
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): October 1, 2020

NORWEGIAN CRUISE LINE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-35784
(Commission
File Number)

98-0691007
(I.R.S. Employer
Identification No.)

7665 Corporate Center Drive, Miami, Florida 33126

(Address of principal executive offices, and Zip Code)

(305) 436-4000

Registrant's telephone number, including area code

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value \$.001 per share	NCLH	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Compensatory Arrangements of Certain Officers.

On October 1, 2020, NCL (Bahamas) Ltd. (“NCL”), a subsidiary of Norwegian Cruise Line Holdings Ltd. (the “Company”), entered into a new employment agreement (the “New Employment Agreement”) with Mr. Frank J. Del Rio to supersede his existing employment agreement, originally dated June 5, 2014 and subsequently amended by letter agreements dated September 2, 2014, August 4, 2015 and August 1, 2017 and that certain Base Salary Reduction Agreement Letter (the “Base Salary Reduction Letter”) dated March 19, 2020 (collectively, the “Prior Employment Agreement”). The Prior Employment Agreement was otherwise set to expire on December 31, 2020, and our entry into the New Employment Agreement provides for Mr. Del Rio’s continued leadership as our President and Chief Executive Officer at a critical time for the Company.

The key terms of the New Employment Agreement are summarized below.

Continuation of Employment. Mr. Del Rio’s term of employment as the Company’s President and Chief Executive Officer is extended to December 31, 2023.

Base Salary. Mr. Del Rio will receive an annual base salary of \$1,800,000. Any reduction in base salary pursuant to the Base Salary Reduction Letter will continue to apply for so long as it applies to other executive officers of the Company.

Annual Bonus. Beginning with the 2021 fiscal year, Mr. Del Rio will be eligible for an annual bonus subject to the achievement of performance objectives established by the Compensation Committee of the Company in good faith consultation with Mr. Del Rio. Mr. Del Rio’s annual target bonus for each fiscal year during his term of employment will equal 200% of his base salary, and for fiscal years 2022 and 2023, the maximum annual bonus payable for outperformance will be 400% of his base salary.

Automobile and Personal Benefits. The New Employment Agreement entitles Mr. Del Rio to receive the same automobile and other personal benefits as under the Prior Employment Agreement.

Inducement Awards. In order to induce Mr. Del Rio to enter into the New Employment Agreement and continue as our President and Chief Executive Officer for an additional three years, Mr. Del Rio was granted a restricted share unit (“RSU”) award with a grant date fair value of \$6,000,000 (the “Inducement RSUs”). The Inducement RSUs will cliff vest on the third anniversary of the grant date, subject to Mr. Del Rio’s continued employment through such vesting date. Mr. Del Rio is also entitled to an inducement cash award (the “Inducement Cash Award”) equal to \$2,824,495 payable no later than December 31, 2020. If Mr. Del Rio’s employment is terminated by NCL for “cause” or he voluntarily resigns his employment without “good reason” (as such terms are defined in the New Employment Agreement) prior to December 31, 2021, Mr. Del Rio is required to repay 100% of the Inducement Cash Award.

Performance and Time-Based RSU Awards. The New Employment Agreement entitles Mr. Del Rio to annual RSU awards in each of 2021, 2022 and 2023 that have a grant date value of not less than \$10,000,000. At least 60% of each such grant will be required to be subject to performance-based vesting requirements that will be determined by the Company’s Compensation Committee and the balance will be subject to time-based vesting requirements.

Treatment of RSUs upon Certain Terminations. The New Employment Agreement provides that if NCL terminates Mr. Del Rio’s employment without cause, if Mr. Del Rio terminates his employment for good reason, or if Mr. Del Rio’s employment terminates by reason of the expiration of the term of the New Employment Agreement or his death or disability, (i) all then outstanding, unvested RSUs subject only to time-based vesting requirements that were awarded after the effective date of the New Employment Agreement (including the Inducement RSUs) will vest in full, and (ii) any outstanding, unvested performance-based RSUs that were awarded after the effective date of the New Employment Agreement will continue to remain outstanding as if Mr. Del Rio were still employed until the performance period is complete and will remain subject to all of the applicable performance conditions and will vest at the time, if any, that the performance conditions are satisfied. Any vesting acceleration described herein is conditioned on Mr. Del Rio’s execution and non-revocation of a general release agreement.

Severance Provision. If Mr. Del Rio’s employment is terminated by NCL without cause or if Mr. Del Rio terminates his employment for good reason, he will be entitled to receive a payment equal to a pro-rata portion of any annual bonus actually earned for the year of termination. Mr. Del Rio will also be entitled to continued healthcare coverage for two years following a termination of his employment if his employment terminates on December 31, 2023, or is earlier terminated by NCL without cause or by Mr. Del Rio for good reason. Any severance benefits described herein are conditioned on Mr. Del Rio’s execution and non-revocation of a general release agreement. Other than the pro-rata bonus and continued healthcare benefits described above, Mr. Del Rio is not entitled to any cash severance benefits under the New Employment Agreement. However, Mr. Del Rio is entitled to receive the lump-sum cash severance benefit payable pursuant to the terms of his Prior Employment Agreement.

Restrictive Covenants. Under the New Employment Agreement, Mr. Del Rio is subject to restrictions on his ability to disclose the Company’s confidential information, and to non-competition and non-solicitation restrictions.

The foregoing description of the New Employment Agreement is qualified in its entirety by reference to the complete text of the New Employment Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement by and between NCL (Bahamas) Ltd. and Frank J. Del Rio, entered into on October 1, 2020.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Norwegian Cruise Line Holdings Ltd. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 5, 2020

NORWEGIAN CRUISE LINE HOLDINGS LTD.

By: /s/Daniel S. Farkas
Daniel S. Farkas
Executive Vice President, General Counsel and
Assistant Secretary

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this 1st day of October, 2020, by and between NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the “Company”), and Frank J. Del Rio (the “Executive”).

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. The Executive is party to an Amended and Restated Executive Employment Agreement dated as of June 5, 2014 by and among the Executive, Oceania Cruises, Inc. (“Oceania”) and Prestige Cruises International, Inc., a letter agreement dated September 2, 2014 by and among the Executive, Oceania and Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the “Parent”), letter agreements dated as of August 4, 2015 and August 1, 2017 by and between the Executive and Parent, and that certain Base Salary Reduction Agreement Letter (the “Base Salary Reduction Letter”) dated as of March 19, 2020 by and between the Executive and Parent (collectively, the “Prior Employment Agreement”), which collectively set forth the terms of the Executive’s employment with Parent and its Affiliates.

