluntary termination of an employee being at least 60 years of age with 15 years of service or at least 65 years of age with five years of service.

Upon involuntary termination within 12 months after a change of control, the restricted period on all RSUs immediately expires.

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

- the acquisition by any individual, entity or group of beneficial ownership of 50% or more of either:
  - (A) the then outstanding shares of common stock of Carnival Corporation; or
  - (B) the combined voting power of the then outstanding voting securities of Carnival Corporation and Carnival plc entitled to vote generally in the election of Directors, except that this provision does not apply to affiliated companies or the Arison family;
- the incumbent Directors cease to constitute at least a majority of the Boards of Directors;
- the dissolution or liquidation of Carnival Corporation;
- the sale, transfer or other disposition of all or substantially all of the business or assets of Carnival Corporation; or

- the consummation of a reorganization, recapitalization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving Carnival Corporation that requires the approval of the shareholders, whether for such transaction or the issuance of securities in the transaction.

Upon involuntary termination within 12 months after a change of control, the restricted period on all RSUs immediately expires. All of the equity grants made to participants, including our Named Executive Officers, contain clawback and forfeiture provisions in the event of a violation of confidentiality or non-compete provisions (which restrict them from competing with Carnival Corporation & plc for the remainder of the grant's vesting period) or fraud or conduct contributing to any financial restatements or irregularities.

CARNIVAL PLC 2014 EMPLOYEE SHARE PLAN

Mr. Thamm is the only Named Executive Officer who received grants under the Carnival plc 2014 Employee Share Plan. He received MTE, PBS, RET and TBS grants under the Carnival plc 2014 Employee Share Plan. Mr. Thamm receives the same treatment under the plans as other participants generally except that if his employment is terminated without cause or he voluntarily terminates due to diagnosis of a terminal medical condition, all MTE grants will continue to vest according to their original vesting schedule and remain subject to confidentiality and non-competition provisions. All grants vest upon termination of employment for death or disability. Upon retirement, all MTE grants will continue to vest according to their terms as if the employment had not been terminated. Retirement is defined as voluntary termination of an employee being at least 60 years of age with 15 years of service or at least 65 years of age with five years of service. Upon involuntary termination within 12 months after a change of control, the restricted period on all RSUs immediately expires.

Change of control is defined to mean the occurrence of any of the following:

- a person (either alone or together with any person acting in concert with him) obtaining control of Carnival plc as a result of a general offer or otherwise for the whole of the share capital of Carnival plc (other than those shares which are already owned by him and/or any person acting in concert with him);
- the acquisition by any individual, entity or group of beneficial ownership of 50% or more of either:
  - (A) the then outstanding shares of Carnival plc, or
  - (B) the combined voting power of the then outstanding voting securities of Carnival plc entitled to vote generally in the election of Directors, except that this provision does not apply to affiliated companies or members of the Arison family;
- the incumbent Directors cease to constitute at least a majority of the Boards of Directors;
- a person becoming bound or entitled to give notice under Sections 428 to 430F of the Companies Act to acquire shares;
- a court directing that a meeting of the holders of shares be convened pursuant to Section 425 of the Companies Act for the purposes of considering a scheme of arrangement of Carnival plc or its amalgamation with any other company or companies and the scheme of arrangement being approved by the shareholders' meeting or sanctioned by the court;
- notice being duly given of a resolution for the voluntary winding-up of Carnival plc;
- the sale, transfer or other disposition of all or substantially all of the business or assets of Carnival plc; or
- the completion of a reorganization, recapitalization, merger, consolidation, share exchange or similar form of corporate transaction involving Carnival plc that requires the approval of the shareholders, whether for such transaction or the issuance of securities in the transaction.

All of the equity grants made to our Named Executive Officers contain confidentiality and non-compete provisions that restrict them from competing with Carnival plc. If they breach either of these provisions, they will forfeit the right to receive all unvested and unreleased equity grants.

POTENTIAL VALUE OF EQUITY GRANTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

The following table details the value of all outstanding RSU grants that would have become vested, or that could have continued to vest, subject to any non-compete and confidentiality requirement, for termination of employment or upon a change of control as of November 30, 2021. The true value of these equity grants for future vesting periods is subject to market fluctuations occurring over time.

ESTIMATED POTENTIAL VALUE OF EQUITY GRANTS[(1)(2)]

NEO	Termination without Cause ($)	Death or Disability ($)	Retirement ($)	Voluntary Termination Upon Diagnosis of Terminal Medical Condition ($)	Change of Control[(3)] ($)
Arnold W. Donald	1,397,936	9,895,022	6,480,583	190,966	14,150,252
David Bernstein	404,203	2,827,869	1,849,149	50,922	4,148,065
Peter C. Anderson	—	355,113	—	—	972,272
Enrique Miguez	—	334,621	—	—	447,848
Arnaldo Perez	123,093	1,339,895	880,718	31,822	1,980,312
Michael Thamm	987,289	4,108,385	—	281,215	6,209,338
TOTAL	2,912,521	18,860,905	9,210,450	554,925	27,908,087

(1) The value for RSUs is based on the closing price of Carnival Corporation common stock on November 30, 2021 of $17.62, except for the Carnival plc RSUs held by Mr. Thamm, which is based on the closing price of Carnival plc ordinary shares on November 30, 2021 of £11.86, which has been converted into $15.78 based on the November 30, 2021 exchange rate of $1.33:£1.

(2) The value of the RSUs are reflected using the target number of RSUs granted.

(3) Termination of employment is required to trigger acceleration upon a change of control.

U.S. CEO Pay Ratio

In accordance with SEC rules, we are providing the ratio of the annual total compensation of our Chief Executive Officer to the annual total compensation of our median employee. The 2021 annual total compensation of our Chief Executive Officer as set forth in the Summary Compensation Table is $15,063,788, the 2021 annual total compensation of our median compensated employee is $8,658, and the ratio of these amounts is 1,740 to 1. Our median compensated employee population consists of ship-based employees who work fewer than twelve months of the year.

Employee	2021 Annual Total Compensation ($)	Pay Ratio
Chief Executive Officer	15,063,788	1,740:1
Median employee, other than our CEO	8,658	

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our global human resources and payroll systems of record and the methodology described below. Because the SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

To identify our median employee, we used total cash compensation for our estimated employee population of 64,988 as of September 30, 2021. Our workforce includes a large number of ship-based employees who typically work six to eleven months of the year and we did not annualize the pay for our employees when identifying our median. The number of employees relative to the prior year is higher because of an increase in the workforce for both our shore and ship-based employees as part of our resumption of guest cruise operations. This resulted in lower median compensation for fiscal 2021 and a higher ratio as compared to prior years. Of the employees returning to service in 2021, a large number are ship-based employees that returned to service shortly before or during the month of September 2021 for whom the pay received in 2021 is lower than what is ordinarily seen in a full year.

We then applied a valid statistical sampling methodology to identify employees who were paid within a 5% range of the median. From these employees, we then selected a subset of four employees whose pay were at the estimated median, identified a representative median employee from this group and calculated that employee's annual total compensation in fiscal 2021 consistent with Item 402(c) of Regulation S-K. This figure includes gratuities directly billed to our guests but excludes any cash gratuities paid directly to the employee by guests. It also excludes room and meals, transportation to and from the ship, and medical care, which are provided to our ship-based employees without charge.

Audit Matters

PROPOSAL 15

Re-Appointment of Auditors of Carnival plc and Ratification of Selection of Auditors of Carnival Corporation

PROPOSAL 16

Authorization to Determine the Remuneration of Independent Auditors of Carnival plc

The Audit Committee of the Board of Directors of Carnival plc has selected the UK firm of PricewaterhouseCoopers LLP as Carnival plc's independent auditors for the year ending November 30, 2022. The Audit Committee of the Board of Directors of Carnival Corporation has selected the U.S. firm of PricewaterhouseCoopers LLP as Carnival Corporation's independent registered public accounting firm for the year ending November 30, 2022. At this time, we are unable to anticipate if representatives of both the U.S. and UK firms of PricewaterhouseCoopers LLP will be present at the Annual Meetings of Shareholders. If they attend, they will have an opportunity to make a statement if they desire to do so and would be expected to be available to respond to appropriate questions from shareholders.

Proposal 15 would re-appoint the UK firm of PricewaterhouseCoopers LLP as the independent auditors of Carnival plc until the conclusion of the next Annual General Meeting of Carnival plc. It is a requirement of Section 489(2) of the Companies Act that Carnival plc appoint its independent auditors before the end of a general meeting at which its annual accounts and reports are laid (which occurs at its Annual General Meeting). Proposal 15 would also ratify the selection of the U.S. firm of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Carnival Corporation.

Although ratification by our shareholders of the appointment of an independent public accounting firm of Carnival Corporation is not legally required, our Boards of Directors believe that such action is desirable. If our shareholders do not approve Proposal 15, the Audit Committees will consider the selection of another accounting firm for 2022 and future years.

Under Proposal 16, you are being asked to authorize the Audit Committee of Carnival plc to determine the remuneration of the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc.

The Boards of Directors unanimously recommend a vote FOR the re-appointment of the UK firm of PricewaterhouseCoopers LLP as Carnival plc's independent auditors for the 2022 fiscal year, the ratification of the selection of PricewaterhouseCoopers LLP as Carnival Corporation's independent registered public accounting firm for the 2022 fiscal year and the authorization of the Audit Committee of Carnival plc to determine the remuneration of the UK firm of PricewaterhouseCoopers LLP.

Report of the Audit Committees

Carnival Corporation and Carnival plc are two separate legal entities and, therefore, each has a separate Board of Directors, each of which in turn has its own Audit Committee. In accordance with their charter, each Audit Committee assists the relevant Board of Directors in carrying out its oversight of:

- the integrity of the relevant financial statements;
- Carnival Corporation and Carnival plc's compliance with legal and regulatory requirements, other than requirements related to HESS;
- the independent auditors' qualifications and independence;
- the performance of Carnival Corporation & plc's internal audit functions and independent auditors;
- relevant elements of Carnival Corporation and Carnival plc's risk management programs; and
- risk management with respect to information technology operations, cybersecurity and data privacy.

Both Audit Committees are subject to the audit committee independence requirements under the corporate governance standards of the New York Stock Exchange and relevant SEC rules, and the Audit Committee of Carnival plc is also subject to the requirements of the UK Corporate Governance Code. The two Audit Committees have identical members and each currently consists of five independent (as defined by the listing standards of the New York Stock Exchange, SEC rules and the UK Corporate Governance Code) Non-Executive Directors. The Carnival Corporation Board of Directors has determined that each member of the Audit Committees is both "independent" and an "audit committee financial expert," as defined by SEC rules and New York Stock Exchange listing standards. In addition, the Carnival plc Board of Directors has determined that each member of the Audit Committees has "recent and relevant financial experience" for purposes of the UK Corporate Governance Code and that the Audit Committees as a whole have competence relevant to the sector in which Carnival Corporation & plc operate.

Management has primary responsibility for Carnival Corporation & plc's financial reporting process, including their system of internal control, and for the preparation of consolidated financial statements. Carnival Corporation & plc's independent auditor is responsible for performing an independent audit of those financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles. The Audit Committees are responsible for monitoring and overseeing the financial reporting process and the preparation of consolidated financial statements and for supervising the relationship between Carnival Corporation & plc and its independent auditor, as well as reviewing the group's systems of internal controls and compliance with the group Code of Business Conduct and Ethics. The Audit Committees have met and held discussions with management of Carnival Corporation & plc and the independent auditor. In this context, management represented to the Audit Committees that Carnival Corporation & plc's consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles and that Carnival plc's consolidated financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the UK Companies Act 2006 and the international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union.

The Audit Committees:

- reviewed and discussed Carnival Corporation & plc's audited consolidated financial statements for the year ended November 30, 2021 with Carnival Corporation & plc's management and with Carnival Corporation & plc's independent auditor;

- reviewed and discussed Carnival plc's audited consolidated financial statements for the year ended November 30, 2021 with Carnival plc's management and with Carnival plc's independent auditor;
- discussed with Carnival Corporation & plc's independent auditor the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board, the SEC and the UK Financial Reporting Council; and
- received the written disclosures and the letter from Carnival Corporation & plc's independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committees concerning independence and discussed with Carnival Corporation & plc's independent auditor the independent auditors' independence.

The Audit Committees also considered whether the provision to the relevant entity by the independent auditor of non-audit services was compatible with maintaining the independence of the independent auditor. Based on the reviews and discussions described above, the Audit Committees recommended to the Boards of Directors that the audited consolidated financial statements of Carnival Corporation & plc be included in Carnival Corporation & plc's Annual Report on Form 10-K for the year ended November 30, 2021 for filing with the SEC.

THE AUDIT COMMITTEE OF CARNIVAL CORPORATION

THE AUDIT COMMITTEE OF CARNIVAL PLC

RICHARD J. GLASIER
Chair

JASON GLEN CAHILLY

STUART SUBOTNICK

LAURA WEIL

Independent Registered Public Accounting Firm

AUDIT AND NON-AUDIT FEES

PricewaterhouseCoopers LLP were the auditors of Carnival Corporation & plc during fiscal 2021 and fiscal 2020. Aggregate fees billed by PricewaterhouseCoopers LLP for professional services rendered to Carnival Corporation & plc for the years ended November 30, 2021 and 2020 were as follows (in millions):

	Fiscal Year Ended	
Type of Fee	**2021 ($ in millions)**	**2020 ($ in millions)**
Audit fees	6.0	6.4
Audit-related fees	0.3	0.0(1)
Tax fees	0.0	0.0
All other fees	0.0(1)	0.0(1)
Total	6.3	6.4

(1) Less than $50,000.

- **AUDIT FEES** for 2021 and 2020 were for professional services rendered for the integrated audits of the Carnival Corporation & plc consolidated financial statements and systems of internal control over financial reporting, quarterly reviews of our joint Quarterly Reports on Form 10-Q, the audits of the Carnival plc consolidated IFRS financial statements, consents, registration statements, statutory audits of various international subsidiaries and the issuance of comfort letters.
- **AUDIT-RELATED FEES** for 2021 were principally for audit work related to government grants received. Audit-related fees for 2020 were for services rendered for the audit of our sustainability reports.
- **ALL OTHER FEES** for 2021 and for 2020 were principally for agreed upon procedures related to customs and border protection data.

All of the services described above were approved by the Audit Committees, and in doing so, the Audit Committees did not rely on the *de minimis* exception set forth in Rule 2-01(c)(7)(i)(C) under Regulation S-X.

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committees have adopted Key Policies and Procedures which address, among other matters, pre-approval of audit and permissible non-audit services provided by the independent registered public accounting firm. The Key Policies and Procedures require that all services to be provided by the independent registered public accounting firm must be approved by the Audit Committees prior to the performance of such services. The Audit Committees consider whether the services requested are consistent with the rules of the SEC and UK Financial Reporting Council on auditor independence.

Other Proposals

PROPOSAL 17

Receipt of Accounts and Reports of Carnival plc

The Directors of Carnival plc are required by the Companies Act to present Carnival plc's financial statements, the UK statutory Directors' Report, the UK statutory Strategic Report and the auditors' report relating to those accounts to the Carnival plc shareholders. Accordingly, the Directors of Carnival plc lay before the Annual Meetings of Shareholders the Carnival plc accounts and the reports of the Directors and auditors for the year ended November 30, 2021, which have been approved by and signed on behalf of Carnival plc's Board of Directors and will be delivered to the Registrar of Companies in the UK following the Annual Meetings of Shareholders. Shareholders are voting to approve receipt of these documents, as UK law does not require shareholder approval of the substance and content of these documents. The UK statutory Directors' Report is attached as Annex A to this Proxy Statement and the UK statutory Strategic Report is included within the Carnival plc consolidated IFRS financial statements. The full accounts and reports of Carnival plc will be available for inspection prior to and during the Annual Meetings of Shareholders.

The Boards of Directors unanimously recommend a vote FOR the receipt of the accounts and reports of Carnival plc for the year ended November 30, 2021.

PROPOSAL 18

Approval of the Grant of Authority to Allot New Carnival plc Shares

PROPOSAL 19

Approval of the Disapplication of Pre-Emption Rights Applicable to the Allotment of New Carnival plc Shares

SUMMARY

Proposal 18 authorizes the Directors of Carnival plc to issue, until the next Annual General Meeting of Carnival plc (or, if earlier, until the close of business on July 7, 2023), a maximum number of Carnival plc ordinary shares (or to grant rights to subscribe for or convert any securities into ordinary shares up to a maximum aggregate amount) without further shareholder approval. Proposal 19 authorizes the Directors of Carnival plc to issue (or sell any ordinary shares which Carnival plc elects to hold in treasury), until the next Annual General Meeting of Carnival plc (or, if earlier, until the close of business on July 7, 2023), a maximum number of Carnival plc ordinary shares for cash without first offering them to existing shareholders in accordance with the pre-emption rights that would otherwise be applicable. As is the case with many UK companies, these resolutions are proposed each year as the Directors believe occasions may arise from time to time when it would be beneficial for shares to be allotted without shareholder approval and for shares to be allotted for cash without making a pre-emptive offer. The Carnival plc Directors have no current commitments or plans to allot additional shares of Carnival plc using these authorities.

DISCUSSION

Under Article 30 of the Articles of Association of Carnival plc, the Directors have, for a “prescribed period,” unconditional authority to allot ordinary shares in Carnival plc up to an aggregate nominal amount known as the “allotment amount.”

The power to implement the authority provided by Article 30 is sought each year by the proposal of an ordinary resolution to establish the prescribed period and the allotment amount. By passing this ordinary resolution, shareholders are authorizing the Board of Carnival plc to issue, during the prescribed period, a maximum number of shares having an aggregate nominal value equal to the allotment amount, without further shareholder approval. In the absence of such approval, the issuance of any additional shares would require shareholder approval.

Under Article 31 of the Articles of Association of Carnival plc, the Directors have, for the same “prescribed period” referred to above, power to allot a small number of ordinary shares for cash without making a pre-emptive offer to existing shareholders, up to an aggregate nominal amount known as the “disapplication amount.”

The power to implement the authority provided by Article 31 is sought each year by the proposal of a special resolution to establish the disapplication amount. By passing this special resolution, shareholders are authorizing the Board of Carnival plc to issue, during the prescribed period, an amount of shares having an aggregate nominal value equal to the disapplication amount, for cash without first offering them to existing shareholders of Carnival plc.

The Third Amended and Restated Articles of Incorporation of Carnival Corporation do not contain equivalent provisions and holders of Carnival Corporation common stock do not have pre-emption rights. Accordingly, no action is required in respect of the ability of Carnival Corporation to allot shares or to disapply pre-emption rights.

In common with many UK companies, resolutions to renew the prescribed period and re-establish the allotment amount and the disapplication amount are normally proposed each year as the Directors believe occasions may arise from time to time when it would be beneficial for shares to be allotted and for shares to be allotted for cash without making a pre-emptive offer. This is the purpose of Proposal 18 (an ordinary resolution) and Proposal 19 (a special resolution). As usual, the prescribed period is the period from the passing of the resolutions until the next Annual General Meeting (or, if earlier, until the close of business on July 7, 2023).

Guidelines issued by the Investment Association, whose members are some of the largest institutional investors in UK listed companies, require the allotment amount to be limited to one-third of the issued ordinary share capital (except in the case of a rights issue). By reference to Carnival plc's issued ordinary share capital on January 13, 2022, the maximum allotment amount in paragraph (a) of Proposal 18 is $102,371,049, which is equal to 61,669,307 new Carnival plc ordinary shares, being one-third of the amount of the issued ordinary share capital (excluding treasury shares).

In line with guidance issued by the Investment Association, paragraph (b) of Proposal 18 would give the Directors of Carnival plc authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favor of ordinary shareholders up to an aggregate nominal amount equal to $204,742,097 (representing 123,338,613 (ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of Proposal 18. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of Carnival plc as at January 13, 2022. However, if they do exercise the authorities given to them if Proposals 18 and 19 are passed, the Directors intend to follow the Investment Association's recommendations concerning their use (including as regards the Directors standing for election or re-election in certain cases).

Guidelines issued by the Pre-Emption Group, a group comprising representatives of UK listed companies, investment institutions and corporate finance practitioners and formed under the support of the London Stock Exchange to monitor the operation of the Guidelines, recommend that a resolution to disapply the statutory pre-emption rights provided by UK company law should be limited to an amount of equity securities not exceeding 5% of the nominal value of the company's issued ordinary share capital. By reference to Carnival plc's issued ordinary share capital on January 13, 2022, the maximum disapplication amount is $15,355,657, which is equal to 9,250,396 new Carnival plc ordinary shares. In respect of this aggregate nominal amount, the Directors of Carnival plc confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

In summary, if Proposals 18 and 19 were passed, the extent of the authority of the Directors to allot new Carnival plc ordinary shares for cash on terms which would be dilutive to the existing shareholdings of Carnival plc shareholders, without shareholder approval, would be limited to 9,250,396 new Carnival plc ordinary shares, being 5% of the issued ordinary share capital of Carnival plc at January 13, 2022. The Directors have no current commitments or plans to allot additional shares of Carnival plc under these authorities. Furthermore, the adoption of Proposals 18 and 19 would have no material effect on the ability of Carnival plc to undertake or defend against a takeover attempt.

We have a program that allow us to obtain an economic benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the "Stock Swap Program"). In the event Carnival Corporation common stock trades at a premium to Carnival plc ordinary shares, we may elect to sell shares of Carnival Corporation common stock, at prevailing market prices in ordinary brokers' transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market. In the future, we may also re-introduce a program that allows us to obtain an economic benefit when Carnival plc ordinary shares are trading at a premium to Carnival Corporation common shares.

Any realized economic benefit under the Stock Swap Program is used for general corporate purposes.

In June 2021 the Boards of Directors have authorized us to sell up to $500 million of Carnival Corporation common stock in the U.S. market and repurchase up to $500 million of Carnival plc ordinary shares in the UK market as part of the Stock Swap Program.

As of January 13, 2022, 32,355,831 Carnival plc ordinary shares are held by Carnival plc in treasury.

The Boards of Directors unanimously recommend a vote FOR the approval of limits on the authority to allot Carnival plc shares and the disapplication of pre-emption rights for Carnival plc.

