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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from _____ to _____

Commission File Number: 001-35784

NORWEGIAN CRUISE LINE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

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

7665 Corporate Center Drive, Miami, Florida 33126
(Address of principal executive offices) (zip code)

(305) 436-4000
(Registrant's telephone number, including area code)

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 229,468,539 ordinary shares outstanding as of October 29, 2015.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue				
Passenger ticket	\$ 948,059	\$ 650,323	\$ 2,406,533	\$ 1,627,684
Onboard and other	336,851	256,694	901,992	709,288
Total revenue	<u>1,284,910</u>	<u>907,017</u>	<u>3,308,525</u>	<u>2,336,972</u>
Cruise operating expense				
Commissions, transportation and other	225,586	143,194	589,851	374,716
Onboard and other	84,171	69,389	210,701	172,780
Payroll and related	170,694	115,968	490,253	321,386
Fuel	88,829	79,881	267,784	236,753
Food	46,419	44,819	131,969	125,236
Other	102,023	58,047	307,143	197,133
Total cruise operating expense	<u>717,722</u>	<u>511,298</u>	<u>1,997,701</u>	<u>1,428,004</u>
Other operating expense				
Marketing, general and administrative	150,558	97,111	411,879	263,584
Depreciation and amortization	109,798	63,786	314,381	188,885
Total other operating expense	<u>260,356</u>	<u>160,897</u>	<u>726,260</u>	<u>452,469</u>
Operating income	<u>306,832</u>	<u>234,822</u>	<u>584,564</u>	<u>456,499</u>
Non-operating income (expense)				
Interest expense, net	(49,784)	(32,284)	(153,219)	(95,316)
Other income (expense)	(1,733)	3,242	(35,589)	3,305
Total non-operating income (expense)	<u>(51,517)</u>	<u>(29,042)</u>	<u>(188,808)</u>	<u>(92,011)</u>
Net income before income taxes	<u>255,315</u>	<u>205,780</u>	<u>395,756</u>	<u>364,488</u>
Income tax benefit (expense)	<u>(3,528)</u>	<u>(2,502)</u>	<u>(6,931)</u>	<u>3,761</u>
Net income	<u>251,787</u>	<u>203,278</u>	<u>388,825</u>	<u>368,249</u>
Net income attributable to non-controlling interest	<u>—</u>	<u>2,200</u>	<u>—</u>	<u>4,288</u>
Net income attributable to Norwegian Cruise Line Holdings Ltd.	<u>\$ 251,787</u>	<u>\$ 201,078</u>	<u>\$ 388,825</u>	<u>\$ 363,961</u>
Weighted-average shares outstanding				
Basic	<u>227,384,616</u>	<u>203,220,218</u>	<u>225,805,901</u>	<u>204,444,469</u>
Diluted	<u>230,274,756</u>	<u>208,507,181</u>	<u>229,860,900</u>	<u>209,992,647</u>
Earnings per share				
Basic	<u>\$ 1.11</u>	<u>\$ 0.99</u>	<u>\$ 1.72</u>	<u>\$ 1.78</u>
Diluted	<u>\$ 1.09</u>	<u>\$ 0.97</u>	<u>\$ 1.69</u>	<u>\$ 1.75</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Comprehensive Income
(Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 251,787	\$ 203,278	\$ 388,825	\$ 368,249
Other comprehensive loss:				
Shipboard Retirement Plan	119	95	358	284
Cash flow hedges:				
Net unrealized loss	(105,227)	(37,801)	(138,501)	(44,360)
Amount realized and reclassified into earnings	13,132	1,819	61,582	1,825
Total other comprehensive loss	(91,976)	(35,887)	(76,561)	(42,251)
Total comprehensive income	159,811	167,391	312,264	325,998
Comprehensive income attributable to non-controlling interest	—	1,781	—	3,826
Total comprehensive income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 159,811	\$ 165,610	\$ 312,264	\$ 322,172