B. The Company desires to offer the Executive the benefits set forth in this Agreement and provide for the services of the Executive on the terms and conditions set forth in this Agreement.

C. Beginning on the Effective Date, the Executive desires to be employed by the Company on the terms and conditions set forth in this Agreement.

D. Beginning on the Effective Date, this Agreement shall govern the employment relationship between the Executive and the Company and all of its Affiliates from and after the date hereof, and on the Effective Date supersedes and negates any previous agreements with respect to such relationship (including, without limitation, the Prior Employment Agreement).

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 Retention. The Company does hereby agree to employ the Executive for the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement. The Executive does hereby

accept and agree to such employment, on the terms and conditions expressly set forth in this Agreement.

1.2 Duties. During the Period of Employment, the Executive shall serve the Company as its President and Chief Executive Officer. The Executive shall have duties and obligations generally consistent with that position as the Company may assign from time to time. The Executive shall comply with the corporate policies of the Company and Parent as they are in effect from time to time throughout the Period of Employment (including, without limitation, Parent's Code of Ethical Business Conduct policy, as it may change from time to time). During the Period of Employment, the Executive shall report directly to the Board of Directors of Parent (the "Board") and shall serve as a member of the Board. During the Period of Employment, the Executive shall perform services for Parent, and the Parent's other subsidiaries, but shall not be entitled to any additional compensation with respect to such services.

1.3 No Other Employment; Minimum Time Commitment. During the Period of Employment, the Executive shall (i) devote substantially all of the Executive's business time, energy and skill to the performance of the Executive's duties for the Company, (ii) perform such duties in a faithful, effective and efficient manner to the best of Executive's abilities, and (iii) hold no other employment. Notwithstanding the foregoing, the Executive may engage in charitable and public service activities with appropriate approval and the Executive may devote a reasonable amount of time to service on boards of other corporations or engage in other activities; not to include consulting activities. Except as prohibited by Section 6.2, the Executive may make personal investments in any other business, so long as those investments do not require his participation in the operation of such other business and so long as such other business does not compete with any business of the Company or any of its Affiliates (as such term is defined in Section 5.5), successors or assigns. All such outside activities will be subject to the Company's or any of its Affiliate's policies then in effect for executives.

1.4 No Breach of Contract. The Executive hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Executive and the Company and the performance by the Executive of the Executive's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Executive is a party or otherwise bound or any judgment, order or decree to which the Executive is subject; (ii) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as such term is defined in Section 5.5) which would prevent, or be violated by, the Executive entering into this Agreement or carrying out Executive's duties hereunder; (iii) the Executive is not bound by any employment, consulting, non-compete, confidentiality, trade secret or similar agreement (other than this Agreement and the Prior Employment Agreement) with any other Person; and (iv) the Executive understands the Company will rely

upon the accuracy and truth of the representations and warranties of the Executive set forth herein and the Executive consents to such reliance.

1.5 Location. During the Period of Employment, the Executive's principal place of employment shall be the Company's principal executive office as it may be located from time to time. The Executive agrees that he will be regularly present at the Company's principal executive office. The Executive acknowledges that he will be required to travel from time to time in the course of performing Executive's duties for the Company.

2. Period of Employment. The "Period of Employment" shall be a period commencing on October 1, 2020 (the "Effective Date") and ending on December 31, 2023 (the "Termination Date"). Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement.

3. Compensation.

3.1 Base Salary. During the Period of Employment, the Company shall pay the Executive a base salary (the "Base Salary"), which shall be paid biweekly or in such other installments as shall be consistent with the Company's regular payroll practices in effect from time to time. The Executive's Base Salary shall be at an annualized rate of One Million Eight Hundred Thousand Dollars (\$1,800,000). The Compensation Committee of the Board (the "Compensation Committee") will review the Executive's rate of Base Salary on an annual basis and may, in its sole discretion, increase (but not decrease) the rate then in effect. For clarity, any reduction in Base Salary pursuant to the Base Salary Reduction Letter will continue to apply for so long as it applies to other executive officers of the Company or Parent, including through the Period of Employment, if applicable.

3.2 Incentive Bonus. Beginning with the 2021 fiscal year, the Executive shall be eligible to receive an incentive bonus for each fiscal year of the Company that occurs during the Period of Employment ("Incentive Bonus"); provided that, subject to this Section 3.2, the Executive must be employed by the Company (i) at the time the Company pays the Incentive Bonus with respect to the 2021 and 2022 fiscal years and (ii) on the last day of the 2023 fiscal year for any Incentive Bonus payable for the 2023 fiscal year, in each case, in order to be eligible for an Incentive Bonus with respect to the applicable fiscal year (and, if the Executive is not so employed at such time, in no event shall he have been considered to have "earned" any Incentive Bonus with respect to the fiscal year in question). The Executive's target Incentive Bonus for each such fiscal year shall equal 200% of Executive's Base Salary and starting with the 2022 fiscal year, the maximum Incentive Bonus amount for that fiscal year and each fiscal year thereafter during the Period of Employment shall equal 400% of the Executive's Base Salary. The Executive's actual Incentive Bonus amount for a particular fiscal year shall be determined by the Compensation Committee in its sole discretion, based on performance objectives (which may include corporate, business unit or division,

financial, strategic, individual or other objectives) established with respect to that particular fiscal year by the Compensation Committee in good faith in consultation with the Executive, which performance objectives shall be consistent with those established for such fiscal year under any incentive plans established for such year and applicable to other senior executives of the Company. Any Incentive Bonus becoming payable for a particular fiscal year shall be paid in the following fiscal year following the close of the audit and generally by March 31. If the Executive's employment is terminated during the Period of Employment by the Company without Cause or by the Executive for Good Reason (as such terms are defined in Section 5.5), then the Executive shall be entitled to receive a pro-rata portion of the Executive's Incentive Bonus for the year in which such termination occurs (the "Pro-Rata Bonus"). The Pro Rata Bonus shall equal the Incentive Bonus for the fiscal year of termination multiplied by a fraction, the numerator of which is the number of days in that fiscal year through such date of termination and the denominator is 365. Any Pro-Rata Bonus that becomes payable will be paid if and when the Incentive Bonus for active employees is paid (following the completion of the audit in the following fiscal year) and shall be subject to the Executive's execution and non-revocation of the release contemplated by Section 5.4.