PROPOSAL 20

Approval of a General Authority to Buy Back Carnival plc Ordinary Shares

Shareholder approval is not required for us to buy back shares of Carnival Corporation, but is required under the Companies Act for us to buy back shares of Carnival plc. Accordingly, last year Carnival Corporation and Carnival plc sought and obtained shareholder approval to effect market purchases of up to 18,383,016 ordinary shares of Carnival plc (being approximately 10% of Carnival plc's ordinary shares in issue). That approval expires on the earlier of:

(i) the conclusion of Carnival plc's 2022 Annual General Meeting; or

(ii) October 19, 2022.

Shareholder approval to effect market purchases (within the meaning of Section 693(4) of the Companies Act) once the current authorization expires of up to 18,500,792 ordinary shares of Carnival plc (being 10% of Carnival plc's ordinary shares in issue as of January 13, 2022) is being sought at this year's Annual Meetings of Shareholders. Since last year's Annual Meetings of Shareholders and through January 13, 2022, no Carnival plc ordinary shares have been purchased under that authority and 8,930,004 Carnival plc ordinary shares were purchased under the Stock Swap Program. Carnival Corporation & plc will treat any such purchases made by Carnival Corporation or Carnival Investments Limited under the Stock Swap Programs as if they were made by Carnival plc under the Carnival plc share buyback authority.

The Boards of Directors confirm that the authority to purchase Carnival plc's shares under the Stock Swap Program will only be exercised after careful consideration of prevailing market conditions and the position of Carnival plc. In particular, the program will only proceed if we believe that it is in the best interests of Carnival Corporation, Carnival plc and their shareholders generally. The Boards of Directors are making no recommendation as to whether shareholders should sell any shares in Carnival plc and/or Carnival Corporation.

If the Boards of Directors exercise the authority conferred by Proposal 20, we would have the option of holding the shares in treasury, or cancelling them. Shares held in treasury can be re-sold for cash, used for employee share plans or later cancelled. The Boards of Directors think it prudent to maintain discretion as to dealing with the purchased shares. As of January 13, 2022, 32,355,831 Carnival plc ordinary shares are held by Carnival plc in treasury.

The Boards of Directors consider that any buyback of Carnival plc ordinary shares may include the purchase of its American Depositary Shares ("ADSs"), each representing one Carnival plc ordinary share, with a subsequent cancellation of the underlying ADSs. If the underlying ADSs are so cancelled, Carnival plc will either cancel or hold in treasury the ordinary share represented by such ADSs.

The minimum price (exclusive of expenses) which may be paid for each Carnival plc ordinary share is $1.66, and the maximum price which may be paid is an amount (exclusive of expenses) equal to the higher of:

- 105% of the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased; and
- the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out.

As of January 13, 2022, there are no options outstanding to subscribe for Carnival plc ordinary shares and Carnival plc has issued 1,779,158 RSUs, which represent in the aggregate less than 1.5% of Carnival plc's issued share capital. If 18,500,792 ordinary shares of Carnival plc were purchased by Carnival plc and cancelled, these RSUs would represent in the aggregate less than 1.5% of Carnival plc's issued share capital.

The authority to purchase Carnival plc ordinary shares will expire at the conclusion of the Carnival plc Annual General Meeting in 2023 or on October 7, 2023, whichever is earlier (except in relation to any purchases of shares the contract for which was entered before the expiry of such authority).

The Boards of Directors unanimously recommend a vote FOR the approval of a general authority to buy back Carnival plc ordinary shares.

Questions and Answers

Questions Applicable to All Shareholders

WHAT INFORMATION IS CONTAINED IN THESE MATERIALS?

The information included in this Proxy Statement relates to the proposals to be voted on at the Annual Meetings of Shareholders, the voting process, the compensation of Directors and certain executive officers and certain other information required by rules promulgated by the SEC and the New York Stock Exchange applicable to both companies. We have attached as Annexes A, B and C to this Proxy Statement information that Carnival plc is required to provide to its shareholders under applicable UK rules.

WHAT PROPOSALS WILL BE VOTED ON AT EACH OF THE ANNUAL MEETINGS OF SHAREHOLDERS?

✓ **PROPOSAL 1–12**

To elect or re-elect 12 Directors, each to serve as a Director of Carnival Corporation and as a Director of Carnival plc

✓ **PROPOSAL 13**

To hold a (non-binding) advisory vote to approve executive compensation

✓ **PROPOSAL 14**

To hold a (non-binding) advisory vote to approve the Carnival plc Directors' Remuneration Report

✓ **PROPOSAL 15**

To re-appoint the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc and to ratify the selection of the U.S. firm of PricewaterhouseCoopers LLP as the independent auditors of Carnival Corporation

✓ **PROPOSAL 16**

To authorize the Audit Committee of Carnival plc to determine the remuneration of the independent auditors of Carnival plc

✓ **PROPOSAL 17**

To receive the UK accounts and reports of the Directors and auditors of Carnival plc for the fiscal year ending November 30, 2021

✓ **PROPOSAL 18**

To approve the giving of authority for the allotment of new shares by Carnival plc

✓ **PROPOSAL 19**

To approve the disapplication of pre-emption rights in relation to the allotment of new shares by Carnival plc

✓ **PROPOSAL 20**

To approve a general authority for Carnival plc to buy back Carnival plc ordinary shares in the open market

WHAT IS THE VOTING RECOMMENDATION OF THE BOARDS OF DIRECTORS?

Your Boards of Directors recommend that you vote your shares **FOR** Proposals 1 through 20.

HOW DOES THE DLC ARRANGEMENT AFFECT MY VOTING RIGHTS?

On most matters that affect all of the shareholders of Carnival Corporation and Carnival plc, the shareholders of both companies effectively vote together as a single decision-making body. These matters are called "joint electorate actions." Combined voting is accomplished through the special voting shares that have been issued by each company. Certain matters specified in the organizational documents of Carnival Corporation and Carnival plc where the interests of the two shareholder bodies may diverge are called "class rights actions." The class rights actions are voted on separately by the shareholders of each company. If either group of shareholders does not approve a class rights action, that action generally cannot be taken by either company. All of the proposals to be voted on at the Annual Meetings of Shareholders are joint electorate actions, and there are no class rights actions.

GENERALLY, WHAT ACTIONS ARE JOINT ELECTORATE ACTIONS?

Any resolution to approve an action other than a class rights action or a procedural resolution (described below) is designated as a joint electorate action. The actions designated as joint electorate actions include:

- the appointment, removal, election or re-election of any Director of either or both companies;
- if required by law, the receipt or adoption of the annual accounts of both companies;
- the appointment or removal of the independent auditors of either company;
- a change of name by either or both companies; and
- the implementation of a mandatory exchange of Carnival plc ordinary shares for Carnival Corporation common stock based on a change in tax laws, rules or regulations.

The relative voting rights of Carnival plc ordinary shares and Carnival Corporation common stock are equalized based on a ratio which we refer to as the "equalization ratio." Based on the current equalization ratio of 1:1, each share of Carnival Corporation common stock has the same voting rights as one Carnival plc ordinary share on joint electorate actions.

HOW ARE JOINT ELECTORATE ACTIONS VOTED ON?

Joint electorate actions are vote on as follows:

- Carnival plc shareholders vote at the Annual General Meeting of Carnival plc (whether in person or by proxy). Voting is on a poll (or ballot), which remains open for sufficient time to allow the vote at the Carnival Corporation Annual Meeting of Shareholders to be held and reflected in the Carnival plc Annual General Meeting through the mechanism of the special voting share. An equivalent vote is cast at the subsequent Carnival Corporation Annual Meeting of Shareholders on each of the corresponding resolutions through a special voting share issued by Carnival Corporation; and
- Carnival Corporation shareholders vote at the Carnival Corporation Annual Meeting of Shareholders (whether in person or by proxy). Voting is by ballot (or on a poll), which remains open for sufficient time to allow the vote at the Annual General Meeting of Carnival plc Shareholders to be reflected in the Annual Meeting of Carnival Corporation Shareholders through the mechanism of the special voting share. An equivalent vote is cast on the corresponding resolutions at the Carnival plc Annual General Meeting through a special voting share issued by Carnival plc.

A joint electorate action is approved if it is approved by:

- a simple majority of the votes cast in the case of an ordinary resolution (or not less than 75% of the votes cast in the case of a special resolution, if required by applicable law and regulations or

Carnival plc's Articles of Association) by the holders of Carnival plc's ordinary shares and the holder of the Carnival plc special voting share voting as a single class at a meeting at which a quorum was present and acting;

- a simple majority of the votes cast (or other majority if required by applicable law and regulations or the Carnival Corporation Articles of Incorporation and By-laws) by the holders of Carnival Corporation common stock and the holder of the Carnival Corporation special voting share, voting as a single class at a meeting which a quorum was present and acting; and
- a minimum of one-third of the total votes available to be voted by the combined shareholders must be cast on each resolution for it to be effective. Formal abstentions (or votes withheld) by a shareholder on a resolution will be counted as having been "cast" for this purpose.

HOW ARE THE DIRECTORS OF EACH COMPANY ELECTED OR RE-ELECTED?

Resolutions relating to the election or re-election of Directors are considered as joint electorate actions. No person may be a member of the Board of Directors of Carnival Corporation or Carnival plc without also being a member of the Board of Directors of the other company. There are 12 nominees for re-election to the Board of Directors of each company this year. Each nominee currently serves as a Director of Carnival Corporation and Carnival plc. All nominees for Director are to be re-elected to serve until the next Annual Meetings of Shareholders and until their successors are elected.

Carnival plc's Articles of Association currently require Directors to submit themselves for election by shareholders at the first Annual General Meeting following their initial appointment to the Board of Directors and for re-election thereafter at subsequent Annual General Meetings at intervals of no more than three years. The Boards of Directors have decided, in accordance with the UK Corporate Governance Code, to submit all Directors for re-election on an annual basis.

WHAT VOTES ARE REQUIRED TO APPROVE THE PROPOSALS?

Proposals	Vote Required
• Proposals 1 through 18 will be proposed as **ordinary resolutions.**	For ordinary resolutions, the **required majority is more than 50% of the combined votes cast** at this meeting and the Annual Meeting of Carnival Corporation Shareholders.
• Proposals 19 and 20 will be proposed as **special resolutions**.	For special resolutions, the **required majority is not less than 75% of the combined votes cast** at this meeting and the Annual Meeting Carnival Corporation Shareholders.

Proposals 19 and 20 are required to be approved by not less than 75% of the combined votes cast at both Annual Meetings of Shareholders. Each of the other proposals, including the re-election of Directors, requires the approval of a majority of the combined votes cast at both Annual Meetings of Shareholders. Abstentions and broker non-votes are not deemed votes cast for purposes of calculating the vote. Abstentions and broker non-votes do count for the purpose of determining whether a quorum is present.

If you are a beneficial owner of Carnival Corporation common stock and do not provide the shareholder of record with voting instructions, your shares may constitute broker non-votes.

Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because:

- the broker has not received voting instructions from the beneficial owner; and
- the broker lacks discretionary voting power to vote such shares.

Accordingly, if you are a beneficial owner of shares held through intermediaries such as brokers, banks and other nominees, such intermediaries are not permitted to vote without specific instructions from you unless the matter to be voted on is considered "routine." In this Proxy Statement, Proposals 15 and 16 (the re-appointment and remuneration of independent auditors of Carnival plc and the ratification of independent registered public accounting firm of Carnival Corporation), Proposal 17 (the receipt of accounts and reports of Carnival plc), Proposal 18 (allotment of new shares by Carnival plc), Proposal 19 (disapplication of pre-emption rights in relation to the allotment of new shares by Carnival plc) and Proposal 20 (general authority for Carnival plc to buy back Carnival plc ordinary shares) are considered "routine," and therefore, brokers are permitted to vote on these proposals without receiving voting instructions from you. On each of the other proposals, Proposals 1-12 (the re-election of Directors), Proposal 13 (the approval of the fiscal 2021 compensation of our Named Executive Officers) and Proposal 14 (approval of the Carnival plc Directors' Remuneration Report), your broker, bank or other nominee will not be permitted to vote your shares without receiving voting instructions from you.

ROUTINE PROPOSALS

BROKERS ARE PERMITTED TO VOTE ON THESE PROPOSALS WITHOUT RECEIVING VOTING INSTRUCTIONS FROM YOU

✓ **PROPOSAL 15**

The re-appointment of the UK firm of PricewaterhouseCoopers LLP as independent auditors of Carnival plc and the ratification of the selection of the U.S. firm of PricewaterhouseCoopers LLP as the independent auditors of Carnival Corporation

✓ **PROPOSAL 16**

The authorization of the Audit Committee of Carnival plc to determine the remuneration of the independent auditors of Carnival plc

✓ **PROPOSAL 17**

The receipt of the UK accounts and reports of the Directors and auditors of Carnival plc for the fiscal year ending November 30, 2021

✓ **PROPOSAL 18**

The approval of a grant of authority for the allotment of new shares by Carnival plc

✓ **PROPOSAL 19**

The approval of the disapplication of pre-emption rights in relation to the allotment of new shares by Carnival plc

✓ **PROPOSAL 20**

The approval of a general authority for Carnival plc to buy back Carnival plc ordinary shares

NON-ROUTINE PROPOSALS

YOUR BROKER, BANK OR OTHER NOMINEE WILL NOT BE PERMITTED TO VOTE YOUR SHARES WITHOUT RECEIVING VOTING INSTRUCTIONS FROM YOU

✓ **PROPOSALS 1–12**

Re-election of 12 Directors, each to serve as a Director of Carnival Corporation and as a Director of Carnival plc

✓ **PROPOSAL 13**

The approval of the fiscal 2021 compensation of our Named Executive Officers

✓ **PROPOSAL 14**

The approval of the Carnival plc Directors' Remuneration Report

GENERALLY, WHAT ARE PROCEDURAL RESOLUTIONS?

Procedural resolutions are resolutions of a procedural or technical nature that do not adversely affect the shareholders of the other company in any material respect and are put to the shareholders at a meeting.

The special voting shares do not represent any votes on "procedural resolutions." The Chair of each of the meetings will determine whether a resolution is a procedural resolution.

To the extent that such matters require the approval of the shareholders of either company, any of the following will be procedural resolutions:

- that certain people be allowed to attend or be excluded from attending the meeting;
- that discussion be closed and the question put to the vote (provided no amendments have been raised);
- that the question under discussion not be put to the vote (where a shareholder feels the original motion should not be put to the meeting at all, if such original motion was brought during the course of that meeting);
- to proceed with matters in an order other than that set out in the notice of the meeting;
- to adjourn the debate (for example, to a subsequent meeting); and
- to adjourn the meeting.

WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETINGS OF SHAREHOLDERS?

The voting results will be announced to the media and the relevant stock exchanges and posted on our website at www.carnivalcorp.com and www.carnivalplc.com, after both Annual Meetings of Shareholders have closed. The results will also be published in a joint current report on Form 8-K within four business days after the date the Annual Meetings of Shareholders have closed.

WHAT IS THE QUORUM REQUIREMENT FOR THE ANNUAL MEETINGS OF SHAREHOLDERS?

The quorum requirement for holding the Annual Meetings of Shareholders and transacting business as joint electorate actions at the meetings is one-third of the total votes capable of being cast by all shareholders of both companies. Shareholders may be present in person or represented by proxy or corporate representative at the meetings.

HOW IS THE QUORUM DETERMINED?

For the purposes of determining a quorum with respect to joint electorate actions, the special voting shares have the maximum number of votes attached to them as were cast on such joint electorate actions, either for, against or abstained, at the parallel shareholder meeting of the other company, and such maximum number of votes (including abstentions) constitutes shares entitled to vote and present for the purposes of determining whether a quorum exists at such a meeting.

In order for a quorum to be validly constituted with respect to meetings of shareholders convened to consider a joint electorate action or class rights action, the special voting entities must be present.

Abstentions (including votes withheld) and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

IS MY VOTE CONFIDENTIAL?

Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed to third parties except:

- as necessary to meet applicable legal requirements;
- to allow for the tabulation of votes and certification of the vote; or
- to facilitate a successful proxy solicitation by our Boards of Directors.

Occasionally, shareholders provide written comments on their proxy card which are then forwarded to management.

WHO WILL BEAR THE COST OF SOLICITING VOTES FOR THE ANNUAL MEETINGS OF SHAREHOLDERS?

We are providing these proxy materials in connection with the solicitation by the Boards of Directors of proxies to be voted at the Annual Meetings of Shareholders. We will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes for the Annual Meetings of Shareholders. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to shareholders.

CAN I VIEW THE PROXY MATERIALS ELECTRONICALLY?

Yes. This Proxy Statement and any other proxy materials have been posted on our website at **www.carnivalcorp.com** and **www.carnivalplc.com**. Carnival Corporation shareholders can also access proxy-related materials at **www.proxyvote.com** as described under "Questions Specific to Shareholders of Carnival Corporation."

WHAT REPORTS ARE FILED BY CARNIVAL CORPORATION AND CARNIVAL PLC WITH THE SEC AND HOW CAN I OBTAIN COPIES?

We file this Proxy Statement, joint Annual Reports on Form 10-K, joint Quarterly Reports on Form 10-Q and joint Current Reports on Form 8-K with the SEC.

Copies of this Proxy Statement, the Carnival Corporation & plc joint Annual Report on Form 10-K for the year ended November 30, 2021, as well as any joint Quarterly Reports on Form 10-Q or joint Current Reports on Form 8-K, as filed with the SEC can be viewed or obtained without charge through the SEC's website at **www.sec.gov** (under Carnival Corporation or Carnival plc) or at **www.carnivalcorp.com** and **www.carnivalplc.com**.

COPIES WILL ALSO BE PROVIDED TO SHAREHOLDERS WITHOUT CHARGE UPON WRITTEN REQUEST TO INVESTOR RELATIONS:

Carnival Corporation Carnival Place 3655 N.W. 87th Avenue Miami, Florida 33178-2428 United States	or	Carnival plc Carnival House 100 Harbour Parade Southampton SO15 1ST United Kingdom

We encourage you to take advantage of the convenience of accessing these materials through the internet as it:

- is simple and fast to use
- saves time and money
- is environmentally friendly

MAY I PROPOSE ACTIONS FOR CONSIDERATION AT NEXT YEAR'S ANNUAL MEETINGS OF SHAREHOLDERS?

Carnival Corporation shareholders and Carnival plc shareholders (to the extent permitted under Carnival Corporation's and Carnival plc's governing documents and U.S. and UK law, as applicable) may submit proposals for consideration at future shareholder meetings.

In order for shareholder proposals to be considered for inclusion in our Proxy Statement in accordance with SEC Rule 14a-8 for next year's Annual Meetings of Shareholders, the written proposals must be received by our Company Secretary no later than the close of business October 18, 2022. Such proposals will need to comply with applicable SEC regulations regarding the inclusion of shareholder proposals in proxy materials. Carnival Corporation's By-laws establish advance notice procedures with regard to shareholder proposals that are not submitted for inclusion in the Proxy Statement, but that shareholders instead wish to present directly at an Annual Meeting of Shareholders. To be properly brought before the Annual Meetings of Shareholders, a notice of the proposal must be submitted to our Company Secretary at our headquarters no later than six weeks prior to the Annual Meetings of Shareholders or, if later, the time at which the notice of such meeting is publicly disclosed. For shareholders of Carnival plc, the same requirements apply under UK law requirements to submit a notice of a proposal.

MAY I NOMINATE INDIVIDUALS TO SERVE AS DIRECTORS?

In order to submit a nominee for election at the Annual Meetings of Shareholders you must provide the information required for Director nominations set forth in Carnival Corporation's and Carnival plc's governing documents in a timely manner. Specifically, under the governing documents, you must submit your notice of nomination in writing to the attention of our Company Secretary at our headquarters not later than seven days nor earlier than 42 days prior to the 2022 Annual Meetings of Shareholders.

Any such notice must include, in addition to any other requirements specifically set forth in Carnival Corporation's and Carnival plc's governing documents:

- the name and address of the candidate;
- a brief biographical description, including his or her occupation and service on boards of any public company or registered investment company for at least the last five years;
- a statement of the particular experience, qualifications, attributes or skills of the candidate, taking into account the factors referred to in the "Nominations of Directors" section ; and
- the candidate's signed consent to serve as a Director if elected, and to be named in our Proxy Statement.

Shareholders may also recommend candidates for consideration by our Boards' Nominating & Governance Committees in accordance with the procedures set forth in the "Procedures Regarding Director Candidates Recommended by Shareholders" section.

Questions Specific to Shareholders of Carnival Corporation

WHAT CARNIVAL CORPORATION SHARES OWNED BY ME CAN BE VOTED?

All Carnival Corporation shares owned by you as of February 7, 2022, the record date, may be voted by you. These shares include those:

- held directly in your name as the shareholder of record, including shares purchased through Carnival Corporation's Dividend Reinvestment Plan and its Employee Stock Purchase Plan; and
- held for you as the beneficial owner through a stockbroker, bank or other nominee.

WILL I BE ASKED TO VOTE AT THE CARNIVAL PLC ANNUAL GENERAL MEETING?

No. Your vote at the Annual Meeting of Carnival Corporation Shareholders, for the purposes of determining the outcome of combined voting, is automatically reflected as appropriate at the parallel Annual General Meeting of Carnival plc Shareholders through the mechanism of the special voting share issued by Carnival plc.

WHY DID I RECEIVE A ONE-PAGE NOTICE IN THE MAIL REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF A FULL SET OF PROXY MATERIALS?

Carnival Corporation is taking advantage of SEC rules that allow it to deliver proxy materials over the Internet. Under these rules, Carnival Corporation is sending its shareholders a one-page notice regarding the Internet availability of proxy materials (the "Notice of Internet Availability of Proxy Materials") instead of a full set of proxy materials, unless they previously requested to receive printed copies. You will not receive printed copies of the proxy materials unless you specifically request them. Instead, this notice tells you how to access and review on the Internet all the important information contained in the proxy materials. This notice also tells you how to submit your proxy card on the Internet and how to request to receive a printed copy of the proxy materials.

WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A SHAREHOLDER OF RECORD AND AS A BENEFICIAL OWNER?

Most of the shareholders of Carnival Corporation hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Computershare SHAREHOLDER OF RECORD	BENEFICIAL OWNER
• If your shares are registered directly in your name with Carnival Corporation's transfer agent, Computershare Investor Services LLC, you are considered, with respect to those shares, the shareholder of record, and the Notice of Internet Availability of Proxy Materials or set of printed proxy materials, as applicable, is being sent directly to you by us. • As the shareholder of record, you have the right to grant your voting proxy directly to the persons named in the proxy or to vote in person at the Annual Meeting of Carnival Corporation Shareholders. • If you request a paper copy of the proxy materials as indicated in the notice, Carnival Corporation will provide a proxy card for you to use.	• If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held under street name, and the Notice of Internet Availability of Proxy Materials or set of printed proxy materials, as applicable, is being forwarded to you by your broker or nominee who is considered, with respect to those shares, the shareholder of record. • As the beneficial owner, you have the right to direct your broker on how to vote and are also invited to attend the Annual Meeting of Carnival Corporation Shareholders. • However, since you are not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. • If you request a paper copy of the proxy materials as indicated in the notice, your broker or nominee will provide a voting instruction card for you to use.

HOW CAN I VOTE MY CARNIVAL CORPORATION SHARES IN PERSON AT THE MEETING?

Shares held directly in your name as the shareholder of record may be voted in person at the Annual Meeting of Carnival Corporation Shareholders in the U.S. If you choose to do so, please bring your proxy card and proof of identification.

Even if you plan to attend the Annual Meeting of Carnival Corporation Shareholders, we recommend that you also submit your proxy as described below so that your vote will be counted if you later decide not to attend the meeting. Shares held under street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares. Please refer to the voting instructions provided by your broker or nominee.

Please also refer to the sections entitled "Meeting Admission Requirements" and "Safety and Security Measures" included in the "Information about Attending the Annual Meetings" section preceding the Notice of Annual Meeting for additional information.

HOW CAN I VOTE MY CARNIVAL CORPORATION SHARES WITHOUT ATTENDING THE ANNUAL MEETING OF CARNIVAL CORPORATION SHAREHOLDERS?

Whether you hold shares directly as the shareholder of record or beneficially under street name, you may direct your vote without attending the Annual Meeting of Carnival Corporation Shareholders. You may vote by granting a proxy or, for shares held under street name, by submitting voting instructions to your broker or nominee. For shareholders of record, you may do this by voting on the Internet or by telephone by following the instructions in the notice you received in the mail. Where your shares are held under street name, in most instances you will be able to do this over the Internet or by telephone by following the instructions in the notice you received in the mail, or if you received a full printed set of proxy materials in the mail, by mail. Please refer to the voting instruction card included by your broker or nominee.

If you received a full printed set of proxy materials in the mail, you can also vote by signing your proxy card and mailing it in the enclosed envelope. If you provided specific voting instructions, your shares will be voted as you instruct.

If you are a record holder and submit a proxy but do not provide instructions, your shares will be voted as described below in "*How are votes counted?*"

CAN I CHANGE MY VOTE?

Yes. You may change your proxy instruction at any time prior to the vote at the Annual Meeting of Carnival Corporation Shareholders. For shares held directly in your name, you may accomplish this by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) or by attending the Annual Meeting of Carnival Corporation Shareholders and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares owned beneficially by you, you may accomplish this by submitting new voting instructions to your broker or nominee.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS OR SET OF PRINTED PROXY MATERIALS, AS APPLICABLE?

It means your shares are registered differently or are in more than one account. Please follow the instructions in each notice to ensure all of your shares are voted.

HOW DO I REQUEST ADDITIONAL COPIES OF THE PROXY MATERIALS?

You may have received only one Notice of Internet Availability of Proxy Materials or set of printed proxy materials, even though there are two or more shareholders at the same address.

Broadridge Financial Solutions, Inc., the entity we retained to mail the Notice of Internet Availability of Proxy Materials or printed proxy materials to Carnival Corporation's registered owners and the entity retained by the brokerage community to mail the Notice of Internet Availability of Proxy Materials or printed proxy materials to Carnival Corporation's beneficial owners, has been instructed to deliver only one notice or set of printed proxy materials to multiple security holders sharing an address unless we have received contrary instructions from you or one of the other shareholders. We will promptly deliver a separate copy of the notice or set of printed proxy materials for this year's Annual Meeting of Carnival Corporation Shareholders or for any future meetings to any shareholder upon written or oral request. To make such request, please contact Broadridge Financial Solutions at:

866-540-7095

Broadridge Financial Solutions
Attention: Householding Department
51 Mercedes Way
Edgewood, New York 11717

Similarly, you may contact us through any of these methods if you receive multiple notices or sets of printed proxy materials and would prefer to receive a single copy in the future.

WHO CAN ATTEND THE ANNUAL MEETING OF CARNIVAL CORPORATION SHAREHOLDERS?

All Carnival Corporation shareholders of record as of February 7, 2022, or their duly appointed proxies, may attend and vote at the Annual Meeting of Carnival Corporation Shareholders. Please note that each shareholder or their duly appointed proxies will be required to comply with the "Meeting Admission Requirements" and "Safety and Security Measures" included in the "Information about Attending the Annual Meetings" section preceding the Carnival Corporation Notice of Annual Meeting.Each shareholder may appoint only one proxy holder or representative to attend the meeting on his or her behalf.

In addition, if you hold your shares through a stockbroker or other nominee, you will need to provide proof of ownership by bringing either a copy of the voting instruction card provided by your broker or a copy of a brokerage statement showing your share ownership as of February 7, 2022, together with proof of identification. Cameras, audio and video recording devices and other electronic devices will not be permitted at the meeting.

WHAT CLASS OF SHARES ARE ENTITLED TO BE VOTED AT THE ANNUAL MEETING OF CARNIVAL CORPORATION SHAREHOLDERS?

Carnival Corporation has only one class of common stock outstanding. Each share of Carnival Corporation common stock outstanding as of the close of business on February 7, 2022, the record date, is entitled to one vote at the Annual Meeting of Shareholders. As of January 13, 2022 Carnival Corporation had 986,363,933 shares of common stock issued and outstanding. The trust shares of beneficial interest in the P&O Princess Special Voting Trust that are paired with your shares of common stock do not give you separate voting rights.

HOW ARE VOTES COUNTED?

You may vote "FOR," "AGAINST" or "ABSTAIN" for each of the proposals. If you "ABSTAIN," it has no effect on the outcome of the votes, although abstentions will be counted for the purposes of determining if a quorum is present for joint electorate actions. If you submit a proxy with no further instructions, your shares will be voted in accordance with the recommendations of the Boards of Directors.

WHAT HAPPENS IF ADDITIONAL PROPOSALS ARE PRESENTED AT THE ANNUAL MEETING OF CARNIVAL CORPORATION SHAREHOLDERS?

Other than the proposals described in this Proxy Statement, Carnival Corporation does not expect any matters to be presented for a vote at the 2022 Annual Meeting of Carnival Corporation Shareholders. If you grant a proxy, the persons named as proxy holders, the Chair and Secretary of the 2022 Annual Meeting of Carnival Corporation Shareholders, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees is unable to accept nomination or election (which is not anticipated), the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Boards of Directors.

WHO WILL COUNT THE VOTE?

Broadridge Financial Solutions will tabulate the votes and act as the inspector of elections.

Questions Specific to Shareholders of Carnival plc

WHO IS ENTITLED TO ATTEND AND VOTE AT THE CARNIVAL PLC ANNUAL GENERAL MEETING?

If you are a Carnival plc shareholder registered in the register of members of Carnival plc at 6:30 p.m. (BST) on April 6, 2022, you will be entitled to attend in person and vote at the Annual General Meeting. in respect of the number of Carnival plc ordinary shares registered in your name at that time.

You may also appoint a proxy to attend, speak and vote instead of you. If you are a corporation you may appoint a corporate representative to represent you and vote your shareholding in Carnival plc at the Annual General Meeting. For further details regarding appointing a proxy or corporate representative, please see below.

Please note that each shareholder or their duly appointed proxies and corporate representatives will be required to comply with the "Meeting Admission Requirements" and "Safety and Security Measures" in the "Information about Attending the Annual Meetings" section preceding the Carnival plc Notice of Annual General Meeting.

WILL I BE ASKED TO VOTE AT THE ANNUAL MEETING OF CARNIVAL CORPORATION SHAREHOLDERS?

No. Your vote at the Annual General Meeting of Carnival plc Shareholders, for the purposes of determining the outcome of combined voting, will automatically be reflected as appropriate at the parallel Annual Meeting of Carnival Corporation Shareholders through the mechanism of a special voting share issued by Carnival Corporation.

HOW DO I VOTE MY CARNIVAL PLC SHARES WITHOUT ATTENDING THE ANNUAL GENERAL MEETING OF CARNIVAL PLC SHAREHOLDERS?

You may vote your Carnival plc shares at the Annual General Meeting of Carnival plc Shareholders by completing and signing the enclosed form of proxy in accordance with the instructions set out on the form and returning it as soon as possible, but in any event so as to be received by Carnival plc's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA, by not later than 1:30 p.m. (BST) on April 6, 2022. Alternatively, a proxy vote may be submitted via the internet in accordance with the instructions set out in the proxy form. It is also possible to appoint a proxy via the CREST system (please see the Carnival plc Notice of Annual General Meeting for further details). Voting by proxy does not preclude you from attending the Annual General Meeting and voting in person should you wish to do so.

If you are a corporation, you can vote your Carnival plc shares at the Annual General Meeting by appointing one or more corporate representatives. You are strongly encouraged to pre-register your corporate representative to make registration on the day of the Annual General Meeting more efficient. In order to pre-register you would need to email your Letter of Representation to Carnival plc's registrars, Equiniti Limited, at proxyvotes@equiniti.com.

Corporate representatives themselves are urged to arrive at least two hours before commencement of the Annual General Meeting to assist Carnival plc's registrars with the appropriate registration formalities. Whether or not you intend to appoint a corporate representative, you are strongly encouraged to return the enclosed form of proxy to Carnival plc's registrars.

CAN I CHANGE MY VOTE GIVEN BY PROXY OR BY MY CORPORATE REPRESENTATIVE?

Yes. You may change your proxy vote by either:

- completing, signing and dating a new form of proxy in accordance with its instructions and returning it to Carnival plc's registrars by no later than 1:30 p.m. (BST) on April 6, 2022; or
- attending and voting in person at the Annual General Meeting.

If you do not attend and vote in person at the Annual General Meeting and wish to revoke the appointment of your proxy or corporate representative, you must do so by delivering a notice of such revocation to Carnival plc's registrars at least three hours before the start of the Annual General Meeting.

WHAT CLASS OF SHARES ARE ENTITLED TO BE VOTED AT THE CARNIVAL PLC ANNUAL GENERAL MEETING?

Carnival plc has only one class of ordinary shares in issue. Each Carnival plc ordinary share in issue as of the close of business on April 6, 2022, is entitled to one vote at the Annual General Meeting. As of January 13, 2022, Carnival plc had 185,007,921 ordinary shares in issue. However, the 34,596,640 Carnival plc ordinary shares directly or indirectly held by Carnival Corporation have no voting rights (in accordance with the Articles of Association of Carnival plc). As a result, as of January 13, 2022, the total voting rights in Carnival plc were 150,411,281ordinary shares.

HOW ARE VOTES COUNTED?

You may vote "FOR," "AGAINST" or "ABSTAIN" your vote for each of the resolutions. If you "ABSTAIN," it has no effect on the outcome of the votes, although abstentions will be counted for the purposes of determining if a quorum is present for joint electorate actions.

Annex A—Carnival plc Directors' Report

Carnival plc and Carnival Corporation are separate legal entities (together referred to as "Carnival Corporation & plc") and each company has its own Board of Directors and Committees of the Board. However, as is required by the agreements governing the dual listed company ("DLC") arrangement, there is a single senior management team and the Boards of Directors and members of the Committees of the Boards are identical. This Directors' Report has been prepared and presented in accordance with and in reliance upon UK company law and, accordingly, the liabilities of the Directors in connection with this Directors' Report shall be subject to the limitations and restrictions provided by such law.

In accordance with the UK Financial Conduct Authority's Listing Rules, the information to be included in the Annual Report and Accounts, where applicable, under Listing Rule 9.8.4, is set out in this Directors' Report, with the exception of the details regarding interest capitalized, which are set out in the Carnival plc consolidated IFRS financial statements, and the details of long-term incentive schemes, which are set out in the Carnival plc Directors' Remuneration Report. Information regarding future developments of the business and business model of Carnival Corporation & plc can be found in following sections of the Carnival plc Strategic Report that accompanies the Carnival plc consolidated IFRS financial statements (the "Strategic Report"): 1.A.II Recent Developments, 1.A.III Visions, Goals and Related Strategies and 1.C. Our Global Cruise Business. The financial risk management objectives and policies and exposure to foreign currency risk, fair value risk, cash flow interest rate risk, credit risk and liquidity risk can be found in Note 24 to the Carnival plc consolidated IFRS financial statements.

DIVIDENDS

During the year ended November 30, 2021, Carnival plc did not pay any dividends (2020—$1.00 per share). On March 30, 2020, the Boards suspended future dividends. Accordingly, no dividends have been paid or are proposed in respect of fiscal 2022.

SHARE CAPITAL AND CONTROL

Changes in the share capital of Carnival plc during fiscal 2021 are given in Note 17 to the Carnival plc consolidated IFRS financial statements.

The share capital of Carnival plc at January 13, 2022 includes two allotted and issued subscriber shares of £1 each, 50,000 allotted but unissued redeemable preference shares of £1 each, one allotted and issued special voting share of £1 and 185,007,921 allotted and issued ordinary shares of $1.66 each. The subscriber shares carry no voting rights and no right to receive any dividend or any amount paid on a return of capital. The redeemable preference shares carry no voting rights, but are entitled to payment of a cumulative preferential fixed dividend of eight percent per annum on the amount paid up on each such share that is in issue. On a return of capital on a winding up or otherwise, the redeemable preference shares rank behind the ordinary shares but ahead of any other class of shares, and are entitled to receive payment of the amount paid up or credited as paid up on each such share. Redeemable preference shares which are fully paid may be redeemed at any time at the election of the holder or of the company, in which case the amount payable on redemption is the amount credited as paid up on each share which is redeemed, together with all arrears and accruals of the preferential dividend.

Details of restricted stock units granted to employees are given in Note 20 to the Carnival plc consolidated IFRS financial statements.

The Articles of Association of Carnival plc contain provisions which, in certain circumstances, would have the effect of preventing a shareholder (or a group of shareholders acting in concert) from holding or exercising the voting rights attributable to shares in Carnival plc which are acquired by them. These provisions would have effect if a shareholder (or a group of shareholders acting in concert) were to acquire ordinary shares in Carnival plc with the result that the total voting rights exercisable by that shareholder or group of shareholders on matters put to a vote as joint electorate actions under the DLC arrangement would exceed 30 percent of the total voting rights exercisable in respect of any joint electorate action. They would also have effect if a shareholder (or group of shareholders acting in concert) already holding between 30 percent and 50 percent of the total voting rights exercisable in respect of any joint electorate action were to acquire shares in Carnival plc and thereby increase the percentage of voting rights so held. In each such case, the percentage of voting rights held is determined after taking into account voting rights attributable to shares of Carnival Corporation common stock held by such shareholder (or group of shareholders) and also taking into account the effect of the equalization ratio which gives effect to common voting by the shareholders of Carnival plc and Carnival Corporation on joint electorate actions under the DLC arrangement.

Under the relevant provisions of the Articles of Association of Carnival plc (articles 277 to 287) shares which are acquired by a person and which trigger the thresholds referred to in the foregoing paragraph may be sold at the direction of the Board, and the proceeds remitted to the acquiring shareholder, net of any costs incurred by Carnival plc. Pending such sale any dividends paid in respect of such shares would be paid to a charitable trust, and the trustee of such trust would be entitled to exercise the voting rights attaching to the shares. The restrictions summarized in the preceding paragraphs would not apply in the case of an acquisition of shares that is made in conjunction with a takeover offer for Carnival plc, which is announced in accordance with the City Code on Takeovers and Mergers, for so long as that offer has not lapsed or been withdrawn. However, if such a takeover offer is not made, or lapses or is withdrawn, the restrictions will apply in respect of any acquired shares.

The foregoing is a summary only of the relevant provisions of the Articles of Association of Carnival plc, and for a complete understanding of their effect, shareholders are recommended to refer to the Articles of Association themselves. A copy of the Articles of Association of Carnival plc is available at Carnival plc's website at www.carnivalplc.com or upon request from the Company Secretary, 3655 N.W. 87th Avenue, Miami, Florida 33178, United States.

There are nine significant agreements to which Carnival plc is a party, which may be altered or terminated in the event of a change of control as follows:

- Under the **Facilities Agreement** originally dated May 18, 2011, as amended and restated on August 6, 2019, as further amended on December 31, 2020, May 11, 2021 and September 30, 2021, and as may be further amended and extended from time to time, by and among Carnival Corporation, Carnival plc, Bank of America Merrill Lynch International Designated Activity Company (as facilities agent), and a syndicate of financial institutions, which provides for approximately $1.7 billion, €1.0 billion and £150 million in revolving credit facilities, the revolving credit facilities may, under certain circumstances, be cancelled upon a change of control of Carnival plc (other than a change which results in control of Carnival plc being vested in Carnival Corporation or in certain members of the Arison family or trusts related to them).
- Under the **Term Loan Agreement** dated as of June 30, 2020, as amended on December 3, 2020 and as further amended on June 30, 2021, October 5, 2021 and October 18, 2021, among Carnival Corporation, as lead borrower, Carnival Finance, LLC, as co-borrower, Carnival plc, as a guarantor, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions party thereto from time to time (the "Term Loan Agreement"), Carnival Corporation and Carnival Finance incurred two tranches of term loans in the initial aggregate principal amounts of $1.86 billion and €0.8 billion, respectively, as well as an incremental tranche of $2.3 billion. Under certain circumstances, a change of control of Carnival plc (other than a change which results in control of Carnival plc being vested in Carnival Corporation or in certain members of the Arison family or trusts

related to them) could constitute an event of default under the Term Loan Agreement, which would permit the lenders thereunder to accelerate the term loans.

- Under:
  - (i) the **Indenture dated as of July 20, 2020** among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, security agent, principal paying agent, transfer agent and registrar, as supplemented by the First Supplemental Indenture, dated as of November 18, 2020, relating to the U.S. dollar-denominated 10.500% Second-Priority Senior Secured Notes due 2026 in an aggregate principal amount of $775 million and the Euro-denominated 10.125% Second-Priority Senior Secured Notes due 2026 in an aggregate principal amount of €425 million;
  - (ii) the **Indenture dated as of August 18, 2020** among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, security agent, principal paying agent, transfer agent and registrar, as supplemented by the First Supplemental Indenture, dated as of November 18, 2020, relating to the 9.875% Second-Priority Senior Secured Notes due 2027 in an aggregate principal amount of $900 million;
  - (iii) the **Indenture dated as of November 25, 2020** among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, principal paying agent, transfer agent and registrar, relating to the U.S. dollar-denominated 7.625% Senior Unsecured Notes due 2026 in an aggregate principal amount of $1.45 billion and the Euro-denominated 7.625% Senior Unsecured Notes due 2026 in an aggregate principal amount of €500 million;
  - (iv) the **Indenture dated as of February 16, 2021** among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, principal paying agent, transfer agent and registrar, relating to the 5.75% Senior Unsecured Notes due 2027 in an aggregate principal amount of $3.5 billion;
  - (v) the **Indenture dated as of July 26, 2021**, among Carnival Corporation, as issuer, Carnival plc, the other Guarantors party hereto and U.S. Bank National Association, as trustee, principal paying agent, transfer agent, registrar and security agent, relating to the 4.00% First-Priority Senior Secured Notes due 2028 in the aggregate principal amount of $2.4 billion; and
  - (vi) the **Indenture dated as of November 2, 2021**, among Carnival Corporation, as issuer, Carnival plc, the other Guarantors party hereto and U.S. Bank National Association, as trustee, principal paying agent, transfer agent, registrar and security agent, relating to the 6.000% Senior Unsecured Notes due 2029 in an aggregate principal amount of $2 billion,

  Carnival Corporation may be required to make an offer to repurchase the notes issued under the relevant indenture at a redemption price of 101% of the principal amount of the notes upon the occurrence of certain change of control triggering events that are accompanied by a specified ratings downgrade with respect to the notes issued under the relevant indenture.
- Under the **Indenture dated as of April 6, 2020**, among Carnival Corporation, Carnival plc, the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture dated of as June 30, 2020 and the Second Supplemental Indenture dated as of Jul 8, 2020, relating to the 5.75% Convertible Senior Notes due 2023 in an aggregate principal amount of $2 billion (of which $522 million is outstanding as of November 30, 2021), if Carnival Corporation undergoes certain corporate events (each, a "fundamental change"), subject to certain conditions, holders may:
  - (a) convert their convertible notes into, at the election of Carnival Corporation, common stock of Carnival Corporation or cash or both, at a conversion rate specified in the indenture; or
  - (b) require Carnival Corporation to repurchase for cash all or any portion of their convertible notes at par.

Subject to certain exceptions, a fundamental change would occur upon, among others:

(1) a merger transaction pursuant to which Carnival Corporation's common stock is converted into other securities or assets;

(2) the sale of all or substantially all of the assets of Carnival Corporation to a third party; or

(3) a person or group (other than certain members of the Arison family or trusts related to them) becoming the beneficial owners of more than 50% of the rights to vote to elect the members of the Boards of Directors of Carnival Corporation and Carnival plc.

ARTICLES OF ASSOCIATION

The Articles of Association of Carnival plc may be amended by the passing of a special resolution of the shareholders. In common with many other corporate actions that might be undertaken by Carnival plc, such a resolution would be proposed as a joint electorate action on which the shareholders of Carnival plc and of Carnival Corporation effectively vote as a single unified body, as contemplated by the DLC arrangement.

PURCHASE OF OWN SHARES

In June 2021, the Boards of Directors authorized us to sell up to $500 million of Carnival Corporation common stock in the U.S. market and repurchase up to $500 million of Carnival plc ordinary shares in the UK as part of the Stock Swap Program. The Stock Swap Program allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares. Under the Stock Swap Program, we may elect to offer and sell shares of Carnival Corporation common stock, at prevailing market prices in ordinary brokers' transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market. Carnival Corporation repurchased 8,930,004 Carnival plc ordinary shares with a nominal value of $14,823,807, representing 5.94% of the called-up share capital of Carnival plc (which does not include the disenfranchised shares held by Carnival Corporation) as of January 13, 2022, for aggregate consideration of $186,510,449 from November 30, 2020 through January 13, 2022 under the Stock Swap Program. The Stock Swap program does not have an expiration date and may be discontinued by us at any time or upon achieving the authorized repurchase amount.