3.3 Inducement Awards. In connection with the Executive entering into this Agreement, the Executive shall be awarded a one-time grant of restricted share units in Parent ("Parent RSUs") with a grant date fair value (determined by multiplying the number of such restricted stock units granted by the closing price of an ordinary share of Parent on the applicable grant date) of not less than Six Million Dollars (\$6,000,000) (the "Inducement Equity Award"). Subject to Section 3.4, the Inducement Equity Award shall be time-vesting and cliff vest on the third (3rd) anniversary of the grant date, subject to the Executive's continued employment with the Company on the vesting date. The Inducement Equity Award shall be granted pursuant to and subject to the terms and conditions of a restricted stock unit award agreement and equity plan, each of which will be provided to the Executive in conjunction with the grant of such award. In addition, the Executive will be entitled to an inducement cash award equal to \$2,824,495.17 (the "Inducement Cash Award"), payable following the Effective Date, but no later than December 31, 2020. If the Executive's employment is terminated by the Company for Cause or the Executive voluntarily resigns his employment without Good Reason, in each case, prior to December 31, 2021, the Executive is required to repay 100% of the Inducement Cash Award to the Company within ten business days of such termination. At the option of the Company, all or part of the amount to be repaid to the Company may be deducted from any amounts owed by the Company or its Affiliates to the Executive, including without limitation, any amounts owed as wages, salary, bonuses, equity or other incentive compensation or awards, expense reimbursements, and any other remuneration due for or on account of the Executive's employment with the Company, provided, however, that no such deduction shall be made to the extent that it would result in a tax being owed pursuant to Section 409A or 457A of the Code.

3.4 Annual Equity Awards. In each of the 2021, 2022 and 2023 calendar years, subject in each case to the Executive's continued employment with the Company through the applicable grant date, the Executive will be granted additional Parent RSUs that have a grant date fair value (determined by multiplying the number of Parent RSUs granted (the "target" number of Parent RSUs in the case of an award with performance-based vesting conditions) by the closing price of an ordinary share of Parent on the applicable grant date) of not less than Ten Million Dollars (\$10,000,000). At least sixty percent (60%) of each such grant date fair value will be awarded in Parent RSUs that are subject to performance-based vesting requirements (and potentially additional vesting requirements based on continued employment) ("Performance RSUs"), and the balance of the award will be in Parent RSUs that are subject to vesting requirements based on continued employment but not performance-based vesting requirements ("Time-Based RSUs"). Each award of Parent RSUs will be subject to vesting and other terms established by the Board or the Compensation Committee and will be granted pursuant to and subject to the terms and conditions of a restricted share unit award agreement and equity plan, each of which will be provided to the Executive in conjunction with the grant of such award. Any Parent RSUs and stock options granted to the Executive prior to the Effective Date (other than the Inducement Equity Award) shall continue in effect in accordance with their applicable terms and conditions (including applicable provisions of the Prior Employment Agreement). Except as provided in Sections 3.3 and 3.4, the Executive is not and shall not be entitled to any additional stock options or other equity awards from the Parent or any of its Affiliates. The Inducement Equity Award and any Parent RSUs awarded after the Effective Date will be subject to accelerated vesting as provided in this Section 3.4. Upon the Executive's termination of employment by the Company without Cause or by the Executive for Good Reason, or by the Company due to the Executive's death or Disability, or in the event that the Executive's employment terminates on December 31, 2023 (or such other date as may be agreed to by both parties) as a result of the expiration of the Period of Employment, the Inducement Equity Award and all other Parent RSUs that are then outstanding and unvested shall: (a) in the case of the Inducement Equity Award and Parent RSUs that are Time-Based RSUs (but including any Performance RSUs as to which the applicable performance conditions have been satisfied and remain outstanding subject to only time-based vesting conditions), vest, and (b) in the case of Parent RSUs that are Performance RSUs that remain subject to performance-based vesting conditions, subject to compliance with the requirements of Section 409A and 457A of the Code, remain outstanding and will be paid (subject to the applicable performance conditions) as though the Executive's employment had not terminated (with any time-based vesting conditions that would otherwise extend beyond the end of the applicable performance period deemed satisfied as of the end of the applicable performance period). Any acceleration of vesting pursuant to this Section 3.4 (other than as a result of the Executive's death) shall be subject to the Executive's execution and non-revocation of the release contemplated by Section 5.4. Other than as

explicitly set forth in this Section 3.4, unvested Parent RSUs shall be forfeited upon the Executive's employment termination.

4. **Benefits.**

4.1 Retirement, Welfare and Fringe Benefits. During the Period of Employment, the Executive shall be entitled to participate, on a basis generally consistent with other similarly situated executives, in all employee pension and welfare benefit plans and programs, all fringe benefit plans and programs and all other benefit plans and programs (including those providing for perquisites or similar benefits) that are made available by the Company to the Company's other similarly situated executives generally, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time. The Executive's participation in the foregoing plans and programs is subject to the eligibility and participation provisions of such plans, and the Company's right to amend or terminate such plans from time to time in accordance with their terms. In addition, during the Period of Employment, the Executive shall also be entitled to the following fringe benefits: (i) a personal expense allowance in an amount not to exceed Twelve Thousand Dollars (\$12,000) per calendar year, (ii) an allowance for country club dues and fees in an amount not to exceed Twenty Thousand Dollars (\$20,000) per calendar year and (iii) a travel expense allowance of One Hundred Thousand Dollars (\$100,000) per calendar year.

4.2 Medical Executive Reimbursement Plan. During the Period of Employment, the Company will provide the Executive, and the Executive's spouse and dependent children, with a Medical Executive Reimbursement Plan (the "MERP"), subject to the terms and conditions of such plan. The premium costs for the Executive and the Executive's spouse and dependent children under the MERP shall be fully paid by the Company.