Shareholder approval is not required to buy back shares of Carnival Corporation, but is required under the UK Companies Act 2006 to buy back shares of Carnival plc. At the Annual General Meetings held on April 17, 2021, the authority for Carnival plc to buy back its own shares was approved. This authority enabled Carnival plc to buy back up to 18,383,016 ordinary shares of Carnival plc (being approximately 10 percent of Carnival plc's ordinary shares in issue). Under that authority, 8,930,004 Carnival plc ordinary shares have been purchased through January 13, 2022. That approval expires on the earlier of:

- the conclusion of Carnival plc's 2022 Annual General Meeting; or
- October 19, 2022.

Carnival Corporation & plc treats any such purchases made by Carnival Corporation under the Stock Swap Program as if they were made by Carnival plc under the Carnival plc buyback authority.

DIRECTORS

The names of all persons who served as Directors of Carnival Corporation and Carnival plc during fiscal 2021 and biographical notes about each of the Directors are contained in the Proxy Statement.

Details of the Directors' membership on Board Committees are set out in the Carnival plc Corporate Governance Report attached as Annex C to the Proxy Statement.

Upon becoming a member of the Board of Directors of Carnival plc, each new Director participates in an induction process, which includes:

- a meeting with all of the current Directors;
- provision of an induction pack;
- site visits (some of which were delayed given the impact of the COVID-19 pandemic); and
- meetings with senior and operational management teams.

The Directors update their skills, knowledge and familiarity with Carnival plc by attending appropriate internal and external seminars and training courses, meeting with senior management and visiting regional and divisional operating offices. The appointment and replacement of Directors of Carnival plc is governed by the provisions of the Articles of Association of Carnival plc and also by the provisions of the Equalization and Governance Agreement entered into on April 17, 2003 on the establishment of the DLC arrangement. The Articles of Association and the Equalization and Governance Agreement require that the Boards of Directors of Carnival plc and Carnival Corporation be comprised of exactly the same individuals.

The business of Carnival plc is managed by the Board of Directors, which may exercise all the powers of Carnival plc, including, without limitation, the power to:

- dispose of all or any part of the company's assets;
- borrow money;
- mortgage or pledge any of its assets;
- purchase Carnival plc's shares; and
- issue debentures, shares or other securities.

Details of the Directors' remuneration and their interests in the shares of Carnival Corporation and Carnival plc are set out in Part II of the Carnival plc Directors' Remuneration Report attached as Annex B to the Proxy Statement.

SUBSTANTIAL SHAREHOLDINGS

As of November 30, 2021, Carnival plc has been notified of material interests of three percent or more in Carnival plc's total voting rights as follows:

Shareholder	Number of Shares (#)	Percentage of Voting Rights (%)
Aristeia Capital, L.L.C.	9,350,746	6.2
Norges Bank (The Central Bank of Norway)	9,331,407	6.2
UBS Group AG	9,813,464	6.5

(1) Affiliates of Aristeia Capital, L.L.C. have an interest in these shares.

Carnival plc has not been notified of any changes between December 1, 2021 and January 13, 2022.

Carnival Corporation and Carnival Investments Limited are the holders of an aggregate of 34,596,640 Carnival plc ordinary shares as of January 13, 2022. These shares carry no voting rights or rights on liquidation unless Carnival Corporation owns over 90 percent of all the Carnival plc ordinary shares. Accordingly, the details of voting rights given in the preceding table take account of the absence of voting rights carried by these shares.

Except for the above, no person has disclosed relevant information to Carnival plc pursuant to rule 5 of the Disclosure Guidance and Transparency Rules.

CORPORATE GOVERNANCE AND DIRECTORS' REMUNERATION

A report on corporate governance and compliance with the UK Corporate Governance Code is contained in the Carnival plc Corporate Governance Report attached as Annex C to the Proxy Statement. Part I of the Carnival plc Directors' Remuneration Report is included in the Proxy Statement and Part II of the Carnival plc Directors' Remuneration Report is attached as Annex B to the Proxy Statement.

CORPORATE AND SOCIAL RESPONSIBILITY

HEALTH, ENVIRONMENTAL, SAFETY AND SECURITY

At Carnival Corporation & plc, our top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. We strive to be a company that people want to work for and to be an exemplary global corporate citizen. Our commitment and actions to keep our guests and crew members safe and comfortable, protect the environment, develop and provide opportunities for our workforce, strengthen stakeholder relations and enhance both the communities where we work as well as the port communities that our ships visit, are reflective of our brands' core values and vital to our success as a business enterprise.

The Boards of Directors of Carnival Corporation & plc established Board-level Health, Environmental, Safety & Security ("HESS") Committees comprised of six independent Directors. The principal function of the HESS Committees is to assist the Boards in fulfilling their responsibility to:

- supervise and monitor Carnival Corporation & plc's health, environmental, safety, security and sustainability-related policies, programs and initiatives at sea and ashore; and
- oversee compliance with related legal and regulatory requirements relating to health, environmental, safety, security and sustainability.

The HESS Committees and our management team review all significant risks or exposures and associated mitigating actions. Each of the Group Chief Executive Officers, each brands' President, the Chief Maritime Officer and senior maritime representatives attend the meetings of the HESS Committees.

In addition, Carnival Corporation & plc's HESS Policy describes our commitments to:

- protecting the health, safety and security of our passengers, guests, employees and all others working on our behalf, thereby promoting an organization that strives to be free of injuries, illness and loss;
- protecting the environment, including the marine environment in which our vessels sail and the communities in which we operate, striving to prevent adverse environmental consequences and using resources efficiently and sustainably;
- complying with or exceeding all legal and statutory requirements related to health, environment, safety, security and sustainability throughout our business activities; and
- assigning health, environment, safety, security and sustainability matters the same priority as other critical business matters.

The HESS Policy is published on the Carnival Corporation & plc website at **www.carnivalcorp.com** and **www.carnivalplc.com**.

The Boards recognize that Carnival Corporation & plc needs to ensure that there is a consistent standard of operation throughout their fleet in keeping with their leading position in the cruise industry. In this regard, the Carnival Corporation & plc Maritime Operations Department is headed by a Chief Maritime Officer, with a full-time professional and administrative staff, and is responsible for providing a common, integrated approach to management of HESS matters and for reporting to the HESS Committees on such matters. The Chief Maritime Officer reports to the Chief Operations Officer and to the Chair of the HESS Committees.

The Boards of Directors of Carnival Corporation & plc have also established Board-level Compliance Committees comprised of six independent Directors. The principal function of the Compliance Committees is to assist with the Boards' oversight of our ethics and compliance program.

Carnival Corporation & plc recognizes our responsibility to provide industry leadership and to conduct our business as a responsible global citizen.

Our corporate leadership is manifested in our Code of Business Conduct and Ethics, which requires that every employee and member of the Boards use sound judgment, maintain high ethical standards and demonstrate honesty in all business dealings. As a responsible global citizen, Carnival Corporation & plc is committed to achieving and maintaining the highest standards of professional and ethical conduct.

Risk Advisory & Assurance Services ("RAAS") is Carnival Corporation & plc's internal audit department and is headed by the Chief Audit Officer, who reports directly to the Chairs of the Audit and HESS Committees. The Chief Audit Officer also has a "dotted" reporting line to the Chief Operations Officer. RAAS conducts annual HESS audits of each brand's head office and of each ship in our fleet. These audits are in addition to the audits performed by third-party certification and regulatory auditors.

Each RAAS HESS audit is organized and planned to:

- verify compliance with applicable rules, corporate standards, brand policies and procedures, regulations, codes and guidance directly involved in the safe conduct of ship operations;
- verify the effectiveness and efficiency of the shipboard and shore-side HESS management systems; and
- identify opportunities for continuous improvement.

Carnival Corporation & plc has long been committed to operating responsibly. We believe that sustainability is about preserving our environment, respecting our employees and the communities where we do business and returning value to our shareholders. We voluntarily publish Sustainability Reports that address governance, stakeholder engagement, environmental, labor, human rights, society, product responsibility, economic and other sustainability-related issues and performance indicators. These reports, which are not incorporated in this document, can be viewed at **www.carnivalcorp.com**, **www.carnivalplc.com** and **www.carnivalsustainability.com**, were developed in accordance with the Global Reporting Initiative ("GRI") Standards, the global standard for sustainability reporting. We have been publishing Sustainability Reports since 2011.

For the year ended November 30, 2022, we will include disclosures consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") in the Strategic Report and where disclosures are not consistent with some or all of the TCFD's recommendations, we will include an explanation and a description of any steps we are taking, as needed. We voluntarily reported our progress to date consistent with TCFD in our 2020 Sustainability Report and we are working to identify where we need to improve or change our processes to enhance our disclosures. Further information on the progress to date and the areas of enhancement across the TCFD thematic areas is available in the Strategic Report.

As part of our sustainability strategy, we have voluntarily reported our carbon footprint via the CDP (formerly, the Carbon Disclosure Project) each year since 2006. The CDP rates companies on the depth and scope of their disclosures and the quality of their reporting. We have developed a greenhouse gas inventory management plan in 2010 in accordance with the requirements of International Organization for Standardization ("ISO") 14064-1:2006 standard and The Greenhouse Gas Protocol. Our submission includes details of our most recently compiled emissions data and reduction efforts, along with the results of an independent, third-party verification of our greenhouse gas emissions inventory. The verification process for 2021 is not yet completed. We also disclose our water stewardship through the CDP water program.

Carnival Corporation & plc's environmental management system is certified in accordance with the ISO 14001:2015 Environmental Management System standard.

We are committed to continuing to reduce our carbon emissions and aspire to achieve net carbon-neutral ship operations by 2050, well ahead of current IMO targets, while minimizing the use of carbon offsets. To achieve this aspiration, we are partnering with key organizations to help identify and scale new technologies not yet ready for the cruise industry. We believe our scale will support our effort to lead the industry in climate action. The company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

As part of our plan for carbon footprint reduction, we lead the cruise industry's use of LNG powered cruise ships with a total of 11 next-generation cruise ships that are expected to join the fleet through 2025, including four ships already in operation as of November 30, 2021. In total, these ships are expected to represent 20% of our total future capacity. LNG vessels generate up to 20% less carbon emissions than traditionally powered ships, while almost eliminating sulfur oxides, reducing nitrogen oxides by 85% and particulate matter by 95%-100%. While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals. For example, we are partnering to evaluate and pilot maritime scale battery technology and methanol powered fuel cells and working with classification societies and other stakeholders to assess lower carbon fuel options for cruise ships including hydrogen, methanol, eLNG, and biofuels. We also pioneered the use of Advanced Air Quality Systems on board our ships to aid in the reduction of sulfur emissions and are promoting the use of shore power, enabling ships to use shoreside electric power where available while in port.

Following the achievement of our 2020 sustainability goals ahead of schedule in 2019, we have established new sustainability goals for 2030 and aspirations for 2050 as part of our ongoing commitment to sustainability and compliance throughout our global operations. These new goals incorporate six key focus areas listed below that align with elements of the United Nation's Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals. A key focus of our sustainability efforts is climate action which includes our commitment to reduce carbon emissions.

2030 Sustainability Goals

CLIMATE ACTION

- Achieve 40% reduction in carbon intensity rate by 2030 relative to 2008 baseline measured in both grams of CO2e per ALB-km and grams of CO2e per ALBD.
- Having peaked our absolute carbon emissions in 2011, we plan to continue to reduce emissions over time, and identify a pathway to decarbonization.
- Reduce absolute particulate matter air emissions by 50% relative to our 2015 baseline.
- Increase fleet shore power connection capability to 60% of the fleet.
- Expand liquefied natural gas (LNG) program.
- Optimize the reach and performance of our Advanced Air Quality System program.
- Expand battery, fuel cell, and biofuel capabilities.
- Reduce supply chain emissions associated with food procurement and waste management.
- Identify carbon offset options only when energy efficiency options have been exhausted.

CIRCULAR ECONOMY

- Achieved more than 50% reduction in single-use plastic items in 2021 relative to our 2018 baseline based on ships that have restarted during our gradual resumption of guest cruise operations.
- Achieve 50% reduction in single-use plastic items in 2022 relative to our 2018 baseline based on full fleet operations.
- Achieve 30% unit food waste reduction by 2022 and 50% unit food waste reduction by 2030 relative to our 2019 baseline.
- Increase Advanced Waste Water Treatment Systems (AWWTS) coverage to >75% of our fleet capacity.
- Send a larger percentage of waste to waste-to-energy facilities where practical.
- Partner with primary vendors to reduce upstream packaging volumes.

SUSTAINABLE TOURISM

- Establish partnerships with destinations focused on sustainable economic development, preservation of local traditions and capacity management.
- Continue to support disaster resilience, relief and recovery efforts.
- Build stronger community relationships in our employment bases and destinations via employee volunteering programs.

GOOD HEALTH AND WELL-BEING

- Committed to continued job creation.
- Implement global well-being standards by 2023.
- Reduce the number of guest and crew work-related injuries.
- Establish measurable culture metrics and set annual improvement targets

DIVERSITY, EQUITY AND INCLUSION

- Ensure our overall shoreside employee base reflects the diversity of the world by 2030.
- Expand shipboard and shoreside diversity, equity and inclusion across all ranks and departments by 2030.

BIODIVERSITY AND CONSERVATION

- Support biodiversity and conservation initiatives through select NGO partnerships.
- Conduct audits and monitor animal encounter excursions regularly.

Since the pause in guest cruise operations, we have accelerated our capacity optimization strategy, which includes the removal of less efficient ships from our fleet. This strategy, together with our ongoing ship newbuild program, which includes the delivery of more efficient ships, and the natural retirement of less efficient ships has been and will continue to be a factor in our expected ability to achieve our 2030 carbon intensity reduction goal. Furthermore, we have invested over $350 million in energy efficiency improvements since 2016 and expect to continue to make similar investments as part of our plan to achieve our 2030 sustainability goals.

In addition to the 2030 sustainability goals, we have announced a number of 2050 aspirations, including our aspiration to achieve net carbon-neutral ship operations by 2050.

Our greenhouse gas emissions are as follows:

Greenhouse Gas Emissions(1)	Units	Global Emissions Fiscal 2020(1)	Global Emissions Fiscal 2021	UK Emissions Fiscal 2020	UK Emissions Fiscal 2021
Total Emissions (Scope 1 + Scope 2)	Metric Tonnes of CO_2e	6,296,960	4,484,500	650,388	480,685
Emissions (Scope 1)	Metric Tonnes of CO_2e	6,268,752	4,455,309	649,461	479,720
Emissions (Scope 2 - location based)	Metric Tonnes of CO_2e	28,208	29,191	926	965
Total Energy Consumption (Scope 1 + Scope 2)	Kwh (in millions)	22,531	16,003	2,342	1,723
Energy Consumption (Scope 1)	Kwh (in millions)	22,466	15,921	2,340	1,721
Energy Consumption (Scope 2)	Kwh (in millions)	65	82	2	2
Intensity Ratio	Grams of CO_2e/ALB-Km	298	333	410	385

(1) The CO_2e conversion factors were adjusted in May 2021 following a review of the latest studies from outside sources. The 2020 and 2021 greenhouse gas emissions were calculated using the adjusted CO_2e conversion factors.

Greenhouse gas emissions data collection and calculations were performed in accordance with our greenhouse gas inventory management plan, the Greenhouse Gas Protocol, emission factors from the International Energy Agency, International Maritime Organization and ISO 14064-3:2006 standard. Ship fuel emissions represent over 95% of our total global emissions. UK ship fuel emissions represent over 94% of their total emissions. Total emissions include both scope 1 and scope 2 combined.

Scope 1 emissions include direct emissions from the combustion of ship fuel, inadvertent release of ship refrigerants, and other direct emissions generated by sources owned or controlled by Carnival Corporation & plc (global number as per above table) as well as ships operated and facilities owned and leased by our UK-based and marketed brands—P&O Cruises (UK number as per above table) and Cunard (UK number as per above table).

Scope 2 emissions include emissions from the consumption of electricity for facilities and ships as well as heat or steam purchased by sources owned or controlled by Carnival Corporation & plc (global number as per above table) as well as ships operated and facilities owned and leased by our UK-based and marketed brands—P&O Cruises (UK) and Cunard (UK number as per above table).

We measure and report the ship fuel greenhouse gas emission rate in terms of grams of CO_2e per ALB-Km. This indicator enables us to make meaningful greenhouse gas emission reduction comparisons that take into account changes in fleet size, itineraries and passenger capacity during normal operations. Due to the pause in guest cruise operations as a result of the COVID-19 pandemic, the fiscal 2020 and 2021 rates are not meaningful as there was a considerable reduction in the number of kilometers traveled.

Further details of matters related to health, environmental, safety, security and sustainability reporting and community relations at Carnival Corporation & plc are available in the "Sustainability" section of the Carnival Corporation & plc website at **www.carnivalcorp.com** and **www.carnivalplc.com** and our sustainability website at **www.carnivalsustainability.com**.

EMPLOYEES

Carnival Corporation & plc own and operate a portfolio of brands in North America, Europe, Australia and Asia comprised of nine cruise lines:

CARNIVAL CRUISE LINE	SEABOURN	CUNARD
HOLLAND AMERICA LINE	AIDA CRUISES	P&O CRUISES (AUSTRALIA)
PRINCESS CRUISES	COSTA CRUISES	P&O CRUISES (UK)

Our corporate office and individual brands employ a variety of methods, such as intranet sites, management briefings, newsletters and reward programs to encourage employee involvement and to keep employees informed of the performance, development and progress of Carnival Corporation & plc.

Diversity and Inclusion

We believe that diversity and inclusion issues, such as the attraction, retention, development and promotion of women and people of color, are not only important topics in corporations and boardrooms world-wide, but they are also issues critically important to sustaining the success of our business. We recognize that maintaining a diverse workforce promotes an open, tolerant and positive work environment where everyone's different talents and strengths can be utilized. We work to attract, motivate, develop and retain the best talent from the diversity the world offers. We believe that our ability to be competitive and to thrive globally depends on it. For years, we have partnered with organizations focused on improving the diversity and inclusiveness of workplaces and by extension, society in general. We strive to achieve greater performance through capturing the power of employee diversity across all elements such as race, ethnicity, age, gender and sexual orientation and identification. Accordingly, Arnold W. Donald, our President, Chief Executive Officer and Chief Climate Officer, has committed to Catalyst's "Catalyst CEO Champions for Change" initiative to support the advancement of women's leadership and diversity in the workplace and the Executive Leadership Council's "CEO Action for Diversity and Inclusion" initiative to support and encourage diversity in the workplace.

"Diversity is a business imperative. The key to innovation is diversity of thinking—having people from different backgrounds and different cultural experiences who are organized around a common object are far more likely to create breakthrough innovation than a homogenous group. That same diversity of thinking is a powerful advantage."

—Arnold W. Donald, President, CEO and Chief Climate Officer, Carnival Corporation & plc

Senior employees within Carnival Corporation & plc are eligible to participate in either the Carnival plc 2014 Employee Share Plan or the Carnival Corporation 2020 Stock Plan, further details of which are provided in Carnival plc's Directors' Remuneration Report attached as Annex B to the Proxy Statement. These plans reinforce the philosophy of encouraging senior employees to contribute directly to the achievement of Carnival Corporation & plc's goals and of rewarding individual and collective success.

It is the policy of Carnival Corporation & plc that disabled persons should receive full and fair consideration for all job vacancies and promotions for which they are qualified applicants. It is the policy of Carnival Corporation & plc to seek to retain employees who become disabled while in their service whenever possible and to provide appropriate training and accommodations for disabled persons. Training and career development are provided and encouraged for all employees, including disabled persons.

OTHER STAKEHOLDERS

Information regarding our business relationships with clients, end customers, suppliers and regulators can be found in the following sections of the Strategic Report: 1.A.II. Recent Developments and 1.A.III. Vision, Goals and Related Strategies, 1.C.III. Ships Under Contracts for Construction, 1.C.VII. Cruise Pricing and Payment Terms, 1.C.IX. Onboard and Other Revenues, 1.C.XI. Sales Channels, 1.C.XV. Supply Chain and 1.C.XVII. Governmental Regulations.

Political Contributions

Carnival plc did not make any political contributions to any political organization during the year ended November 30, 2021 (2020—nil). Carnival plc's subsidiaries made political contributions to organizations outside the European Union of \$0.075 million (2020—\$0.02 million).

Directors' Statement as to Disclosure of Information to Auditors

Each Director is satisfied that, as far as he or she is aware, the auditors are aware of all information relevant to the audit of Carnival plc's consolidated IFRS financial statements for the year ended November 30, 2021 and that he or she has taken all steps that ought to have been taken by him or her as a Director in order to make the auditors aware of any relevant audit information and to establish that Carnival plc's auditors are aware of that information.

Corporate Governance Statement

The corporate governance statement, prepared in accordance with rule 7.2 of the FCA's Disclosure Guidance and Transparency Rules sourcebook, can be found in the Carnival plc Corporate Governance Report attached as Annex C to the Proxy Statement. The Carnival plc Corporate Governance Report forms part of this Carnival plc Directors' Report and is incorporated into it by this reference.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the 2022 Annual General Meeting.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Carnival plc Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the group and company financial statements in accordance with international financial accounting standards in conformity with the requirements of the UK Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Carnival plc and the Carnival plc group and of the net income of the Carnival plc group for that period.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether international financial accounting standards in conformity with the UK Companies Act 2006 and applicable IFRS have been followed for the group financial statements and international financial accounting standards in conformity with the UK Companies Act 2006 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- prepare the group and parent company financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain Carnival plc's transactions and disclose with reasonable accuracy at any time the financial position of Carnival plc and the Carnival plc group and to enable them to ensure that the financial statements and the Carnival plc Directors' Remuneration Report comply with the UK Companies Act 2006.

The Directors are also responsible for safeguarding the assets of Carnival plc and the Carnival plc group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Carnival Corporation & plc is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Proxy Statement, confirms that, to the best of his or her knowledge:

- the Carnival plc group and company financial statements, which have been prepared in accordance with IFRS give a true and fair view of the assets, liabilities, financial position and loss of the Carnival plc group and company; and
- the Carnival plc Directors' Report attached as Annex A to the Proxy Statement and the Strategic Report includes a fair view of the development and performance of the business and the position of the Carnival plc group and company, together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the Annual Report and Accounts taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders of Carnival plc to assess the position and performance, business model and strategy of the Carnival plc group and company.

This Directors' Report was approved by the Board of Directors and is signed by order of the Board of Directors by

ARNALDO PEREZ
Company Secretary

January 27, 2022

Carnival plc
Incorporated and registered in England and Wales under number 4039524

Annex B—Carnival plc Directors' Remuneration Report (Part II)

Certain information required to be included in the Carnival plc Directors' Remuneration Report is set forth in Part I (which is also known as the Compensation Discussion and Analysis) and in the "Director Compensation" and "Compensation Tables" sections of the Notice of Annual Meetings and Proxy Statement to which this Report is annexed (the "Proxy Statement"). The Compensation Discussion and Analysis and the relevant parts of the Proxy Statement should be read in conjunction with this Part II.

As explained in Part I, Parts I and II of the Carnival plc Directors' Remuneration Report form part of the Carnival plc Annual Report for the year ended November 30, 2021. Carnival plc and Carnival Corporation are separate legal entities (together referred to as "Carnival Corporation & plc") and each company has its own Board of Directors and Compensation Committee. However, as required by the agreements governing the dual listed company ("DLC") arrangement, there is a single management team and the Boards of Directors and members of the Committees of the Boards are identical. Accordingly, consistent with prior years, we have included remuneration paid by Carnival Corporation and Carnival plc in the Carnival plc Directors' Remuneration Report. The Directors are primarily paid by Carnival Corporation as part of the DLC arrangement.

Both Parts I and II of the Carnival plc Directors' Remuneration Report are in compliance with Schedule 8 of the LMCG Regulations and the UK Corporate Governance Code, the UK Companies Act 2006 and the Listing Rules of the FCA. In particular, our executive compensation program takes into account the principles outlined in Provision 40 of the UK Corporate Governance Code, as set forth in Parts I and Part II of the Carnival plc Directors' Remuneration Report.

The Carnival plc Directors' Remuneration Report is subject to an advisory (non-binding) vote at the 2022 Annual General Meeting. Section A of this Part II is the Implementation Section, which contains the disclosures in respect of the actual pay outcomes for fiscal 2021.

1. Statement by Randall J. Weisenburger, Chair of the Compensation Committees

The major decisions on Directors' remuneration and the changes on Directors' remuneration during the year (and the context for these decisions and changes) are summarized in the "Executive Summary" section in Part I of the Carnival plc Directors' Remuneration Report.

Our pay practices are consistent with best and established market practice provisions in the U.S. where, for example it is not common to defer the release of long-term incentive grants following their vesting or to require executives to maintain a shareholding following their departure from the group. The Compensation Committees have considered the potential implications of adopting such developments in UK practice since the last policy review and concluded that it would both unnecessarily place Carnival Corporation & plc at a competitive disadvantage to other large U.S. headquartered companies and that the corresponding increase in the overall quantum of pay required to offset the diminution in the packages arising from such provisions would not be in the interests of shareholders. The Compensation Committees will keep such matters and, in particular, whether they become more prevalent in the U.S. under review.

2. Implementation Section

2.1 IMPLEMENTATION OF APPROVED POLICY

The Directors' Remuneration Policy (the "2020 Policy") was approved by the Carnival Corporation and Carnival plc shareholders at the Annual General Meeting held on April 6, 2020. The 2020 Policy will be operated by Carnival Corporation & plc until a new Directors' Remuneration Policy, which is expected to be proposed no later than the 2023 Annual General Meeting. The 2020 Policy is included within Annex B of the 2020 Notice of Annual Meetings of Shareholders and Proxy Statement, which is available on our website at **www.carnivalcorp.com** and **www.carnivalplc.com**. The Compensation Committees have regard to the UK Corporate Governance Code and are satisfied that the 2020 Policy supports the long-term success of Carnival Corporation & plc and include due regard to corporate and social responsibility issues and to managing risk within the group.

During the year, the following actions were taken for 2021 or anticipated for fiscal 2022 when implementing the 2020 Policy:

EXECUTIVE DIRECTORS

Compensation Element	Actions Taken	
BASE SALARY	**Annual Salaries (not audited)** Annual salary levels as at December 1, 2021 were:	
	• Mr. Donald	$1,500,000
	• Mr. Arison	$1,000,000, however, effective April 1, 2020, at Mr. Arison's request, in order to preserve cash, the Compensation Committees authorized the suspension of his salary.
	No increase was made to Mr. Donald's salary for fiscal 2022. At Mr. Arison's request, in order to preserve cash, the Compensation Committees authorized the suspension of Mr. Arison's salary for fiscal 2022. Details of the companies considered as comparators for the market competitive reviews described above are set out in the "Process for Making Compensation Determinations" section in Part I.	

Compensation Element	Actions Taken
ANNUAL BONUS	**Fiscal 2021 Annual Bonus (audited)** The annual bonus program is referred to as the Management Incentive Plan. Details of the performance measures and targets for Mr. Donald's annual bonus in respect of fiscal 2021 are included in the "Annual Bonuses" section in Part I. The timing of business recovery made it impractical to develop financial operating performance goals for fiscal 2021. Instead, the key performance measures included areas of focus such as cash management, return to service, compliance and culture and environmental, social and governance ("ESG") factors that were evaluated qualitatively at year end by the Compensation Committees. Mr. Arison does not participate in our performance-based annual bonus program. Annual bonus for Executive Directors who served throughout fiscal 2021 were as follows: • Mr. Donald $6,000,000 • Mr. Arison Nil **Fiscal 2022 Annual Bonus—Performance measures and targets (not audited)** The timing of business recovery makes it impractical to develop financial operating performance goals. For fiscal 2022, the key performance measure will be areas of focus including ESG imperatives and key business resumption and recovery factors that will be evaluated qualitatively at year end by the Compensation Committees. The expectation is to revert to a substantially quantitative performance-based incentive program in 2023, with pre-defined metrics and goal levels consistent with the process set out in the "Annual Bonuses" section in Part I. The performance measures for fiscal 2022 will be disclosed at the end of the performance period in the Carnival plc Directors' Remuneration Report for fiscal 2022, as the Boards consider them strategic and commercially sensitive to disclose at this time. For fiscal 2022, Mr. Donald's target bonus remained unchanged at $3,000,000 (with the maximum possible bonus being 200% of this level). Mr. Arison does not participate in our performance-based annual bonus program. As reported in the "Annual Bonuses" section in Part I, the annual bonus program includes clawback features that will require participants to reimburse us for all or a portion of payments received under the program in the case of a participant's wrongdoing that results in a material restatement of our financial statements.

Compensation Element	Actions Taken
LONG-TERM INCENTIVE COMPENSATION	**Long-Term Incentive Compensation in Fiscal 2021 (unaudited)** Descriptions of the share grants made to Mr. Donald during fiscal 2021 and their vesting conditions are set out in the "Equity-Based Compensation" section in Part I. The share grants made to Mr. Donald during fiscal 2021 is disclosed in "Share Plan Grants Made to Directors in Fiscal 2021" table below, which is audited. No long-term incentive compensation was made to Mr. Arison in fiscal 2021. In consideration of the ongoing impact of the COVID-19 pandemic and our pause in guest operations, the Compensation Committees approved time-based share ("TBS") grants for fiscal 2021 in line with the powers under the shareholder-approved Directors' Remuneration Policy. The Compensation Committees acknowledged the inability to set meaningful or realistic long-term financial goals in the current business environment. The Compensation Committees granted Mr. Donald 356,959 Carnival Corporation shares in the form of TBS grants with a value of $7,449,735 based on the $20.87 closing price of a share on January 19, 2021, the date of grant, which vest pro-rata over three years on the respective anniversary dates of the grant. The 2019 performance-based share ("PBS") grant made to Mr. Donald in January 2019 reached the end of the performance period at the end of fiscal 2021. The PBS grant will vest and restrictions will lapse on February 15, 2022. Details of the 2019 PBS grant performance targets and results are set out in the "Disclosure of Prior Years' Equity Grant Results" section in Part I.
	Long-Term Incentive Compensation in Fiscal 2022 (not audited) All long-term incentive compensation for fiscal 2022 for Mr. Donald will return to be 100% at risk and performance based. The management incentive plan-tied equity ("MTE") target grant will have a value of $2 million, the PBS target grant will have a value of $3.5 million and the one-time long-term incentive target grant will have a value of $12 million. The monetary amounts referred to for the MTE and PBS are subject to pre-grant performance conditions tied to the Management Incentive Plan that will be applied to the target value at the end of fiscal 2022 to determine MTE and PBS grant value recommendations for grants to be submitted for approval by the Compensation Committees in fiscal 2023. Once approved in 2023, grants will be made as a number of restricted share units using the share price at the date of grant. As explained in the "Equity-Based Compensation" section in Part I, grants are calculated by reference to the value of shares to facilitate external comparisons and also comparison to other forms of compensation. The one-time long-term incentive grant to be approved for fiscal 2022 will be subject to performance conditions which the Compensation Committees will set at the time the program is approved. The target value of $12 million will be split in two equal parts. The first part will take the form of a share-based grant and the second part will be in the form of cash. The precise metrics for the one-time long-term incentive grant have not been finalized as of the date of the Carnival plc Directors' Remuneration Report, but may be based on qualitative or quantitative measures in line with performance measures used in the past, which may include financial, ESG or other metrics, with the performance measures, targets and maximums set shortly prior to approval of the programs. These performance measures will be disclosed in the Carnival plc Directors' Remuneration Report for fiscal 2022 as the Boards consider them strategic and commercially sensitive. No long-term incentive compensation will be made to Mr. Arison in fiscal 2022.

Compensation Element	Actions Taken
BENEFITS	**Benefits in Fiscal 2021 (audited)** The detailed benefits provided to Mr. Arison are described in the footnotes to the "Single Figure Table" below. The detail of benefits provided to Mr. Donald is set out in the "All Other Compensation" table in the "Executive Compensation" section of the Proxy Statement.
	Benefits in Fiscal 2022 (not audited) Benefits provided in fiscal 2022 are expected to be similar to those provided in fiscal 2021.
PENSIONS	**Pensions in Fiscal 2021 (audited)** Details of the pension plan that Mr. Arison participated in fiscal 2021 are set out in "Total Pension Entitlements" section. Mr. Arison does not have any accrued benefits under his pension plan as of November 30, 2021. Mr. Donald does not have any pension entitlements other than employer contributions to Mr. Donald under the Carnival Corporation Fun Ship Savings Plan, a 401(k) plan.
	Pensions in Fiscal 2022 (not audited) No material changes to the arrangements are anticipated for 2022.

Compensation Policy	Actions Taken
STOCK OWNERSHIP POLICY	**Stock Ownership Policy (audited)** A description of the stock ownership policy applicable to Executive Directors is set out in the "Stock Ownership Requirements" section in Part I. Both Messrs. Arison and Donald comply with the applicable levels.

NON-EXECUTIVE DIRECTORS

Compensation Element	Actions Taken
FEES	**Fees in Fiscal 2021 (not audited)** As described in last year's Carnival plc Directors' Remuneration Report, during fiscal 2021, Non-Executive Directors received a $110,000 annual retainer. For fiscal 2021, the Senior Independent Director received an additional retainer of $25,000 per annum. In addition, Non-Executive Directors received an additional $30,000 compensation for serving as Chair of a Board Committee.
	Restricted Share Grants in Fiscal 2021 (audited) Each Non-Executive Director elected or re-elected in April 2021 received share grants worth approximately $175,000 on April 20, 2021. Each of these grants was based on the closing price of a share on that date of $25.72. The restricted shares vest on April 20, 2024 and are not forfeited if a Director ceases to be a Director after having served as a Director for at least one year.
	Fees in Fiscal 2022 (not audited) No material changes to the arrangements are anticipated for 2022.

Compensation Policy	Actions Taken
STOCK OWNERSHIP POLICY	**Stock Ownership Policy (audited)** A description of the stock ownership policy applicable to Non-Executive Directors is set out in the "Director Compensation" section of the Proxy Statement. New Directors must achieve this requirement no later than five years from the date of their initial election to the Boards by the shareholders. Other than Mr. Gearhart (initially elected in 2021), each of the Non-Executive Directors serving in 2021 has already achieved this Board-mandated requirement.

2.2 SERVICE CONTRACTS (NOT AUDITED)

Because Directors, other than Mr. Donald, do not have formal agreements, it is not feasible to include a table with the unexpired terms. Mr. Donald's terms are summarized in the Proxy Statement. As explained more fully in the Proxy Statement, Mr. Donald would generally receive an amount equal to one times his base salary and target bonus upon termination.

Non-Executive Directors are appointed under terms set out in a letter of appointment. They do not have service contracts and their appointments can be terminated (by the Boards) without any compensation on termination. However, they may retain their share grants (if they have already served for at least one year) and may receive a departing gift of up to $25,000 in value.

2.3 COMPENSATION COMMITTEES (NOT AUDITED)

The membership of the Compensation Committees during the year consisted of four members who are deemed independent by the Boards of Directors:

- Randall J. Weisenburger (Chair);
- Helen Deeble;
- Richard J. Glasier; and
- Laura Weil.

The members of the Compensation Committees are appointed by the Boards based on the recommendations of the Nominating & Governance Committees. Further details regarding the Compensation Committees (including the number of meetings of the Compensation Committees held in fiscal 2021 and the attendance of the members at such meetings) can be found in the Carnival plc Corporate Governance Report attached as Annex C to the Proxy Statement.

Details of the Compensation Committees' process for making compensation determinations, including the advice provided by internal colleagues and external advisors are set out in the "Process for Making Compensation Determinations" section in Part I. As stated in Part I, Frederic W. Cook & Co., Inc. (together with its UK affiliated firm, FIT Remuneration Consultants LLP, which is a member of the Remuneration Consultants Group, the UK professional body, and complies with its code of conduct) were appointed by the Compensation Committees as their external advisors. The advisors were appointed following a tender process and are subject to an ongoing periodic review by the Compensation Committees of their independence and quality. They provide no other services to Carnival Corporation & plc and, accordingly, are considered independent by the Compensation Committees and to provide objective advice.

Frederic W. Cook & Co., Inc. and FIT Remuneration Consultants LLP have each provided their written consent to the form and content of their references in the Carnival plc Directors' Remuneration Report and the Proxy Statement.

Fees paid to the Compensation Committees' external advisors in fiscal 2021 were $316,901 to Frederick W. Cook & Co., Inc. and $9,938 to FIT Remuneration Consultants LLP, such fees being charged on these firms' standard terms of business for advice provided.

2.4 SHAREHOLDER VOTING ON REMUNERATION MATTERS (NOT AUDITED)

The Annual Meetings of Shareholders of Carnival Corporation and Carnival plc were held on April 20, 2021. The results of the shareholder vote on remuneration matters were as follows:

	FOR		AGAINST		WITHHELD	BROKER NON-VOTES
Proposal	**Number of Votes**	**%**	**Number of Votes**	**%**	**Number of Votes**	**Number of Votes**
To approve the fiscal 2020 compensation of the Named Executive Officers of Carnival Corporation & plc	463,375,416	90.1%	50,700,481	9.9%	3,436,367	176,876,717
To approve the Directors' Remuneration Report (as set out in the annual report for the year ended November 30, 2020)	482,163,351	93.8%	31,952,803	6.2%	3,396,110	176,876,717

The last shareholder vote on the Carnival plc Directors' Remuneration Policy was held during the April 6, 2020 Annual Meetings of Shareholders of Carnival Corporation and Carnival plc, and the results of that vote were as follows:

	FOR		AGAINST		WITHHELD	BROKER NON-VOTES
Proposal	**Number of Votes**	**%**	**Number of Votes**	**%**	**Number of Votes**	**Number of Votes**
To approve the Carnival plc Directors' Remuneration Policy set out in Section B of Part II of the Directors' Remuneration Report as set out in the annual report for the year ended November 30, 2019)	448,739,964	85.3%	77,347,793	14.7%	931,552	36,573,968

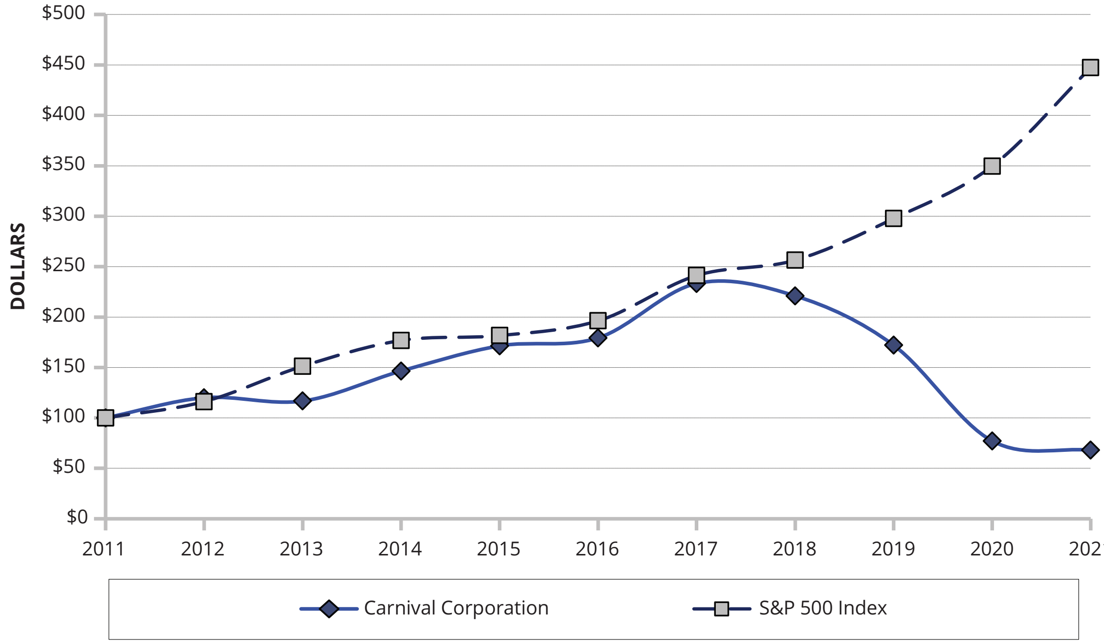
Carnival Corporation & plc has a long-standing shareholder outreach program and routinely interacts with shareholders on a number of matters, including executive compensation. The Compensation Committees consider all constructive feedback received about executive compensation.

We continue to seek and incorporate shareholder feedback in our compensation deliberations. The Compensation Committees have and will continue to consider results from the annual shareholder advisory votes, including the next vote in April 2022, as well as other shareholder input, when reviewing executive compensation programs and policies.

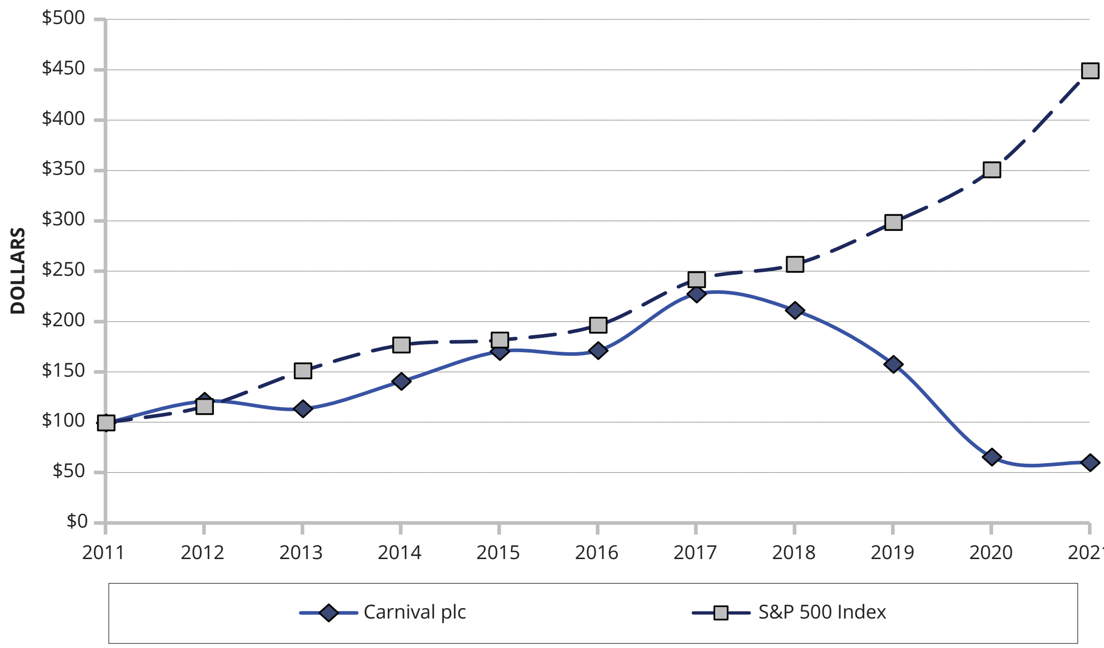
2.5 PERFORMANCE GRAPH AND TABLE (NOT AUDITED)

Graphs representing TSR performance for both Carnival Corporation and Carnival plc have been included in the Carnival Corporation & plc 2021 Annual Report in the "Stock Performance Graphs" section. The LMCG Regulations require similar tables but comparing to only one recognized index. The tables below show a comparison to the S&P 500 index of which Carnival Corporation is a constituent (as a broad index) for a period from December 1, 2011 to November 30, 2021 and have been calculated on a U.S. dollar basis.

10-YEAR CUMULATIVE TOTAL RETURNS



10-YEAR CUMULATIVE TOTAL RETURNS



The following table sets out, for the Chief Executive Officer, the total remuneration as seen in the Single Figure Table, the bonus paid as a percentage of the maximum opportunity and the number of shares that have vested against the maximum number of shares that could have been received over a 10-year period.