4.3 Company Automobile. During the Period of Employment, the Company shall provide the Executive with a company car or car allowance, which car or allowance shall be in an amount of up to Two Thousand Dollars (\$2,000) per month, which is intended to cover the cost of car lease payments and vehicle insurance, in accordance with the Company's policy as in effect from time to time. The Company shall also cover the cost of maintenance and gasoline as regular business expenses.

4.4 Reimbursement of Business Expenses. The Executive is authorized to incur reasonable expenses in carrying out the Executive's duties for the Company under this Agreement and shall be entitled to reimbursement for all reasonable business expenses the Executive incurs during the Period of Employment in connection with carrying out the Executive's duties for the Company, subject to the Company's expense reimbursement policies and any pre-approval policies in effect from time to time.

4.5 Vacation and Other Leave. During the Period of Employment, the Executive shall be entitled to a minimum of forty (40) days of paid vacation in each calendar year with the ability to carry over not more than five (5) days of earned but unused vacation from one year to the next. The Executive shall also be entitled to all other holiday, leave and personal days generally available to other similarly situated executives of the Company. All vacation, holiday, leave or personal day accrual or use shall be subject to the Company's applicable policies in effect from time to time.

4.6 Tax Advice and Income Tax Preparation. During the Period of Employment, the Company will pay the cost for the Executive to retain a tax consultant to provide the Executive with personal tax advice and income tax preparation services in an amount not to exceed Twenty Thousand Dollars (\$20,000) per calendar year.

5. Termination.

5.1 Termination by the Company. The Executive's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (i) with Cause (as such term is defined in Section 5.5), or (ii) without Cause, or (iii) in the event of the Executive's death, or (iv) in the event that the Board determines in good faith that the Executive has a Disability (as such term is defined in Section 5.5).

5.2 Termination by the Executive. The Executive's employment by the Company, and the Period of Employment, may be terminated by the Executive with or without Good Reason (as such term is defined in Section 5.5) upon written notice to the Company (such notice to be delivered in accordance with Section 18).

5.3 Benefits Upon Termination. If the Executive's employment by the Company is terminated during the Period of Employment for any reason by the Company or by the Executive, or upon or following the expiration of the Period of Employment (in any case, the date that the Executive's employment by the Company terminates is referred to as the "Severance Date"), the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

- (a) The Company shall pay the Executive (or, in the event of Executive's death, the Executive's estate) any Accrued Obligations (as such term is defined in Section 5.5);
- (b) If the Executive's employment is terminated during the Period of Employment by the Company without Cause or by the Executive for Good Reason, the Pro-Rata Bonus in accordance with, and subject to the terms of, Section 3.2; and

- (c) Continued health/medical plan benefits to the Executive and the Executive's spouse and dependent children for two (2) years following the first to occur: (i) a termination of the Executive's employment with the Company on December 31, 2023 as a result of the expiration of the Period of Employment without it being extended or (ii) the Executive's termination of employment by the Company without Cause or by the Executive for Good Reason, in each case, prior to December 31, 2023.
- (d) The foregoing provisions of this Section 5.3 shall not affect: (i) the Executive's receipt of benefits otherwise due terminated employees under group insurance coverage consistent with the terms of the applicable Company welfare benefit plan; (ii) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage; or (iii) the Executive receipt of vested benefits otherwise due in accordance with the terms of the Company's or its Affiliate's 401(k) plan or under any equity incentive plan of Parent (or any successor plan).

5.4 Release; Exclusive Remedy.

- (a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement or any stock option or other equity-based award agreement to the contrary. As a condition precedent to any Company obligation to the Executive pursuant to Sections 5.3(b) or 5.3(c), the Executive shall, upon or promptly following his last day of employment with the Company (and in any event within twenty-one (21) days following the Executive's last day of employment or such longer period of time as required by applicable law), execute a general release agreement in substantially the form of Exhibit A (with such amendments that may be necessary to ensure the release is enforceable to the fullest extent permissible under then applicable law), and such release agreement shall have not been revoked by the Executive pursuant to any revocation rights afforded by applicable law.
- (b) The Executive agrees that the payments and benefits contemplated by Section 5.3 (and any applicable acceleration of vesting of an equity-based award in accordance with the terms of such award in connection with the termination of the Executive's employment) shall constitute the exclusive and sole remedy for any termination of Executive's employment and the Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment. The Company and the Executive acknowledge and agree that there is no duty of the Executive to mitigate damages under this Agreement. All amounts paid to the Executive pursuant to Section 5.3 shall be paid without regard to whether the Executive has taken or takes actions to mitigate damages. The Executive agrees to resign, on the Severance Date, as an officer and director of Parent, the Company and any Affiliate of the Company, and as

a fiduciary of any benefit plan of the Company or any Affiliate of the Company, and to promptly execute and provide to the Company any further documentation, as requested by the Company, to confirm such resignation.

5.5 Certain Defined Terms.

- (a) As used herein, “Accrued Obligations” means:
- (i) any Base Salary that had accrued but had not been paid on or before the Severance Date (including accrued and unpaid vacation time to the extent that the Executive is entitled to accrued vacation in accordance with Section 4.5 and the Company’s policy in effect at the applicable time); and (ii) any reimbursement due to the Executive pursuant to Section 4 for expenses reasonably incurred by the Executive on or before the Severance Date and documented and pre-approved, to the extent applicable, in accordance with the Company’s expense reimbursement policies in effect at the applicable time.
- (b) As used herein, “Affiliate” of the Company means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term “control,” including the correlative terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.
- (c) As used herein, “Cause” shall mean one or more of the following:
- (i) the willful and continued failure of the Executive to substantially perform the Executive’s duties under this Agreement (other than as a result of physical or mental illness or injury), after the Board delivers to the Executive a written demand for substantial performance and such nonperformance has continued for more than thirty (30) days following written notice of nonperformance from the Board that specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties (provided, however, that the Executive shall not be deemed to be in nonperformance if within such 30-day time period following receipt by the Executive of such notice, he has taken steps reasonably calculated to resolve such nonperformance);

- (ii) willful misconduct or gross misconduct by the Executive that has resulted in material injury to the financial interests or reputation of Parent or any of its Affiliates;
- (iii) a violation of any policy and procedure of Parent or any of its Affiliates which in the reasonable discretion of the Board is grounds for termination of employment;
- (iv) a material breach by the Executive of the provisions of Section 6;
- (v) any act or omission by the Executive which, if convicted by a court of law, would constitute a felony or involves disloyalty, dishonesty or insubordination in the Executive's relations with Parent or any of its Affiliates, the Board, or any employees or customers Parent or any of its Affiliates;
- (vi) any act or omission which is an intentional violation of the written policies of Parent or any of its Affiliates;
- (vii) any act or omission which results in a breach of any term or condition of this Agreement; or
- (viii) any act or omission which has a material adverse effect on Parent's or any of its Affiliates' reputation, business affairs or goodwill.