Year	Name	Single Figure of Total Remuneration ($000)	Annual Bonus as a % of Maximum	PBS Vesting as a % of Maximum(1)	SEA Vesting as a % of Maximum(1)
2021	Mr. Donald	15,268	100	8	0
2020	Mr. Donald	4,587(2)	0	16	0
2019	Mr. Donald	8,713	38	56	0
2018	Mr. Donald	12,704	78	72	N/A
2017	Mr. Donald	11,711	73	81	N/A
2016	Mr. Donald	32,132	76	94	N/A
2015	Mr. Donald	10,621	87	80	N/A
2014	Mr. Donald	7,241	74	N/A	N/A
2013	Mr. Donald(3)	1,919	N/A(4)	N/A	N/A
2013	Mr. Arison(3)	2,213	0	0	N/A
2012	Mr. Arison	6,196	29	N/A	N/A

(1) The reference to long-term incentive vesting only includes PBS and SEA grants because MTE grants do not have a variable vesting level.

(2) The 2020 single figure has been updated to reflect the actual share price on the vesting date of the 2018 PBS grant.

(3) The fiscal 2013 figures have been pro-rated for each individual to reflect the period in office as a Chief Executive Officer.

(4) The annual performance bonus for Mr. Donald is not applicable because for fiscal 2013, he received a fixed bonus amount as provided for in his employment agreement.

2.6 PERCENTAGE CHANGE IN PAY OF EACH DIRECTOR—FISCAL 2020 TO FISCAL 2021 (NOT AUDITED)

The prescribed pay elements are: salaries, retainers, taxable benefits and annual bonus outcomes. Information in respect of global employees of Carnival plc is used for the purposes of this comparison, as required by the LMCG Regulations. The percentages have been calculated using a full-time equivalent weighted-average number of global employees of Carnival plc. The disclosure will build up over time to cover a rolling five-year period.

	Year-on-year percentage change in pay of each Director compared to employee average					
	2021			2020		
Name	Salary/Retainer (%)	Benefits (%)	Bonus (%)	Salary/Retainer (%)	Benefits (%)	Bonus (%)
Micky Arison	(100)	28.7	N/A	(69.1)	(7.8)	N/A
Sir Jonathon Band	59.1	0	N/A	(37.1)	(100.0)	N/A
Jason Glen Cahilly	59.4	0	N/A	(37.3)	(100.0)	N/A
Helen Deeble	59.4	0	N/A	(37.3)	0	N/A
Arnold W. Donald	74.9	(48.2)	N/A(1)	(42.9)	(23.6)	(100.0)
Jeffrey J. Gearhart	168.3	0	N/A	N/A	N/A	N/A
Richard J. Glasier	59.1	0	N/A	(37.1)	(100.0)	N/A
Katie Lahey	59.4	0	N/A	(37.3)	(100.0)	N/A
Sir John Parker	59.4	0	N/A	(37.3)	0	N/A
Stuart Subotnick	59.1	0	N/A	(33.8)	(100.0)	N/A
Laura Weil	59.4	0	N/A	(37.3)	0	N/A
Randall J. Weisenburger	59.8	0	N/A	(29.5)	0	N/A
Employee Average	10.6	13.0	232.9	(2.0)	54.3	(11.1)

(1) Mr. Donald did not receive an annual bonus for fiscal 2020 and received an annual bonus of $6,000,000 for fiscal 2021.

2.7 UK CEO PAY RATIO (NOT AUDITED)

In line with UK reporting requirements to which Carnival plc became subject in fiscal 2020, set out below are ratios which compare the total remuneration of our Chief Executive Officer (as included in the Single Figure Table in Section 2.9) to the remuneration of the 25th, 50th and 75th percentile of UK employees of Carnival plc and its subsidiaries. The disclosure will build up over time to cover a rolling 10-year period.

		PAY RATIO		
Year	Method	25th Percentile	50th Percentile (median)	75th Percentile
Fiscal 2021	Option A	2,083:1	1,359:1	424:1
Fiscal 2020	Option A	184:1	106:1	58:1

The pay ratios have been calculated using Option A as we consider this the most straight-forward approach from the options available in the LMCG Regulations and is consistent with the information and methodology used in determining the U.S. CEO Pay Ratio disclosed in the Proxy Statement. Option A requires the calculation and ranking, from lowest to highest, of the pay and benefits of UK employees for the relevant fiscal year, in order to identify those at the 25^{th}, 50^{th} and 75^{th} percentiles.

The base salary and total remuneration received during the fiscal 2021 year by the indicative employees as of September 30, 2021 on a full-time equivalent basis used in the above analysis are set out below:

	25th Percentile ($)	50th Percentile (median) ($)	75th Percentile ($)
Base Salary	7,330	11,236	35,992
Total Remuneration	7,330	11,236	35,992

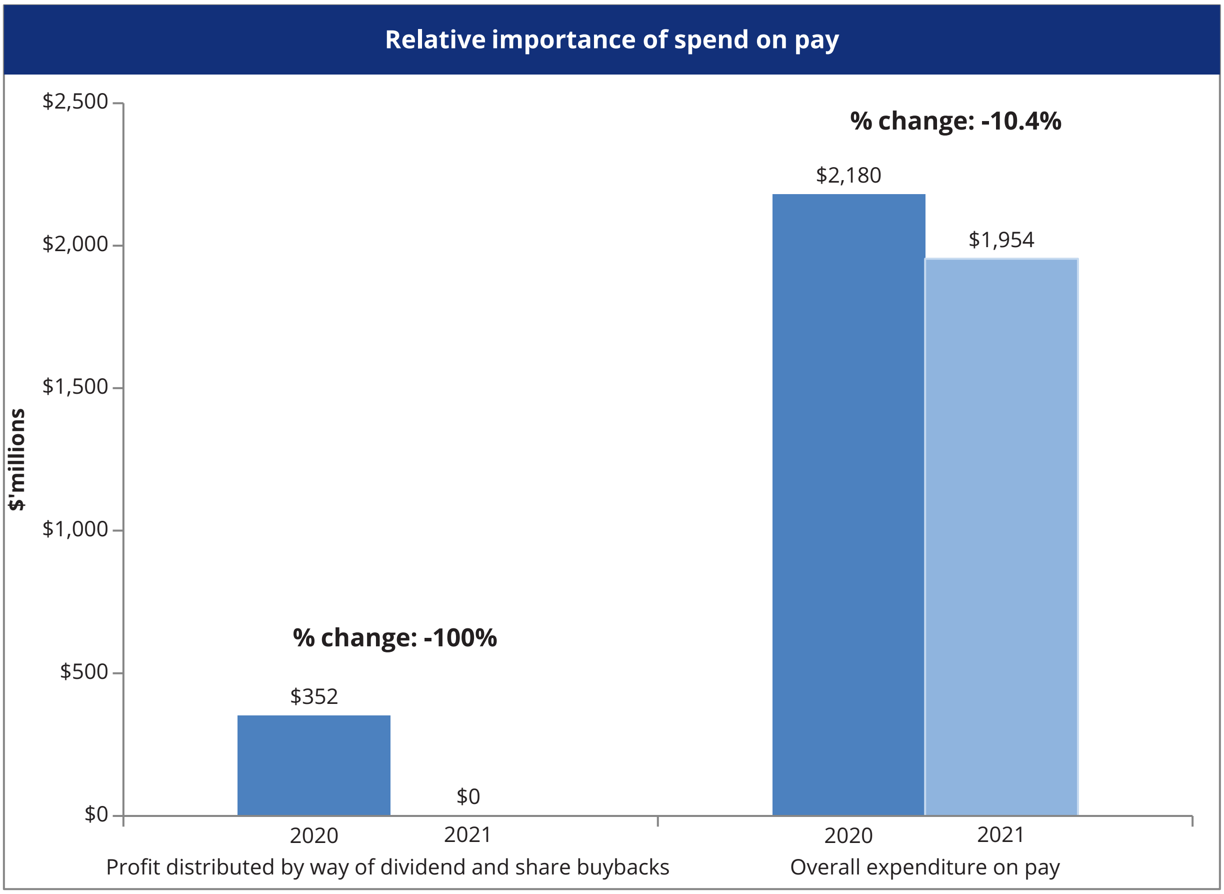
The figures above include gratuities directly billed to our guests, if applicable, but excludes any cash gratuities that may be paid directly to an employee by guests. It also excludes room and meals, transportation to and from the ship, and medical care, which are provided to our crew members without charge.

Factors influencing this year's result include the return to service of a large number of ship-board personnel and shoreside personnel, the hire of replacement employees and the 2021 pay outcome for the Chief Executive

Officer. Our initial disclosure in fiscal 2020 was made in respect of a highly unusual business environment. Due to the COVID-19 pandemic we faced staff and pay reductions as well as CEO compensation results that were lower than pre-COVID levels. These circumstances contribute to the difference in ratios as between fiscal 2020 and fiscal 2021.

The UK CEO Pay Ratio is likely to vary, potentially significantly, over time since it will be driven largely by variable pay outcomes for the Chief Executive Officer and changes in our ship-based employee population as we resume cruise operations over time. As a result, and depending on our performance and employee population, the UK CEO Pay Ratio could increase or decrease significantly in future fiscal years. For the reasons described above, the median ratio may not be representative of our pay and progression policies.

2.8 RELATIVE IMPORTANCE OF SPEND ON PAY (NOT AUDITED)



(1) Profit distributed by way of dividend taken as dividends declared set out in the Consolidated Statements of Shareholders' Equity in the Carnival Corporation & plc 2021 joint Annual Report on Form 10-K and profit distributed by way of share buyback returned to shareholders taken as purchases of treasury stock in the Consolidated Statements of Shareholders' Equity. The Stock Swap Program is not treated as constituting a share buyback for the purposes of this graph.

(2) Overall expenditure on pay has been calculated on a broadly consistent approach to the standard UK approach to calculating this amount and includes all global staff using normal accounting conventions for benefits and includes expected value assumptions in respect of share grants and so is not consistent with methodologies used elsewhere in this Part II.

2.9 SINGLE FIGURE TABLE (AUDITED)

EXECUTIVE DIRECTORS

The compensation of the Executive Directors of Carnival Corporation and Carnival plc for fiscal 2021 and 2020 is as follows:

		Executive Director			
		Arnold W. Donald		Micky Arison	
$000		**2021**	**2020**	**2021**	**2020**
Salary		1,500	857	0[5]	309[5]
Benefits[1]		104	209	121	94
Pension		10[6]	11[6]	0	36
Total – Fixed		1,614	1,077	121	439
Annual Bonus[2]		6,000	0	—	—
Equity Grants	Multi-Year Incentives (performance-based)[3]	204	3,509	—	—
	Other Equity Grants (time-based)[4]	7,450	0	—	—
Total – Variable		13,654	3,509	0	0
Total		15,268	4,586	121	439

(1) Details of the matters for Mr. Donald provided within Benefits are disclosed in (and taken from) the "All Other Compensation" table in the "Compensation Tables" section of the Proxy Statement (other than employer contributions to Mr. Donald under the Carnival Corporation Fun Ship Savings Plan, a 401(k) plan). Benefits provided to Mr. Arison include ($000): private medical health insurance costs ($82), driver and security ($13), automobile lease ($16) and the following other benefits: accidental death or dismemberment and disability and life insurance premiums ($2), and automobile repairs and expenses ($4) and gross ups for taxes on certain benefits ($4). Consistent with past practice, benefits reflect the position under U.S. rules as no UK tax is payable.

(2) Details of the performance measures and targets applicable to the annual bonus for fiscal 2021 are set out in "Implementation of Approved Policy" section above and in the "Annual Bonuses" section in Part I of the Carnival plc Directors' Remuneration Report. No element of the annual bonus is subject to deferral.

(3) The 2021 amount includes the $203,852 estimated value of the 2019 PBS grant for which the performance period ended on November 30, 2021, including estimated additional shares to be provided when the 2019 PBS grant vests in February 2022 to take into account dividend paid during the period. The estimated PBS value was calculated using the $22.99 average share price over the last three months of the fiscal year. There was no share price appreciation with respect to the 2019 PBS grant. The amount for 2020 has been updated to include the release date values and dividend reinvestment in respect of the 2018 PBS grant.

(4) Represents TBS grants for fiscal 2021. TBS grant value was calculated using the January 19, 2021 closing price of Carnival Corporation shares. TBS grants vest on a three-year pro-rata basis on January 19 of 2022, 2023 and 2024.

(5) Effective April 1, 2020, at Mr. Arison's request in order to preserve cash, Carnival Corporation suspended his salary through November 30, 2021.

(6) Represents employer contributions to Mr. Donald under the Carnival Corporation Fun Ship Savings Plan, a 401(k) plan.

NON-EXECUTIVE DIRECTORS

The compensation of the Non-Executive Directors of Carnival Corporation and Carnival plc for fiscal 2021 is as follows. The format is different from the preceding table for Executive Directors as certain aspects (such as bonus and pension) do not apply to Non-Executive Directors.

	Fees		Restricted Stock(1)		Total	
	2021	2020	2021	2020	2021	2020
Non-Executive Director	($000)					
Sir Jonathon Band	140	88	175	277	315	365
Jason Glen Cahilly	110	69	175	267	285	336
Helen Deeble	110	69	175	267	285	336
Jeffrey J. Gearhart(2)	110	41	175	238	285	279
Richard J. Glasier	140	88	175	277	315	365
Katie Lahey	110	69	175	267	285	336
Sir John Parker	110	69	175	267	285	336
Stuart Subotnick	140	88	175	277	315	365
Laura Weil	110	69	175	267	285	336
Randall J. Weisenburger	195	122	175	295	370	417

(1) Restricted stock grants are structured as restricted stock (with dividends paid as they arise) at the election of the Director. The reported figures are the value of the grants made during the year using April 20, 2021 closing price of Carnival Corporation shares and include dividends actually received in respect of those grants in the year.

(2) Mr. Gearhart was appointed to the Boards on April 20, 2020.

The Non-Executive Directors did not receive any benefits in fiscal 2021 and 2020. The aggregate emoluments (being salary, bonuses, fees and benefits, and excluding long-term incentives and pensions) of all Directors during fiscal 2021 were approximately $9 million.

2.10 SHARE PLAN GRANTS MADE TO DIRECTORS IN FISCAL 2021 (AUDITED)

The LMCG Regulations require disclosure of grants made in the year plus a table of aggregate outstanding awards, separately detailing grants that vest in the year. The latter information is included in "Directors' Shareholding and Share Interests" section.

Director	Grant Date	Plan[(1)]	Number of Shares	Face Value[(2)] ($)	Threshold Vesting Level[(3)] (%)	Vesting Level at Maximum Performance[(3)] ($)	Anticipated Vesting Date
Micky Arison	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arnold W. Donald	1/19/2021	TBS	356,959	7,449,735	N/A	100	[(4)]
Sir Jonathon Band	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Jason Glen Cahilly	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Helen Deeble	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Jeffrey J. Gearhart[(3)]	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Richard J. Glasier	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Katie Lahey	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Sir John Parker	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Stuart Subotnick	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Laura Weil	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024
Randall J. Weisenburger	4/20/2021	Restricted Stock	6,804	174,999	N/A	100	4/20/2024

(1) The terms of TBS grants to one Executive Director and the terms of restricted stock grants to Non-Executive Directors and the basis on which these grants are made are summarized in the table above are described in the "Director Compensation" and "Compensation Tables" sections of the Proxy Statement.

(2) Face values for all grants are calculated using the closing share prices at the relevant grant dates being $20.87 at January 19, 2021 for Mr. Donald and $25.72 at April 20, 2021 for the Non-Executive Directors.

(3) The TBS grants to one Executive Director and the restricted stock grants to Non-Executive Directors do not include performance conditions.

(4) TBS grants vest on a 3-year pro-rata basis on January 19 of 2022, 2023 and 2024.

2.11 DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

Details of Carnival Corporation & plc's stock ownership requirements for Executive Directors are set out in the "Stock Ownership Requirements" section in Part I. Messrs. Arison and Donald comply with the policy, which require each of them to own Carnival Corporation or Carnival plc shares with a value equivalent to six times his salary.

The stock ownership policy for Non-Executive Directors provides that all Non-Executive Directors are required to own shares (inclusive of unreleased restricted stock, RSUs and shares in a trust beneficially owned by the Director) of either Carnival Corporation common stock or Carnival plc ordinary shares with a value equal to five times the cash retainer. New Directors must achieve this requirement no later than five years from the date of their initial election to the Boards by the shareholders. Other than Ms. Lahey (initially elected in 2019) and Mr. Gearhart (initially elected in 2021), each of the Non-Executive Directors has already achieved this Board-mandated requirement.

The following table shows the total outstanding shares as at November 30, 2021 under any incentive plans:

	Shares (including Restricted Shares and RSUs)		
Director	Grants Without Performance Conditions That Have Not Vested	Grants With Performance Conditions That HaveNot Vested	Number of Shares Acquired on Vesting
EXECUTIVE DIRECTOR			
Micky Arison	—	—	—
Arnold W. Donald	442,797	360,282[(1)]	144,525
NON-EXECUTIVE DIRECTOR			
Sir Jonathon Band	24,087	N/A	5,567
Jason Glen Cahilly	24,087	N/A	4,963
Helen Deeble	24,087	N/A	4,963
Jeffrey J. Gearhart	19,567	N/A	1,746
Richard J. Glasier	24,087	N/A	5,567
Katie Lahey	24,087	N/A	2,214
Sir John Parker	24,087	N/A	4,963
Stuart Subotnick	24,087	N/A	5,567
Laura Weil	24,087	N/A	4,963
Randall J. Weisenburger	24,087	N/A	6,674

(1) Dividend equivalent shares will be added for the 2019 PBS grant to take into account dividends paid during the period.

All Directors receive Carnival Corporation common stock, which are denominated in U.S. dollars.

Details of the Directors' interests are as follows*:

	Carnival plc		Carnival Corporation	
	November 30, 2020	November 30, 2021	November 30, 2020**	November 30, 2021**
Micky Arison	—	—	121,636,034	121,136,034(1)
Sir Jonathon Band	—	—	36,147	42,951
Jason Glen Cahilly	—	—	22,246	29,050
Helen Deeble	—	—	24,955	31,759
Arnold W. Donald	—	—	584,417	607,160(2)
Jeffrey J. Gearhart	—	—	14,509	21,313
Richard J. Glasier	—	—	53,635	60,507(3)
Katie Lahey	—	—	19,497	26,301
Sir John Parker	10,052	10,052(4)	46,323	53,127
Stuart Subotnick	—	—	67,066	73,870
Laura Weil	—	—	66,263	73,067
Randall J. Weisenburger	—	—	1,393,367	761,409

* For consistency with the "Share Ownership of Certain Beneficial Owners and Management" section of the Proxy Statement, the above table includes restricted stock (but not RSUs) held.

** As part of the establishment of the DLC arrangement, Carnival plc issued a special voting share to Carnival Corporation, which transferred such share to the trustee of the P&O Princess Special Voting Trust (the "Trust"), a trust established under the laws of the Cayman Islands. Shares of beneficial interest in the Trust were transferred to Carnival Corporation. The trust shares represent a beneficial interest in the Carnival plc special voting share. Immediately following the transfer, Carnival Corporation distributed such trust shares by way of a dividend to holders of shares of common stock of Carnival Corporation. Under a pairing agreement, the trust shares are paired with, and evidenced by, certificates representing shares of Carnival Corporation common stock on a one-for-one basis. In addition, under the pairing agreement, when a share of Carnival Corporation common stock is issued to a person after the implementation of the DLC arrangement, a paired trust share will be issued at the same time to such person. Each share of Carnival Corporation common stock and the paired trust share may not be transferred separately. Each share of Carnival Corporation common stock and the paired plc special voting share are listed and trade together on the New York Stock Exchange under the ticker symbol "CCL." Accordingly, each holder of Carnival Corporation common stock is also deemed to be the beneficial owner of an equivalent number of trust shares.

(1) Includes (i) 3,251,154 shares of common stock held by the Nickel 2003 Revocable Trust, (ii) 80,736,445 shares of common stock held by MA 1994 B Shares, L.P., (iii) 35,465,423 shares of common stock held by the Artsfare 2005 Trust No. 2 by virtue of the authority granted to Mr. Arison under the last will of Ted Arison, (iv) 841,506 shares of common stock held by the NA 2017-08 Trust and (v) 841,506 shares held by the KA 2017-08 Trust.

(2) Includes 587,942 shares held by The Arnold W. Donald Revocable Trust UAD 5/26/98.

(3) Includes 23,792 shares held by The Richard J. Glasier Revocable Living Trust.

(4) Includes 7,048 shares held by Julius Baer International Ltd. on behalf of Barnett Waddingham Trustees Ltd., the trustee of Sir John Parker's Fixed Unapproved Restricted Retirement Scheme of which Sir John Parker is a discretionary beneficiary.

There were no changes in the above share interests between December 1, 2021 and January 13, 2022.

2.12 TOTAL PENSION ENTITLEMENTS (AUDITED)

Mr. Arison continues to have a benefit under the Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees (the "Retirement Plan"). Mr. Arison's benefits under the Retirement Plan were calculated based on age, length of service with Carnival Corporation and the average of his five highest consecutive years of compensation out of the last 10 years of service. The benefit formula provides an annual benefit accrual equal to 1% of his earnings for the year up to "covered compensation" plus 1.6% of earnings for the year in excess of covered compensation then multiplied by his years of service up to a maximum of 30 years of credited service. The elements of compensation to determine his benefits were his base salary and annual bonus up to the U.S. statutory limitations under Section 401(a)(17) of the U.S. Internal Revenue Code. Mr. Arison's accrued benefit was fully paid out in March 2020. It is not expected that Mr. Arison will accrue any additional benefits under the Retirement Plan under the terms of the program. Mr. Donald is not eligible to participate in the Retirement Plan.

Details of the retirement benefits of current Directors arising from their participation in defined benefit pension arrangements are as follows:

Executive Director	Accrued Benefit[1] at Nov. 30, 2021 ($000)	Increase in Accrued Benefits including Inflation ($000)	Value of Increase in Accrued Benefits Net of Inflation and Directors' Contributions ($000)
Micky Arison	0	0	0
Arnold W. Donald	—	—	—

(1) The accrued benefit is that pension which would be paid annually on retirement at the normal retirement age of 65 under the Retirement Plan based on service to November 30, 2021. Current Directors are not entitled to any early retirement benefits.