In order for a termination of the Executive's employment to be for "Cause," such termination must be approved by no less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose.

(d) As used herein, "Change in Control" shall mean the following:

- (i) The consummation by the Parent of a merger, consolidation, reorganization, or business combination, other than a transaction:
 - (A) Which results in the Parent's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Parent or the Person that, as a result of the transaction, controls, directly or indirectly, the Parent or owns, directly or indirectly, all or substantially all of the Parent's assets or otherwise succeeds to the business of the Parent (the Parent or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and;

- (B) After which no person or group (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act) voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 5.5(d)(i)(B) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Parent prior to the consummation of the transaction; or
- (ii) A sale or other disposition of all or substantially all of the Parent’s assets in any single transaction or series of related transactions; or
- (iii) A transaction or series of transactions (other than an offering of stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any person or group (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Parent, any of its subsidiaries, an employee benefit plan maintained by the Parent or any of its subsidiaries or a person or group that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Parent) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Parent and immediately after such acquisition possesses more than 50% of the total combined voting power of the Parent’s securities outstanding immediately after such acquisition; or
- (iv) Individuals who, on the Effective Date, constitute the Board together with any new director(s) whose election by the Board was not in connection with an actual or threatened proxy contest, cease for any reason to constitute a majority thereof.
- (e) As used herein, “Disability” shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of Executive’s employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.
- (f) As used herein, “Good Reason” shall mean that the Executive has complied with the “Good Reason Process” following the occurrence of any of the following events (referred to individually as a “Good Reason”

Event" and collectively as "Good Reason Events"): (A) any substantial adverse change, not consented to by the Executive in a writing signed by the Executive, in the nature or scope of the Executive's responsibilities, authorities, powers, functions, or duties; (B) an involuntary reduction in the Executive's Base Salary; (C) a breach by the Company of any of its material obligations under this Agreement; or (D) the requirement that the Executive be relocated from the Company's primary offices at which the Executive is principally employed to a location more than sixty (60) miles from the Company's current principal offices, or the requirement by the Company for the Executive to be based anywhere other than the Company's principal offices at such current location (or more than sixty (60) miles therefrom) on an extended basis, except for required travel on the Company's business to an extent substantially consistent with the Executive's current business travel obligations.

- (g) As used herein, "Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a Good Reason Event has occurred; (ii) the Executive notifies the Company in writing (such notice to be delivered in accordance with Section 18) of the occurrence of the Good Reason Event within 60 days thereof and the Executive's intent to terminate employment as a result thereof; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not more than thirty (30) days following such notice, to modify the Executive's employment situation in a manner acceptable to the Executive and the Company, and (iv) notwithstanding such efforts, one or more of the Good Reason Events continues to exist for a period of more than thirty (30) days following such notice and has not been modified or cured in a manner acceptable to the Executive, in which case the Executive's employment shall automatically terminate on the thirty-first (31st) day after the date such notice is given.
- (h) As used herein, the term "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.
- (i) As used herein, a "Separation from Service" occurs when the Executive dies, retires, or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

5.6 Notice of Termination. Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. This notice of termination must be delivered in accordance with Section 18 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination and the

basis of any termination by the Company for Cause or by the Executive for Good Reason.

5.7 Section 409A.

- (a) If the Executive is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive’s Separation from Service, the Executive shall not be entitled to any payment or benefit pursuant to Sections 5.3(b) or (c) until the earlier of (i) the date which is six (6) months after Executive’s Separation from Service for any reason other than death, or (ii) the date of the Executive’s death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. For purposes of clarity, the six (6) month delay shall not apply in the case of any short-term deferral as contemplated by Treasury Regulation Section 1.409A-1(b)(4) or severance pay contemplated by Treasury Regulation Section 1.409A-1(b)(9)(iii) to the extent of the limits set forth therein. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive’s Separation from Service that are not so paid by reason of this Section 5.7(a) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive’s Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive’s death).
- (b) To the extent that any benefits pursuant to Section 5.3(c) or reimbursements pursuant to Section 4 or Section 6.6 are taxable to the Executive, any reimbursement payment due to the Executive pursuant to any such provision shall be paid to the Executive on or before the last day of the Executive’s taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements pursuant to Section 5.3(c), Section 4 and Section 6.6 are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that the Executive receives in one taxable year shall not affect the amount of such benefits or reimbursements that the Executive receives in any other taxable year.
- (c) Any installment payments provided for in this Agreement shall be treated as separate payments for purposes of Section 409A of the Code. To the extent required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code, the definition of Change in Control will be interpreted to mean a change in the ownership, effective control or ownership of a substantial portion of assets of Parent within the meaning of Section 409A of the Code. This Agreement is intended to comply with the requirements of Section 409A and 457A of the Code and shall be

interpreted consistent with this intent so as to avoid the imputation of any tax, penalty or interest pursuant to Section 409A or 457A of the Code.

5.8 Possible Limitation of Benefits in Connection with a Change in Control

Notwithstanding anything contained in this Agreement to the contrary, if following a change in ownership or effective control or in the ownership of a substantial portion of assets (in each case, within the meaning of Section 280G of the Code), the tax imposed by Section 4999 of the Code or any similar or successor tax (the “Excise Tax”) applies to any payments, benefits and/or amounts received by the Executive pursuant to this Agreement or otherwise, including, without limitation, any acceleration of the vesting of outstanding stock options or other equity awards (collectively, the “Total Payments”), then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount which would cause the Total Payments to be subject to the Excise Tax; provided that such reduction to the Total Payments shall be made only if the total after-tax benefit to the Executive is greater after giving effect to such reduction than if no such reduction had been made. If such a reduction is required, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any cash payments under this Agreement, then by reducing or eliminating any accelerated vesting of stock options, then by reducing or eliminating any accelerated vesting of other equity awards, then by reducing or eliminating any other remaining Total Payments, in each case in reverse order beginning with the payments which are to be paid the farthest in time from the date of the transaction triggering the Excise Tax. The provisions of this Section 5.8 shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive’s rights and entitlements to any benefits or compensation.

6. Protective Covenants.

6.1 Confidential Information; Inventions.

- (a) The Executive shall not disclose or use at any time, either during the Period of Employment or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by Executive, except to the extent that such disclosure or use is directly related to and required by the Executive’s performance in good faith of duties for the Company. The Executive will take all appropriate steps to safeguard Confidential Information in Executive’s possession and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the Company at the termination of the Period of Employment, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the Work Product (as hereinafter defined) of the business of the Company or any of its Affiliates which the

Executive may then possess or have under Executive's control. Notwithstanding the foregoing, the Executive may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process. The Executive understands that nothing in this Agreement is intended to limit the Executive's right (i) to discuss the terms, wages, and working conditions of his employment to the extent permitted and/or protected by applicable labor laws, (ii) to report confidential information in a confidential manner either to a federal, state or local government official or to an attorney where such disclosure is solely for the purpose of reporting or investigating a suspected violation of law, or (iii) to disclose confidential information in an anti-retaliation lawsuit or other legal proceeding, so long as that disclosure or filing is made under seal and the Executive does not otherwise disclose such confidential information, except pursuant to court order. The Company encourages the Executive, to the extent legally permitted, to give the Company the earliest possible notice of any such report or disclosure. Pursuant to the Defend Trade Secrets Act of 2016, the Executive acknowledges that he may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of confidential information that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed in a lawsuit or other proceeding, provided that such filing is made under seal. Further, the Executive understands that the Company will not retaliate against him in any way for any such disclosure made in accordance with the law. In the event a disclosure is made, and the Executive files any type of proceeding against the Company alleging that the Company retaliated against the Executive because of his disclosure, the Executive may disclose the relevant confidential information to his attorney and may use the confidential information in the proceeding if (x) the Executive files any document containing the confidential information under seal, and (y) the Executive does not otherwise disclose the confidential information except pursuant to court order.

- (b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or its Affiliates in connection with their businesses, including, but not limited to, information, observations and data obtained by the Executive while employed by the Company or any predecessors thereof (including those obtained prior to the Effective Date) concerning (i) the business or affairs of the Company (or such predecessors), (ii) products or services, (iii) fees, costs and pricing

structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Executive in breach of this Agreement) in a form generally available to the public prior to the date the Executive proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

- (c) As used in this Agreement, the term “Work Product” means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to the Company’s or any of its Affiliates’ actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours, whether or not by the use of the facilities of the Company or any of its Affiliates, and whether or not alone or in conjunction with any other person) while employed by the Company (including those conceived, developed or made prior to the Effective Date) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Executive may have discovered, invented or originated during Executive’s employment by the Company or any of its Affiliates prior to the Effective Date or that he may discover, invent or originate during the Period of Employment or at any time prior to the Severance Date, shall be the exclusive property of the Company and its Affiliates, as applicable, and Executive hereby assigns all of Executive’s right, title and interest in and to such Work Product to the Company or its applicable Affiliate, including all intellectual property rights therein. Executive shall promptly disclose all Work Product to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem necessary to protect or perfect its (or any of its Affiliates’, as applicable) rights therein, and shall assist the Company, at the Company’s expense, in obtaining, defending and enforcing the Company’s (or any of

its Affiliates', as applicable) rights therein. The Executive hereby appoints the Company as Executive's attorney-in-fact to execute on Executive's behalf any assignments or other documents deemed necessary by the Company to protect or perfect the Company's (and any of its Affiliates', as applicable) rights to any Work Product.

6.2 Restriction on Competition. The Executive acknowledges that, in the course of Executive's employment with the Company and/or its Affiliates, he has become familiar, or will become familiar, with the Company's and its Affiliates' and their predecessors' trade secrets and with other Confidential Information concerning the Company, its Affiliates and their respective predecessors and that Executive's services have been and will be of special, unique and extraordinary value to the Company and its Affiliates. The Executive agrees that if the Executive were to become employed by, or substantially involved in, the business of a competitor of the Company or any of its Affiliates following the Severance Date, it would be very difficult for the Executive not to rely on or use the Company's and its Affiliates' trade secrets and Confidential Information. Thus, to avoid the inevitable disclosure of the Company's and its Affiliates' trade secrets and Confidential Information, and to protect such trade secrets and Confidential Information and the Company's and its Affiliates' relationships and goodwill with customers, during the Period of Employment and for a period of twelve (12) months after the Severance Date (or twenty-four (24) months after the Severance Date if the Executive's employment terminates as a result of his voluntary resignation without Good Reason), the Executive will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer, licensor of technology or otherwise. For purposes of this Agreement, "Competing Business" means a Person anywhere in the continental United States and elsewhere in the world where the Company and its Affiliates engage in business, or reasonably anticipate engaging in business, on the Severance Date (the "Restricted Area") that at any time during the Period of Employment has competed, or at any time during the twelve month period following the Severance Date competes, with the Company or any of its Affiliates in the passenger cruise ship industry (the "Business"). Nothing herein shall prohibit the Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation. Notwithstanding the foregoing, the Executive and the Company may agree that the Company shall waive all or a portion of the non-competition restrictions provided for in this Section 6.2 in exchange for the Executive's agreement to forfeit all or a portion of the benefits payable under Section 5.3(b) or Section 5.3(c). Any such agreement between the

Executive and the Company shall be documented in the general release agreement provided for in Section 5.4 or in such other written agreement between the Executive and the Company determined by the Company.

6.3 Non-Solicitation of Employees and Consultants. During the Period of Employment and for a period of twelve (12) months after the last date for which compensation (including any compensation for services rendered as a consultant) is received from the Company or any of its Affiliates, the Executive will not directly or indirectly through any other Person (i) induce or attempt to induce any employee or independent contractor of the Company or any Affiliate of the Company to leave the employ or service, as applicable, of the Company or such Affiliate, or in any way interfere with the relationship between the Company or any such Affiliate, on the one hand, and any employee or independent contractor thereof, on the other hand, or (ii) hire any person who was an employee of the Company or any Affiliate of the Company until six months after such individual's employment relationship with the Company or such Affiliate has been terminated.