2.13 PAYMENTS FOR LOSS OF OFFICE (AUDITED)

No payments for loss of office (as that term is defined in the LMCG Regulations) were made during the year.

2.14 PAYMENTS TO PAST DIRECTORS (AUDITED)

Upon completion of the DLC transaction, Lord Sterling was appointed as Life President of P&O Cruises and Special Adviser to Micky Arison, Chair of Carnival Corporation & plc. As Special Adviser, Lord Sterling receives fees for his services at the rate of £25,000 per year payable in quarterly installments in arrears.

On Behalf of the Board,

RANDALL J. WEISENBURGER
Chair of the Compensation Committees

January 27, 2022

Annex C—Carnival plc Corporate Governance Report

Carnival Corporation and Carnival plc (together referred to as "Carnival Corporation & plc") operate under a dual listed company ("DLC") arrangement with primary listings in the U.S. and the UK. Accordingly, Carnival Corporation & plc has implemented a single corporate governance framework consistent, to the extent possible, with the governance practices and requirements of both countries. Where there are customs or practices that differ between the two countries, Carnival Corporation & plc has nonetheless sought to be compliant with UK best practices whenever possible. Carnival Corporation & plc believes that their resulting corporate governance framework effectively addresses the corporate governance requirements of both the U.S. and the UK.

Corporate Governance Guidelines

Carnival Corporation & plc has adopted corporate governance guidelines (the "Guidelines") that set forth the general governance principles approved by the Boards of Directors. The Guidelines are available on Carnival Corporation & plc's website and are summarized as follows:

- A majority of the members of each of the Boards must be independent in accordance with the corporate governance rules applicable to companies listed on the New York Stock Exchange and the London Stock Exchange.
- The Boards will each have at all times the following: Audit Committee, Compensation Committee, Compliance Committee, Health, Environmental, Safety & Security ("HESS") Committee and Nominating & Governance Committee (collectively, the "Committees"). All the members of the Committees will be independent Directors under the criteria applicable to companies listed on the New York Stock Exchange, the London Stock Exchange and any other applicable regulatory requirements. Each of these Committees has its own written charter, which principally sets forth the purposes, goals and responsibilities of the Committees.
- The Nominating & Governance Committees will review with the Boards, on an annual basis, the requisite skills and characteristics of new Board members, as well as the composition of the Boards as a whole. The Nominating & Governance Committees will assess and recommend Board candidates for appointment as Directors.
- The responsibilities of the Directors are laid out in the Guidelines and cover matters such as the Directors' duties to Carnival Corporation & plc and its shareholders, attendance at meetings and the annual review of Carnival Corporation & plc's long-term strategic plans and the principal issues that Carnival Corporation & plc may face in the future.
- The Non-Executive Directors shall appoint a Senior Independent Director to preside at meetings of the Non-Executive Directors and at Board meetings in the absence of the Chair, and to serve as the principal liaison for Non-Executive Directors.
- Directors have free and full access to officers and employees of Carnival Corporation & plc, to the advice and services of the Company Secretary to the Boards and to independent professional advice at the expense of Carnival Corporation & plc.
- The Compensation Committees will recommend the form and amount of Director and senior executive compensation in accordance with the policies and principles set forth in their charter and conduct an annual review thereof. In particular, the Compensation Committees will annually review the compensation of the Chief Executive Officer and his performance to enable the Chief Executive Officer to provide strong leadership for Carnival Corporation & plc in the short and long-term.
- The Boards and the Nominating & Governance Committees are responsible for Chief Executive Officer and board succession planning.

- The Nominating & Governance Committees will maintain orientation programs for new Directors and continuing education programs for all Directors.
- The Boards will conduct an annual performance evaluation to determine whether they, their Committees and individual Directors are functioning effectively.
- The Non-Executive Directors will meet at least annually under the direction of the Senior Independent Director to conduct an appraisal of the Chair's performance.
- All shareholders may communicate with the Boards by addressing all communications to the Company Secretary, who must forward any item requiring immediate attention to the Senior Independent Director, who must in turn notify the Boards of any matters for discussion or action as appropriate.

Carnival Corporation & plc monitors governance developments in the U.S. and the UK to support a vigorous and effective corporate governance framework.

Set out below is a statement of how Carnival Corporation & plc has applied the main principles of the UK Corporate Governance Code during the year ended November 30, 2021. A copy of the UK Corporate Governance Code is available on the website of the UK Financial Reporting Council ("FRC") at **www.frc.org.uk.**

Board Composition

Each of the Boards of Directors is currently comprised of 12 members, of which two are Executive Directors and 10 are Non-Executive Directors. Each nominee for re-election to the Boards has served for the full year. All Directors are required to submit themselves for annual re-election. The biographical details of the members of the Boards standing for re-election and their qualifications to serve as Board and Committee members are contained in the Proxy Statement. All Directors elected in 2021 have been subject to a formal performance evaluation during the year, as described below.

As of the date of this Carnival plc Corporate Governance Report, 25% of the members of the Boards are women (being three of 12 members). We had met our prior goal to achieve 33% of the members of the Boards being women, until a woman member stepped down in January 2020 just prior to the significant impact of the COVID-19 pandemic on our guest cruise operations. The Nominating & Governance Committees are in the process of engaging a search firm to assist them in identifying women Board candidates so that we can again achieve the goal of at least 33% of the Boards being women.

The Boards currently meet the Parker Review recommendation of having at least one ethnic minority director by 2021.

Board Balance and Independence

As part of the Boards' annual independence assessment, each Director was required to complete an independence questionnaire. All questionnaires were reviewed and assessed by the full Board. Following this review, all of the ten nominees for re-election as Non-Executive Directors are considered by the Boards to be independent in accordance with the corporate governance rules of the New York Stock Exchange and the UK Corporate Governance Code. Sir Jonathon Band, Richard J. Glasier, Sir John Parker, Stuart Subotnick, Laura Weil and Randall J. Weisenburger have been Non-Executive Directors for more than nine years from the date of their first election to the Boards. However, notwithstanding this fact, the Boards have determined that each of those Directors is independent for the reasons set forth below.

Consistent with U.S. practice, the Boards believe that length of tenure should be only one of the factors considered with respect to the independence of Directors and, accordingly, that tenure alone should not result in the loss of independence. The Boards believe that automatic loss of independence status for Directors due to tenure would effectively operate as a term limit for independent Directors and result in the loss of the valuable contributions of Directors who have been able to develop, over time, increasing insight into Carnival Corporation & plc and its operations. The Boards prefer to rely on rigorous annual evaluations of individual Directors to review their objectivity and independence, as well as their overall effectiveness as Directors. All Directors are also subject to annual re-election by shareholders following individual evaluations and recommendations by the Nominating & Governance Committees. Mr. Arison has been Chair of the Board of Directors of Carnival plc since 2003 and previously served as Chief Executive Officer of Carnival plc from 2003 to 2013. His unique experience and in-depth knowledge of our business, our history and the cruise industry continue to be invaluable. Mr. Arison has made and continues to make substantial contributions to our success and the Boards have concluded that his continued service as our Chair is in our best interests and that of our shareholders.

Directors' Indemnities

As at the date of this Carnival plc Corporate Governance Report, indemnities are in force under which Carnival Corporation & plc has agreed to indemnify the Directors of Carnival Corporation & plc, to the extent permitted by law and the Third Amended and Restated Articles of Incorporation of Carnival Corporation and the Articles of Association of Carnival plc, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of Carnival plc. Carnival Corporation & plc maintains insurance to indemnify the Directors when it is unable to do so due to insolvency or as a result of a derivative suit.

Board Procedures and Responsibilities

Meetings of the Boards are held on a regular basis to enable the Boards to properly discharge their responsibilities. During the year ended November 30, 2021, the Board of Directors of Carnival plc held a total of 16 meetings. All Board meetings during the year were attended by the full Board except for Sir Jonathon Band and Sir John Parker who attended 15 of 16 meetings. In addition, the Non-Executive Directors meet periodically during the year with the Chair of the Boards with no other Executive Directors present. The agenda for each Board meeting and meeting schedules are prepared by the Chair and reviewed and approved by the Senior Independent Director, to enable the flow of relevant information to the Boards. Each Board member is entitled to suggest the inclusion of items on the agenda and to raise at any Board meetings subjects that are not on the agenda for that meeting.

Non-Executive Directors are required to allocate sufficient time to meet the expectations of their role. The consent of the Chair and the Senior Independent Director must be sought before accepting additional directorships that might affect the time a Non-Executive Director of Carnival Corporation & plc is able to devote to that role.

The Boards have resolved that Executive Directors may not serve as a Non-Executive Board member on more than one FTSE 100 or Fortune 100 company nor as the Chair of such a company.

Board Structures and Delegation to Management

The basic responsibility of the Directors is to exercise their business judgment in the way they consider, in good faith, would be most likely to promote the success of Carnival Corporation & plc and for the benefit of the shareholders as a whole. Further details of the responsibilities of the Directors are set out in the Guidelines. The Boards have a formal schedule of matters specifically reserved to them for decision, which includes the approval of the following matters, when and if the Boards decide to consider them:

- annual, interim and quarterly results and financial statements;
- dividends;
- significant changes in accounting policy;
- material acquisitions and disposals;
- material agreements;
- major capital expenditures;
- annual operating plans;
- strategic plans;

- any treasury policies we may adopt;
- any risk management policies we may adopt;
- material changes to employee incentive plans as well as approval of share awards or other share-related benefits; and
- health, environmental, safety, security and sustainability policies.

Details of the Committees of the Boards are set out in the section below. In addition, any matters reserved for the Boards that arise between formal Board meetings that need to be resolved are delegated to an Executive Committee, comprising two Executive Directors and a Non-Executive Director.

The strategic management and direction of, and significant commercial decisions in relation to, global operations of Carnival Corporation & plc, except to the extent reserved to the full Boards under their schedule of reserved matters, is delegated by the Boards to the Boards of subsidiary companies within the group and to management committees of the Boards, which in turn delegate to local management as appropriate.

The Boards of Directors, through executive management and the Committees, have carried out a robust assessment to ensure that principal and emerging risks, including those that would threaten its business model, future performance, solvency or liquidity are effectively managed and/or mitigated to help ensure Carnival Corporation & plc is viable. As a result of this assessment, the Boards of Directors have identified principal and emerging risks and their management and/or mitigation which are listed in Item 4 Risk Management and/or Mitigation of Principal and Emerging Risks in the Carnival plc Strategic Report that accompanies the Carnival plc consolidated IFRS financial statements (the “Strategic Report”).

Committees of the Boards

The following Committees have operated throughout the year. Each Committee has a written charter, copies of which can be found on Carnival Corporation & plc’s website at **www.carnivalcorp.com** and **www.carnivalplc.com**. The Board Committees regularly report on their activities and actions to the full Boards.

AUDIT COMMITTEES

The Audit Committees are comprised of the following four independent Non-Executive Directors:

- Richard J. Glasier (Chair);
- Jason Glenn Cahilly;
- Stuart Subotnick; and
- Laura Weil.

The Board of Carnival plc has determined that each member of the Audit Committees has “recent and relevant financial experience” for the purposes of the UK Corporate Governance Code and that the Audit Committees as a whole have competence relevant to the sector in which Carnival Corporation & plc operate. The qualifications of each member of the Audit Committees are contained in the Proxy Statement.

During the year, nine meetings of the Carnival plc Audit Committee were held, which were attended by all incumbent members. The Chief Financial Officer and Chief Accounting Officer, the Chief Audit Officer, who is responsible for the internal audit function and risk advisory and assurance services within Carnival Corporation & plc, representatives from the external auditors, the General Counsel, the Chief Operations Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer and Chief Ethics and Compliance Officer normally attend meetings at the invitation of the Audit Committees.

The main role and responsibilities of the Audit Committees are to review:

- the integrity of the relevant financial statements;
- Carnival Corporation and Carnival plc’s compliance with legal and regulatory requirements, other than requirements related to HESS;
- the principal risks or exposures of Carnival Corporation & plc (other than health, environmental,

safety, security and sustainability matters), including with respect to information technology operations, cybersecurity and data privacy;
- performance Carnival Corporation & plc's internal audit functions and the adequacy of internal controls; and
- relevant elements of Carnival Corporation and Carnival plc's risk management programs.

In addition, our Audit Committees:

- liaise with, appoint and assess the qualifications, effectiveness and independence of, the external auditors;
- assist the Boards, if so requested, in ensuring that the annual report and accounts of Carnival plc, taken as a whole, is fair and balanced and understandable and provides the information necessary for shareholders of Carnival plc to assess Carnival plc's position and performance, business model and strategy;
- review compliance with the Carnival Corporation & plc Code of Business Conduct and Ethics; and
- establish and monitor the procedures for receipt of employee complaints regarding any alleged fraud or violations of law.

In fulfilling their responsibilities during the year, the Audit Committees have, among other things:

- reviewed the quarterly and annual financial results of Carnival Corporation & plc, including accounting matters and key factors affecting financial results and future forecasts;
- reviewed financial statements and related disclosures, and other proposed filings with the U.S. Securities and Exchange Commission and draft earnings press releases of Carnival Corporation & plc;
- reviewed the form and content of the annual reports and accounts, including the Strategic Report (including the going concern confirmation, the viability statement, the assessment of internal controls and principal risks, and the annual risk management and/or mitigation of principal risks), financial statements and Directors' Report, to be presented to shareholders of Carnival plc at the year-end;
- reviewed the form and content of the half year reports (including the going concern confirmation);
- approved, together with the Boards of Directors, the viability and going concern statements, which are included in the Strategic Report;
- reviewed reporting from management on impairment analyses over tangible and intangible assets;
- confirmed receipt of certification letters, disclosure controls and procedure checklists and loss contingency memos from all reporting units;
- received briefings on Carnival Corporation & plc's Sarbanes-Oxley 404 compliance program;
- reviewed reporting from the independent auditors concerning the audit work performed, identified internal control deficiencies and accounting issues, and all relationships between the independent auditors and Carnival Corporation & plc;
- reviewed and approved fees for audit and non-audit related services provided by Carnival Corporation & plc's independent auditors;
- received and reviewed various reports from the independent auditors regarding the planning, status, execution and conclusions of their work;
- received reporting, as well as quarterly briefings, from the Carnival Corporation & plc internal audit department called Risk Advisory & Assurance Services ("RAAS") concerning results from their internal audit work, including significant findings, any identified internal control deficiencies and management plans for remedial action;
- reviewed reports of RAAS regarding the results of its independent internal investigations of alleged or actual impropriety as assigned by the General Counsel and in coordination with the Chief Ethics and Compliance Officer on the status and results of those investigations;
- reviewed RAAS's historical audit coverage and assessment of risk for the purpose of developing an audit plan for the upcoming year;
- reviewed reports of RAAS concerning progress against their audit plan, department staffing and professional qualifications, and the status of management action plans for previously identified action steps;
- reviewed reports regarding information technology security, including cybersecurity and privacy and responses to and investigations of breaches; and
- reviewed the status of complaints received through Carnival Corporation & plc's third-party administered hotline and other channels.

COMPENSATION COMMITTEES

The Compensation Committees of the Boards are comprised of four independent Non-Executive Directors:

- Randall J. Weisenburger (Chair);
- Helen Deeble;
- Richard J. Glasier; and
- Laura Weil.

During the year, five meetings of the Carnival plc Compensation Committees were held, which were attended by all members. Executive Directors are invited to attend for appropriate items, but are excluded when their own performance and remuneration are being discussed and determined.

The Compensation Committees are responsible for the:

- evaluation and approval of the Director and officer compensation plans, policies and programs;
- annual review and approval of the corporate goals and objectives relevant to the Chief Executive Officer's compensation;
- determination and approval of the compensation of the Chief Executive Officer, the other Executive Directors and other senior officers; and
- recommendations to the Boards with respect to the compensation of the Non-Executive Directors.

The Compensation Committees are empowered to retain compensation consultants of their choice to be used to assist in the evaluation of compensation issues.

COMPLIANCE COMMITTEES

The Compliance Committees of the Boards are comprised of the following six independent Non-Executive Directors:

- Randall J. Weisenburger (Chair);
- Sir Jonathon Band;
- Jeffrey J. Gearhart;
- Richard J. Glasier;
- Stuart Subotnick; and
- Laura Weil.

During the year, six meetings of the Carnival plc Compliance Committees were held, which were attended by all members.

The principal function of the Compliance Committees is to assist with the Boards' oversight of our ethics and compliance department as well as ethics and compliance policies, programs and initiatives, including by:

- receiving regular reports from, and providing direction to the Chief Ethics and Compliance Officer with respect to the implementation of the Ethics and Compliance Strategic Plan, the effectiveness of the overall ethics and compliance function as well as the adequacy of staffing and resources;
- monitoring, in coordination with the HESS Committees, implementation of our Environmental Compliance Plan;
- taking steps, in coordination with the Boards' Audit and HESS Committees, reasonably designed to ensure that all significant allegations of misconduct by management, employees, or agents receive appropriate attention and remediation; and
- promoting accountability of senior management with respect to ethics compliance matters.

HESS COMMITTEES

The HESS Committees of the Boards are comprised of the following six independent Non-Executive Directors:

- Sir Jonathon Band (Chair);
- Helen Deeble;
- Jeffrey J. Gearhart;
- Katie Lahey;
- Sir John Parker; and
- Randall J. Weisenburger.

During the year, seven meetings of the Carnival plc HESS Committee were held, which were attended by all members. The Chief Executive Officer and the Chief Executive Officers of our cruise brands also attend meetings of the HESS Committees.

The principal function of the HESS Committees is to assist the Boards in fulfilling their responsibility to:

- supervise and monitor Carnival Corporation & plc's health, environmental, safety, security and sustainability policies, programs and initiatives at sea and ashore; and
- oversee compliance with legal and regulatory requirements relating to health, environmental, safety, security and sustainability.

The HESS Committees receive quarterly reporting regarding:

- the status of our Environmental Compliance Plan, from our Global Ethics & Compliance Department; and
- the HESS auditing program, which includes all our vessels, as well as any instances of non-compliance, the status of management's corrective and/or preventative action plans, focused, continuous-improvement HESS reviews and significant HESS incident investigations from our Global Ethics & Compliance Department.

NOMINATING & GOVERNANCE COMMITTEES

The Nominating & Governance Committees of the Boards are comprised of the following five independent Non-Executive Directors:

- Stuart Subotnick (Chair);
- Sir Jonathon Band;
- Richard J. Glasier;
- Sir John Parker; and
- Randall J. Weisenburger.

During the year, four meetings of the Carnival plc Nominating & Governance Committee were held, which were attended by all members, except for Sir John Parker who attended three of four meetings, having missed one meeting.

The principal function of the Nominating & Governance Committees is to:

- assess and recommend to the Boards candidates for appointment as Directors and members of the Committees;
- assist the Boards with Chief Executive Officer and Board succession planning;
- establish procedures to exercise oversight of the evaluation of the Boards and management;
- maintain orientation programs for new Directors and continuing education programs for all Directors; and
- annually review and reassess the adequacy of the Guidelines and recommend proposed changes to the Boards for approval.

Further details on the succession planning process and the Nominating & Governance Committees' approach to diversity are contained in the "Nominations of Directors" of the Proxy Statement and diversity generally are contained in the "Employees" section of the Carnival plc Directors' Report, which is attached as Annex A, are incorporated by reference into this Carnival plc Corporate Governance Report.

Carnival plc Supplement to the Report of the Audit Committees

Certain information required to be included in the Carnival plc Report of the Audit Committee is set forth in the Report of the Audit Committees included in the Proxy Statement, and which is incorporated by reference into this Carnival plc Corporate Governance Report. The principal purpose of this Carnival plc Supplement to the Report of the Audit Committees is to comply with the UK Corporate Governance Code requirements, which are only applicable to Carnival plc.

In fiscal 2021 the Carnival plc Audit Committee carried out a robust assessment and developed a thorough understanding of the significant areas of accounting judgments and the related estimates. The significant areas of accounting judgments and the related estimates considered by the Carnival plc Audit Committee and discussed with the Carnival plc external auditors, PricewaterhouseCoopers LLP ("PwC"), for fiscal 2021 are included in the Strategic Report for fiscal 2021.

In addition, risks of fraud in relation to revenue recognition was an area of focus for the Carnival plc Audit Committee and discussed with PwC in 2021. The Audit Committee considered the presumed risks of fraud as defined by auditing standards and was satisfied that there were no significant issues.

EXTERNAL AUDITORS AND AUDIT TENDERING

The Audit Committees have the responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. PwC was recommended by the Audit Committees for reappointment as auditors of Carnival plc at the Annual General Meeting held in April 2021, and reappointment was approved by the shareholders. The Audit Committees also reappointed PwC as Carnival Corporation's independent registered public accounting firm, as ratified by the shareholders at the April 2021 Annual General Meeting. In addition, the policy of the Audit Committees is to undertake a formal assessment of the auditor's objectivity and independence each year, which includes:

- a review of non-audit services provided and related fees;
- discussion with the auditors pertaining to a written report detailing all relationships with Carnival Corporation & plc and any other party that could affect the independence or the objectivity of the auditors; and
- evaluation with the Boards and management of the effectiveness of the external audit process.

PwC has served as Carnival Corporation's independent auditor from at least 1986 to 2002. In 2003, following formation of the DLC arrangement between Carnival Corporation and Carnival plc, the independent audits for the consolidated entity, Carnival Corporation & plc, and Carnival plc were tendered. Upon completion of this tender process, the Audit Committees decided to recommend to the shareholders that PwC be appointed as the Carnival Corporation and Carnival plc independent auditors for fiscal 2003. The Audit Committees annually evaluate PwC's performance and have each year recommended that the shareholders vote for the reappointment of PwC as Carnival plc's independent auditors.