6.4 [Reserved]

6.5 Understanding of Covenants. The Executive represents that he (i) is familiar with and has carefully considered the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants"), (ii) is fully aware of Executive's obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Affiliates currently conduct business throughout the continental United States and the rest of the world, (v) agrees that the Restrictive Covenants are necessary to protect the Company's and its Affiliates' confidential and proprietary information, good will, stable workforce, and customer relations, and (vi) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Executive is then entitled to receive severance pay or benefits from the Company. The Executive understands that the Restrictive Covenants may limit Executive's ability to earn a livelihood in a business similar to the Business of the Company and any of its Affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given Executive's education, skills and ability), the Executive does not believe would prevent Executive from otherwise earning a living. The Executive agrees that the Restrictive Covenants do not confer a benefit upon the Company disproportionate to the detriment of the Executive.

6.6 Cooperation. Following the Executive's last day of employment by the Company, the Executive shall reasonably cooperate with the Company and its Affiliates in connection with: (a) any ongoing Company matter, internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving the Company and any Affiliates with respect to matters

relating to the Executive's employment with, or service as a member of the board of directors of, the Company or any Affiliate (collectively, "Litigation"); or (b) any audit of the financial statements of the Company or any Affiliate with respect to the period of time when the Executive was employed by the Company or any Affiliate ("Audit"). The Executive acknowledges that such cooperation may include, but shall not be limited to, the Executive making himself or herself available to the Company or any Affiliate (or their respective attorneys or auditors) upon reasonable notice for: (i) interviews, factual investigations, and providing declarations or affidavits that provide truthful information in connection with any Litigation or Audit; (ii) appearing at the request of the Company or any Affiliate to give testimony without requiring service of a subpoena or other legal process; (iii) volunteering to the Company or any Affiliate pertinent information related to any Litigation or Audit; and (iv) turning over to the Company or any Affiliate any documents relevant to any Litigation or Audit that are or may come into the Executive's possession. The Company shall reimburse the Executive for reasonable travel expenses incurred in connection with providing the services under this Section 6.6, including lodging and meals, upon the Executive's submission of receipts. If, due to an actual or potential conflict of interest, it is necessary for the Executive to retain separate counsel in connection with providing the services under this Section 6.6, and such counsel is not otherwise supplied by and at the expense of the Company (pursuant to indemnification rights of the Executive or otherwise), the Company shall further reimburse the Executive for the reasonable fees and expenses of such separate counsel.

6.7 Enforcement. The Executive agrees that the Executive's services are unique and that he has access to Confidential Information and Work Product. Accordingly, without limiting the generality of Section 17, the Executive agrees that a breach by the Executive of any of the covenants in this Section 6 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any provision of this Section 6, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 6. The Executive further agrees that the applicable period of time any Restrictive Covenant is in effect following the Severance Date, as determined pursuant to the foregoing provisions of this Section 6, shall be extended by the same amount of time that Executive is in breach of any Restrictive Covenant.

7. Withholding Taxes. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local

income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8. Successors and Assigns.

- (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.
- (b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Without limiting the generality of the preceding sentence, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assignee, as applicable, which assumes and agrees to perform this Agreement by operation of law or otherwise.

9. Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

10. Section Headings. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

11. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF FLORIDA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF FLORIDA TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF FLORIDA WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

12. Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies

applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. Entire Agreement; Legal Effect. Beginning on the Effective Date, this Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. Beginning on the Effective Date, this Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bear upon the subject matter hereof, including, without limitation, the Prior Employment Agreement. For the avoidance of doubt, upon the Effective Date, the Executive shall become entitled to the lump-sum cash severance benefits set forth in Section 2 of the letter agreement dated as of August 1, 2017 by and between the Executive and Parent. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein.

14. Modifications. This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

15. Waiver. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

16. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17. Remedies. Each of the parties to this Agreement and any such person or entity granted rights hereunder whether or not such person or entity is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance, injunctive relief and/or other appropriate equitable relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement. Each party shall be responsible for paying its own attorneys' fees, costs and other expenses pertaining to any such legal proceeding and enforcement regardless of whether an award or finding or any judgment or verdict thereon is entered against either party.

18. Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

if to the Company:

NCL (Bahamas) Ltd.
7665 Corporate Center Drive
Miami, FL 33126
Facsimile: (305) 436-4111
Attn: Executive Vice President and Chief Talent Officer

with a copy to:

NCL (Bahamas) Ltd.
7665 Corporate Center Drive
Miami, FL 33126
Facsimile: (305) 436-4101
Attn: Executive Vice President and General Counsel

if to the Executive, to the address most recently on file in the payroll records of the Company.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic or other electronic copies of such signed counterparts may be used in lieu of the originals for any purpose.

20. Legal Counsel; Mutual Drafting. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

21. Clawback. All bonuses and equity awards granted under this Agreement, any Parent equity plan or any other incentive plan are subject to the terms of the Company's or Parent's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of bonuses or awards or any shares or other cash or property received with respect to the bonuses or awards (including any value received from a disposition of the shares acquired upon payment of the bonuses or equity awards).

22. Indemnification. The Company agrees to indemnify and hold the Executive harmless against all costs, charges and expenses whatsoever incurred or sustained by the Executive in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of Parent, the Company or any of their Affiliates to the fullest extent permitted by applicable laws and the Company's (or Parent's, as applicable) governing documents, in each case as in effect at the time of the subject act or omission; provided, however, that in no event shall the Executive's indemnification rights and the rights to advancement of fees and expenses at any time be less favorable than the indemnification rights and rights to advancement of fees and expenses generally available to officers or directors of the Company or Parent.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date hereof.

“COMPANY”

NCL (Bahamas), Ltd.
a company organized under the laws of Bermuda

By: /s/Lynn White
Name: Lynn White
Title: Executive Vice President, Chief Talent Officer

“EXECUTIVE”

/s/Frank J. Del Rio
Frank J. Del Rio

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Release Agreement") is entered into this ____ day of _____, 20__, by and between [____], an individual ("Executive"), and NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the "Company").

WHEREAS, Executive has been employed by the Company or one of its subsidiaries; and

WHEREAS, Executive's employment by the Company or one of its subsidiaries has terminated and, in connection with the Executive's Employment Agreement with the Company, dated as of _____ (the "Employment Agreement"), the Company and Executive desire to enter into this Release Agreement upon the terms set forth herein;

NOW, THEREFORE, in consideration of the covenants undertaken and the releases contained in this Release Agreement, and in consideration of the obligations of the Company to pay severance and other benefits (conditioned upon this Release Agreement) under and pursuant to the Employment Agreement, Executive and the Company agree as follows:

1. Termination of Employment. Executive's employment with the Company terminated on [_____, _____] (the "Separation Date"). Executive waives any right or claim to reinstatement as an employee of the Company and each of its affiliates. Executive hereby confirms that Executive does not hold any position as an officer, director or employee with the Company and each of its affiliates. Executive acknowledges and agrees that Executive has received all amounts owed for Executive's regular and usual salary (including, but not limited to, any overtime, bonus, accrued vacation, commissions, or other wages), reimbursement of expenses, sick pay and usual benefits.

2. Release. Executive, on behalf of Executive, Executive's descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company and each of its parents, subsidiaries and affiliates, past and present, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them, hereinafter together and collectively referred to as the "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a "Claim"), which he now owns or holds or he has at any time heretofore owned or held or may in the future hold as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with Executive's service as an officer, director, employee, member or manager of any Releasee, Executive's separation from Executive's position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), whether known or unknown, suspected or

unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Release Agreement including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, equity compensation, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability (the "Release"); provided, however, that the foregoing Release does not apply to any obligation of the Company to Executive pursuant to any of the following: (1) any equity-based awards previously granted by the Company or its affiliates to Executive, to the extent that such awards continue after the termination of Executive's employment with the Company in accordance with the applicable terms of such awards (and subject to any limited period in which to exercise such awards following such termination of employment); (2) any right to indemnification that Executive may have pursuant to the Bylaws of the Company, its Articles of Incorporation or under the Employment Agreement or any other written indemnification agreement with the Company (or any corresponding provision of any subsidiary or affiliate of the Company) or applicable state law with respect to any loss, damages or expenses (including but not limited to attorneys' fees to the extent otherwise provided) that Executive may in the future incur with respect to Executive's service as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (3) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any Company (or subsidiary or affiliate) directors and officers liability insurance policy; (4) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (5) any rights to the severance and other benefits payable under Section 5.3 of the Employment Agreement in accordance with the terms of the Employment Agreement; or (6) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by the Company or its affiliates that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this Release does not cover any Claim that cannot be so released as a matter of applicable law. Executive acknowledges and agrees that he has received any and all leave and other benefits that he has been and is entitled to pursuant to the Family and Medical Leave Act of 1993.

3. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Release Agreement, Executive is waiving any and all rights or Claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), which have arisen on or before the date of execution of this Release Agreement. Executive further expressly acknowledges and agrees that:

A. In return for this Release Agreement, the Executive will receive consideration beyond that which the Executive was already entitled to receive before entering into this Release Agreement;

B. Executive is hereby advised in writing by this Release Agreement to consult with an attorney before signing this Release Agreement;

C. Executive has voluntarily chosen to enter into this Release Agreement and has not been forced or pressured in any way to sign it;

D. Executive was given a copy of this Release Agreement on [_____, 20__] and informed that he had [twenty one (21)/forty-five (45)] days within which to consider this Release Agreement and that if he wished to execute this Release Agreement prior to expiration of such [21-day/45-day] period, he should execute the Endorsement attached hereto;

E. Executive was informed that he had seven (7) days following the date of execution of this Release Agreement in which to revoke this Release Agreement, and this Release Agreement will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by the Company during the seven-day revocation period. In the event that Executive exercises Executive's right of revocation, neither the Company nor Executive will have any obligations under this Release Agreement;

F. Nothing in this Release Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

4. No Transferred Claims. Executive warrants and represents that the Executive has not heretofore assigned or transferred to any person not a party to this Release Agreement any released matter or any part or portion thereof and she shall defend, indemnify and hold the Company and each of its affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

5. Severability. It is the desire and intent of the parties hereto that the provisions of this Release Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Release Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Release Agreement or affecting the validity or enforceability of such provision in any other jurisdiction; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Release Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Release Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6. Counterparts. This Release Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. This Release Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected

hereon as the signatories. Photographic or other electronic copies of such signed counterparts may be used in lieu of the originals for any purpose.

7. Successors. This Release Agreement is personal to Executive and shall not, without the prior written consent of the Company, be assignable by Executive. This Release Agreement shall inure to the benefit of and be binding upon the Company and its respective successors and assigns and any such successor or assignee shall be deemed substituted for the Company under the terms of this Release Agreement for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of the Company, acquires all or substantially all of the Company's assets, or to which the Company assigns this Release Agreement by operation of law or otherwise.

8. Governing Law. THIS RELEASE AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH UNITED STATES FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY UNITED STATES FEDERAL LAW, THE LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF FLORIDA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN UNITED STATES FEDERAL LAW AND THE LAW OF THE STATE OF FLORIDA TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, APPLICABLE FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY APPLICABLE FEDERAL LAW, THE INTERNAL LAW OF THE STATE OF FLORIDA, WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS RELEASE AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

9. Amendment and Waiver. The provisions of this Release Agreement may be amended and waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Release Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Release Agreement or any provision hereof.

10. Descriptive Headings. The descriptive headings of this Release Agreement are inserted for convenience only and do not constitute a part of this Release Agreement.

11. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Release Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

12. Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice-versa.

13. Legal Counsel. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Executive acknowledges and agrees that he has read and understands this Release Agreement completely, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Release Agreement and he has had ample opportunity to do so.

The undersigned have read and understand the consequences of this Release Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of Florida that the foregoing is true and correct.

EXECUTED this ____ day of _____ 20__, at _____

“Executive”

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Print Name: _

NCL (Bahamas), LTD.,
a company organized under the laws of Bermuda,

By: _
Name: _____
Title: _

ENDORSEMENT

I, _____, hereby acknowledge that I was given [21/45] days to consider the foregoing Release Agreement and voluntarily chose to sign the Release Agreement prior to the expiration of the [21/45]-day period.

I declare under penalty of perjury under the laws of the United States and the State of Florida that the foregoing is true and correct.

EXECUTED this [____] day of [____] 200__.

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Print Name: _