Our reasons for recommending that PwC be appointed Carnival plc's auditor for 2022 are as follows:

- PwC is one of the largest independent audit firms in the world. In addition, PwC is uniquely qualified because they are the auditors of the three largest public cruise companies in the world. As such, it has an exceptional level of understanding of the cruise industry, the significant accounting principles used by it and the economic environment in which it operates.
- Carnival Corporation & plc has periodically undertaken internal surveys to confirm PwC's qualifications and performance, the quality and candor of their communication with the Audit Committees and management and their independence, objectivity and professional skepticism. The results of these surveys have supported the Audit Committees' and management's recommendations to appoint PwC as the independent auditors of Carnival Corporation & plc and Carnival plc.
- PwC's lead audit engagement partner for Carnival Corporation & plc and the engagement partner for Carnival plc are rotated from the engagement at least every five years. The PwC engagement partners working on subsidiaries are rotated from these engagements at least every seven years or in the case of significant EU subsidiaries, for the periods beginning on or after June 17, 2016, the engagement partners have been rotated at least every five years. The Audit Committees actively participate in the selection of the lead audit engagement partners. The Audit Committees and management believe the partner rotations support an independent auditor view of our operations and provide fresh insights into the audit processes.
- The Audit Committees meet regularly with PwC in executive sessions, where management is not

present. These executive sessions, which are not required under UK or U.S. regulations, further support PwC's independence from management.

- The Audit Committees' Key Policies and Procedures establish a framework to monitor and maintain PwC's independence. These Key Policies and Procedures require, among other things, pre-approval from the Audit Committees for audit and permissible non-audit services prior to the performance of any such services in accordance with UK and U.S. regulations. The Audit Committees only approve services to be provided by PwC that are consistent with these regulations, which helps to support auditor independence.
- The communication between the Audit Committees and PwC has been timely and informative, which has assisted the Audit Committees in the performance of their oversight responsibilities.
- The Audit Committees and management believe that PwC has performed the audits of Carnival Corporation & plc and Carnival plc with proper professional skepticism and demonstrated the necessary knowledge, experience and skills to meet their audit requirements.
- Based on the review and analysis of audit fees of comparable public companies, the Audit Committees and management believe the PwC audit fees are competitive.

The Audit Committees continue to be confident that the effectiveness and independence of the external auditors is not impaired in any way. There are no contractual restrictions on the choice of external auditor and, therefore, a resolution proposing the reappointment of PwC as external auditors will be put to the Carnival plc shareholders at the 2022 Annual General Meeting.

The fees payable to PwC in respect of the audit and non-audit services provided to Carnival plc during fiscal 2021 were $1.7 million and $0.3 million, respectively. The policy on Audit Committee pre-approval and permissible non-audit work of the independent auditors, are set out in the "Independent Registered Public Accounting Firm," section of the Proxy Statement, which is incorporated by reference into this Carnival plc Corporate Governance Report.

Carnival plc is also subject to UK regulations regarding this matter. The relevant UK legislation (the Statutory Auditors and Third Country Auditors Regulations 2016) requires statutory auditors to rotate after a period of 20 years and include a mandatory competitive tender of audit firms at the 10-year midpoint. The Competition and Market Authority's ("CMA") Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "CMA Order") also set out transitional rules that determine the latest date for the initial rotation or tender process. PwC has been Carnival plc's auditor since fiscal 2003, so the transitional rules state that they may not be reappointed more than nine years after June 2014, effectively meaning that the audit firm must be changed for the fiscal 2024 audit at the latest.

As a result, the Audit Committees currently intend to tender the independent audits for the consolidated entity, Carnival Corporation & plc, and Carnival plc in 2022 for the 2024 audits in order to ensure the independence of the selected transitioning firm. The plans to tender earlier than 2022 were deferred due to the ongoing effects of COVID-19 on our operations and our need to focus on our top priorities.

The CMA Order applies to FTSE 350 companies. Carnival plc confirms that it complied with the provisions of the CMA Order in fiscal 2021.

FRC REVIEW

In November 2021, Carnival plc received a letter from the FRC informing Carnival plc that it had carried out a review of Carnival plc's Annual Report and IFRS Financial Statements for the period ending November 30, 2020 and that it had a number of questions to assist the FRC in understanding how Carnival plc had satisfied its reporting requirements.

Carnival plc is in the process of providing responses to the FRC's questions. In parallel, we have taken steps to enhance the disclosures, most notably regarding climate change risk disclosures and the impact on financial forecasts, alternative performance measures and accounting for foreign exchange and those enhancements have been included in Carnival plc's

Annual Report and IFRS Financial Statements for the financial year ending November 30, 2021. Some of the other matters raised in the FRC's November letter are under our active consideration, including the net presentation of changes in amounts owed to Carnival Corporation and from Carnival plc group companies in financing activities in the cash flow statement, and may, in due course, result in amendments to future financial statements.

On Behalf of the Audit Committee,

RICHARD J. GLASIER
Chair of the Audit Committees

January 27, 2022

Information and Professional Development

The Company Secretary is required to provide members of the Boards with appropriate information in advance of each meeting and Directors are required to devote adequate preparation time reviewing this information in advance of each meeting. The Company Secretary is also responsible for advising the Boards through the Chair on all corporate governance matters.

All Directors have access to the advice and services of the Company Secretary and are permitted to obtain independent professional advice, at Carnival Corporation & plc's expense, as he or she may deem necessary to discharge his or her responsibilities as a Director. A Director is required to inform the Senior Independent Director of his or her intention to do so.

All Directors are offered the opportunity to attend training programs of their choice. The subject matter and content of such programs are reviewed periodically during the year. In addition, the Directors participated in multiple compliance and culture training sessions from experts in the field.

Board Performance Evaluations

During fiscal 2021, the Nominating & Governance Committees conducted performance evaluations of the Boards, the Boards' Committees and the members of our Boards of Directors. The performance review of Micky Arison, in his role as Chair, was conducted separately by the Non-Executive Directors, led by the Senior Independent Director, Randall J. Weisenburger, taking into account the view of the other Executive Director. As part of the Boards' evaluation exercise, each Director was required to complete a questionnaire about the performance of the Boards and their Committees. All questionnaires were reviewed and assessed by the Nominating & Governance Committees.

In addition, the Nominating & Governance Committees reviewed the individual performance of each Director focusing on his or her contribution to Carnival Corporation & plc, and specifically focusing on areas of potential improvement. In making their assessment, the Nominating & Governance Committees reviewed considerations of age, diversity, experience and skills in the context of the needs of the Boards, and with the aim of achieving an appropriate balance on the Boards.

The Nominating & Governance Committees also discussed and reviewed with Non-Executive Directors any significant time commitments they have with other companies or organizations. In addition, the number of directorships held by Non-Executive Directors was taken into account, in line with Carnival Corporation & plc's policy on limiting multiple appointments.

In October 2021, the Nominating & Governance Committees reported the results of the reviews to the Boards, concluding that each Director was an effective member of the Boards and had sufficient time to carry out properly their respective commitments to the Boards, their Committees and all other such duties as were required of them. It is the view of the Nominating & Governance Committees that the Boards continued to operate effectively during fiscal 2021.

During fiscal 2021, the Audit Committees, the Compensation Committees, the Compliance Committees, the HESS Committees and the Nominating & Governance Committees also reviewed their own performance against their respective charters by completing questionnaires that were provided to the Chair of the Nominating & Governance Committees. The results of such reviews were discussed among the members and reported to the Boards. The Boards concluded that the Audit Committees, the Compensation Committees, the Compliance Committees, the HESS Committees and the Nominating & Governance Committees continued to function effectively and continued to meet the requirements of their respective charters.

The UK Corporate Governance Code requires that an externally facilitated evaluation on the Boards' effectiveness be undertaken at least once every third year. During fiscal 2019, the Nominating & Governance Committees engaged The Governance Solutions Group, an independent third-party governance expert which has no other connection with Carnival Corporation & plc, to perform an assessment of the effectiveness of the Boards. The third-party governance expert interviewed each Director elected in 2019 and members of senior management who interact substantially with the Board, reviewed the results of the assessment with the incumbent Senior Independent Director and then organized and summarized the assessment for discussion with the full Board.

Directors' Remuneration

The Carnival plc Directors' Remuneration Report is presented in two parts, with Part I forming part of the Proxy Statement and Part II being attached as Annex B to the Proxy Statement. A resolution to approve the Carnival plc Directors' Remuneration Report will be proposed at the 2022 Annual General Meeting.

Relations with Shareholders

The formal channels of communication by which the Boards communicate to shareholders the overall performance of Carnival Corporation & plc are the Annual Reports, Carnival plc half yearly financial report, joint Annual Report on Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, Proxy Statement and press releases.

Senior management and Non-Executive Directors of Carnival Corporation & plc meet periodically with representatives of institutional shareholders to discuss their views and to enable the strategies and objectives of Carnival Corporation & plc to be well understood. Issues discussed with institutional shareholders include executive compensation, performance, business strategies and corporate governance.

Presentations are made to representatives of the investment community periodically in the U.S., the UK and elsewhere. Results of each fiscal quarter are reviewed with the investment community and others following each quarter on conference calls that are broadcast live over the Internet.

The Boards receive periodic briefings from management regarding feedback and information obtained from Carnival Corporation & plc's shareholders and brokers. During fiscal 2021, Carnival Corporation & plc's management made presentations to the Boards regarding shareholder matters.

Shareholders will have the opportunity at the 2022 Annual General Meeting, notice of which is contained in the Proxy Statement, to ask questions of a representative of the Board and senior management.

The Boards have implemented procedures to facilitate communications between shareholders or interested parties and the Boards. Shareholders or interested parties who wish to communicate with the boards or the Senior Independent Director should address their communications to the attention of the Company Secretary of Carnival Corporation & plc at 3655 N.W. 87th Avenue, Miami, Florida 33178-2428, United States. The Company Secretary promptly forwards to the Senior Independent Director those communications which the Company Secretary believes require immediate attention. The Senior Independent Director notifies the Boards or the Chair of the relevant Committees of the Boards of those matters that he believes are appropriate for further action or discussion.

Annual Meetings of Shareholders

This year the Annual Meetings of Shareholders will be held at Carnival Place, 3655 NW 87th Avenue, Miami, Florida, United States on Friday, April 8, 2022. The meetings will commence at 8:30 a.m. (EDT), and although technically two separate meetings (the Carnival plc meeting will begin first), shareholders of Carnival Corporation may attend the Carnival plc meeting and vice-versa.

We are also pleased to host a live video broadcast of the Annual Shareholders Meetings at our Carnival plc headquarters located at Carnival House, 100 Harbour Parade, Southampton SO15 1ST, United Kingdom at 1:30 p.m. (BST). Shareholder's planning to attend the live video broadcast in Southampton must submit a proxy in order to vote as they will not be able to vote in person from Southampton. Shareholders attending the live video broadcast in Southampton will be able to submit questions live to the Directors in Florida, but will not be treated as, or considered to be, "in attendance" at the Annual Meetings.

Workforce Engagement

In line with the UK Corporate Governance Code, Randall J. Weisenburger was appointed in 2020 as the designated Non-Executive Director for workforce engagement.

The main responsibilities of this role are the governance and oversight of the following matters:

- to directly engage with the workforce in order to ensure their feedback and concerns are appropriately relayed to the Boards, and that strategic direction and priorities of the Boards are communicated throughout the workforce;
- to coordinate direct engagement between other Non-Executive Directors, management and the workforce, as appropriate;
- to support the Boards' discussion of employee engagement efforts and structure the contents of such discussions;
- to monitor and evaluate workforce engagement to ensure that the efforts on workforce engagement are put in place and are effective, and that employee feedback is shared and collected in a balanced and transparent way; and
- to report on the results of workforce engagement efforts, including any feedback and concerns from employees, to the Boards periodically, and make any recommendations arising from those reports to the Boards.

In this role, Mr. Weisenburger is also supported by senior management who are responsible for the day-to-day implementation of the efforts on workforce engagement. Given the global nature of our business with various operating companies, most workforce engagement activity is conducted at the subsidiary level under the leadership of the respective operating company management. Building upon the initial efforts of last year, during fiscal 2021, our workforce engagement program involved a number of initiatives, led by various leaders throughout our organization, such as live virtual townhall meetings as well as a variety of virtual ship visits. In-person events and visits were not feasible because of continuing travel and health-related restrictions around the globe associated with the COVID-19 pandemic. Despite these challenges, we adapted as the year progressed to respond to the needs of our organization and our workforce. In response to the significant operational and financial impact of COVID-19 on our organization, the Boards continued to have bi-weekly meetings until mid-2021 and then continued with monthly meetings. The Boards received regular reports from management regarding our liquidity, compliance status, status of the gradual return to service, including returning ships to guest cruise operations, returning crew members to our ships as well as maintaining the enhanced health and safety protocols and other critical matters. The Boards continued to work closely with management to sustain the business while balancing the needs of the business with that of its workforce, shareholders and other stakeholders.

During fiscal 2021, with the full support of the Boards, we continued to build upon and expand our initiatives designed to engage with and care for our workforce in light of the heavy impact of the COVID-19 pandemic on the workforce. Key areas of focus include Outreach & Wellness, Culture, Staffing and Motivation. The Boards and their Committees received periodic reports from senior management on key issues and developments. Mr. Weisenburger reported to the full Boards on the workforce engagement efforts.

Our pay practices are established to attract and retain talented individuals at all levels of the organization and to reward performance. Engagement with the workforce on common pay programs with the support of the Boards were coordinated across the organization and shared locally via townhalls, communications from senior leadership and from their team leaders. Use of local engagement channels allowed each brand to tailor conversations to their specific programs. Throughout the pandemic the common programs included 2020's initiatives involving pay reductions and a broad-based equity incentive program, 2021's restoration of full pay, a common form of annual equity incentive for eligible employees, announcement of planned merit pay increases for 2022 as well as a new broad-based performance incentive program all of which apply to executives and a significant portion of the workforce. These programs, established with the support of the Boards of Directors, reinforce our focus on retaining our workforce during these challenging times as well as the alignment of our pay for performance philosophy for executives and the workforce.

OUTREACH AND WELLNESS

Management, with support of the Boards of Directors, increased focus on shore and ship employee outreach and wellness with focus on the unique needs of shore and shipboard employees in our current business environment.

As the COVID-19 pandemic continued to affect our operations, we remained focused on maintaining and improving ongoing communication with and from employees. The operating companies focused on communications channels including regular town halls, newsletters, email updates and video messages. Questions and comments from the workforce were requested in advance of the town hall meetings, and in some cases could be submitted electronically during those meetings. Town halls, in addition to other existing communication channels, such as the hotline referred to in the Whistleblowing section below, also allowed our workforce to provide comments and ask questions.

Brand leaders also increased shipboard outreach with live and virtual visits to ships.

Other examples of shoreside outreach and wellness efforts include:

- frequent updates from management to improve transparency on business developments, particularly on the COVID-19 pandemic and the gradual return to cruise operations;
- newsletters, emails and video updates for both active and furloughed employees to share news, recommendations, helpful resources and tips for wellness;
- encouraging leaders to conduct engagement check-ins with their teams as a group and individually in order to hear their concerns and take questions; and
- leveraging social media to engage with shore and shipboard workforce.

Other examples of shipboard efforts, in addition to expanding the use of our social media channels, include:

- video updates from brand leads;
- daily announcements over public announcement system and Crew TV, including special recognition of achievements;
- appreciation letters;
- package delivery services; and
- COVID-19 awareness, health and wellbeing related training materials.

In addition, the shipboard workforce continued to have access to resources and support to ensure physical and mental wellbeing. Brands instituted robust shipboard mental health and wellness plans, including the following:

- access to medical professionals, including mental health professionals, Care Team and peer support;
- seminars on dealing with stress, mindfulness and cognitive restructuring;
- additional Wi-Fi, internet and telephone services;
- additional multi-faith spiritual services;
- wellness podcasts, articles and eMagazines; and
- mental health awareness training.

Benefits for shoreside employees were also revised to address the continued lockdown periods and remote working. Office protocols were established for shore-based employees who are not eligible to work remotely or need to work from the office. These protocols were updated as the situation evolved and include masking in public spaces, physical distancing and encouraging all to get vaccinated.

The feedback obtained from the townhall meetings, surveys and other channels described above touched on themes such as communications, transparency, remote work solutions and engagement needs. With the support of the Boards, management actioned the feedback received through an assortment of communication, health and wellness and enrichment and recognition efforts.

In addition to the other initiatives referred to in this section, we worked with governmental authorities to arrange COVID-19 vaccinations for our crew members.

As the understanding of COVID-19 continued to evolve, we worked with a number of leading public health, epidemiological and policy experts to support our ongoing efforts to develop enhanced protocols and procedures for the return of cruise vacations. These advisors will continue to provide guidance based on the latest scientific evidence and best practices for protection and mitigation, as well as regulatory requirements for the safety of our guests and employees.

We also continued our efforts to implement significant changes in the way we work, pivoting our shoreside operations to allow for remote working, where possible, in order to facilitate physical distancing protocols. We leveraged information from experts in developing protocols and procedures for use in our shoreside offices for those employees whose duties require them to work at the office. In addition, we made available vaccines and now boosters for our crew members, many of whom otherwise may not have had access to vaccinations. We believe these measures are critical to helping keep our workforce, their families and the communities in which we work, safe and healthy.

CULTURE

During fiscal 2021, we continued to implement and monitor our Culture Essentials, which are the key actions and behaviors we will seek to encourage and reinforce to further strengthen our culture. We developed and implemented specific initiatives—many of which were set out in the initial Culture Action Plan whereby brand leaders and senior management met with their direct reports to discuss these key behaviors. These follow-up efforts also included a series of extensive and consistent communications about the Culture Essentials to increase awareness; new and innovative training sessions to promote further understanding; and new expectations that would be measured and incorporated into performance evaluations. More specifically, through these steps, each brand would drive and incentivize the key behaviors that will strengthen our corporate culture. To further elevate the importance of strengthening our corporate culture, we also developed a new culture governance process in which our leadership team is responsible and accountable for developing the strategy for culture improvements. Given the relative expertise of our human resource professionals, the human resource leaders within each operating company are responsible for implementing the strategy throughout the brands, as well as providing periodic reports that summarize such efforts and activities. Lastly, the Global Ethics and Compliance Department is responsible for monitoring the progress and providing regular reports to our leadership team. In addition, to further promote awareness, these summary reports will also be provided to the Compliance Committees of the Boards of Directors.

One additional culture project that began in mid-2021 addressed the need to promote more accountability of our senior leaders within our organization. On behalf of the Boards of Directors, a nationally-recognized expert in ethics, compliance and integrity was engaged to lead this effort. This executive accountabilities project has been developed and will be implemented in 2022. It will provide the Board of Directors with a practical tool for assessing the contributions that each leader has made to further promote the embed our various culture-related priorities and use this information as a meaningful part of the annual review of executive performance and compensation.

Our goals also continue to be fostering a positive and just culture that involves supporting recruiting, developing and retaining the finest workforce. A highly motivated and engaged workforce is key to delivering vacation experiences that exceed our guests' expectations. We believe in building trust-based relationships and listening to and acting upon our workforces' perspectives and ideas and use feedback tools to monitor and improve our progress in this area.

As part of our culture improvements, we developed a culture survey plan involving annual surveys, panel surveys and pulse surveys. The initial pulse survey was launched in June 2021 for shipboard and shoreside employees to complete. After this initial broad launch, another survey was released in September 2021. Beginning in the first quarter of 2022, the survey will run on a periodic basis with a sampling of employees to measure change over time. The results of the pulse surveys were communicated to senior management and the Boards of Directors. A comprehensive annual survey and panel survey are currently under development.

STAFFING

In 2020, as a result of the pause in guest cruise operations we recognized the need to reduce operating expenses which, after due consideration of our employees, included implementing a combination of layoffs, furloughs, reduced work weeks and salary and benefit reductions across the company, including senior management, instituting a hiring freeze across the organization and significantly reducing consultant and contractor roles which the Boards considered to be necessary to safeguard our long-term sustainability. Although regretting that this was necessary, the situation was handled sensitively, in compliance with local legal requirements and with an eye to providing as much support to the employees as possible.

In some countries outside of the U.S., governmental programs provided some relief allowing us to retain employees for a longer period of time.

For 2021, salary and benefits reductions were discontinued. We also started to gradually bring back furloughed employees and resumed hiring throughout fiscal 2021 as our staffing needs increased due to the gradual resumption of guest cruise operations. We have returned over 65,000 shipboard team members to service and all were offered COVID vaccinations. Returning ship employees attend a "Welcome Back" session as each ship returns to service to review the Culture Essentials, new training curriculum and to encourage commitment to our Vision Statement, shared values and Culture Essentials.

MOTIVATION

In addition to the matters described above, how the interests of employees have been considered by the Boards in their discussions and decision-making is described in the Strategic Report under following Sections: 1.A.II. Recent Developments, 1.A.III. Vision, Goals and Related Strategies, 1.C.XII. Ethics and Compliance and 1.C.XIV. Human Capital Management and Employees.

WHISTLEBLOWING

We have policies and procedures in place for employees and other stakeholders to report any actual or suspected violations of our Code of Business Conduct and Ethics, another of our policies or the laws. We also provide an independent, third-party-hosted hotline where reports can be made in a secure, confidential and, where desired and permitted by applicable laws, anonymous manner. The Boards review on a quarterly basis reports regarding the status of whistleblowing activity and the results of any investigations.

Internal Control and Risk Management

A description of the Carnival Corporation & plc internal controls and risk management systems in relation to the financial reporting process can be found in the Strategic Report under Section 3. Internal Control and Risk Assessment.

Directors' Responsibility for Financial Statements

The Statement of Directors' Responsibilities in relation to the Carnival plc financial statements is included in the Carnival plc Directors' Report attached as Annex A to the Proxy Statement.

Statement of Compliance with the UK Corporate Governance Code

Carnival Corporation & plc has applied the main principles of the UK Corporate Governance Code and complied with its provisions throughout the year ended November 30, 2021, with the following exceptions:

- annual bonuses of U.S. Executive Directors form part of their pensionable salary (which is explained in the Carnival plc Directors' Remuneration Report attached as Annex B to the Proxy Statement in the paragraph entitled "Total Pension Entitlements");
- we do not have a formal policy for a director's post-employment shareholding (which is explained in the Carnival plc Directors' Remuneration Report attached as Annex B to the Proxy Statement in the paragraph entitled "Statement by Randall J. Weisenburger, Chair of the Compensation Committees"); and

- the Chair of the Board of Directors of Carnival plc has been in his post for longer than nine years (which is explained earlier in the Corporate Governance Report in the paragraph entitled "Board Balance and Independence").

A statement describing how the Directors have taken account of the matters set out in section 172(1) (a) to (f) of the UK Companies Act 2006 when performing their duty to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, is included in the Strategic Report.

By order of the Board,

ARNALDO PEREZ
Company Secretary

January 27, 2022



CARNIVAL
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