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 230,180	\$ 84,824
Accounts receivable, net	41,995	32,432
Inventories	54,946	56,555
Prepaid expenses and other assets	114,075	109,924
Total current assets	441,196	283,735
Property and equipment, net	8,723,844	8,623,773
Goodwill	1,388,931	1,388,931
Tradenames	817,525	817,525
Other long-term assets	375,669	459,113
Total assets	<u>\$ 11,747,165</u>	<u>\$ 11,573,077</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 587,504	\$ 576,947
Accounts payable	44,262	101,983
Accrued expenses and other liabilities	656,859	552,514
Due to Affiliate	38,923	37,948
Advance ticket sales	1,103,734	817,207
Total current liabilities	2,431,282	2,086,599
Long-term debt	5,096,237	5,607,157
Due to Affiliate	—	18,544
Other long-term liabilities	300,752	341,964
Total liabilities	7,828,271	8,054,264
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Ordinary shares, \$.001 par value; 490,000,000 shares authorized; 232,069,970 shares issued and 229,453,999 shares outstanding at September 30, 2015 and 230,116,780 shares issued and 227,630,430 shares outstanding at December 31, 2014	232	230
Additional paid-in capital	3,797,584	3,702,344
Accumulated other comprehensive income (loss)	(319,203)	(242,642)
Retained earnings	529,706	140,881
Treasury shares (2,615,971 and 2,486,350 ordinary shares at September 30, 2015 and December 31, 2014, respectively, at cost)	(89,425)	(82,000)
Total shareholders' equity	3,918,894	3,518,813
Total liabilities and shareholders' equity	<u>\$ 11,747,165</u>	<u>\$ 11,573,077</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2015	2014
Cash flows from operating activities		
Net income	\$ 388,825	\$ 368,249
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	327,861	213,306
Loss on derivatives	21,893	129
Deferred income taxes, net	858	(3,238)
Contingent consideration	(43,400)	—
Write-off of deferred financing fees	195	—
Share-based compensation expense	27,857	9,551
Changes in operating assets and liabilities:		
Accounts receivable, net	(9,563)	(7,676)
Inventories	1,609	(7,548)
Prepaid expenses and other assets	491	(4,276)
Accounts payable	(57,837)	13,096
Accrued expenses and other liabilities	5,996	33,529
Advance ticket sales	308,691	85,602
Net cash provided by operating activities	<u>973,476</u>	<u>700,724</u>
Cash flows from investing activities		
Additions to property and equipment	(330,808)	(864,837)
Investment in intangible asset	(750)	—
Net cash used in investing activities	<u>(331,558)</u>	<u>(864,837)</u>
Cash flows from financing activities		
Repayments of long-term debt	(908,677)	(765,948)
Repayments to Affiliate	(18,521)	(18,521)
Proceeds from long-term debt	375,751	1,101,287
Proceeds from the exercise of share options	66,527	3,081
Proceeds from employee share purchase plan	858	—
Purchases of treasury shares	(7,425)	(82,000)
NCLC partnership tax distributions	—	(3,853)
Deferred financing fees and other	(5,075)	(70,531)
Net cash provided by (used in) financing activities	<u>(496,562)</u>	<u>163,515</u>
Net increase (decrease) in cash and cash equivalents	145,356	(598)
Cash and cash equivalents at beginning of period	84,824	56,467
Cash and cash equivalents at end of period	<u>\$ 230,180</u>	<u>\$ 55,869</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
(in thousands)

	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Treasury Shares	Non-controlling Interest	Total Shareholders' Equity
Balance, December 31, 2013	\$ 205	\$ 2,822,864	\$ (16,690)	\$ (197,471)	\$ —	\$ 22,358	\$ 2,631,266
Share-based compensation	—	9,551	—	—	—	—	9,551
Transactions with Affiliates, net	—	(59)	—	—	—	—	(59)
NCLC partnership tax distributions	—	—	—	—	—	(3,853)	(3,853)
Proceeds from the exercise of share options	1	3,080	—	—	—	—	3,081
Purchases of treasury shares	—	—	—	—	(82,000)	—	(82,000)
Other comprehensive loss	—	—	(41,789)	—	—	(462)	(42,251)
Net income	—	—	—	363,961	—	4,288	368,249
Transfers to non-controlling interest	—	(9,041)	—	—	—	9,041	—
Balance, September 30, 2014	<u>\$ 206</u>	<u>\$ 2,826,395</u>	<u>\$ (58,479)</u>	<u>\$ 166,490</u>	<u>\$ (82,000)</u>	<u>\$ 31,372</u>	<u>\$ 2,883,984</u>
Balance, December 31, 2014	\$ 230	\$ 3,702,344	\$ (242,642)	\$ 140,881	\$ (82,000)	\$ —	\$ 3,518,813
Share-based compensation	—	27,857	—	—	—	—	27,857
Proceeds from the exercise of share options	2	66,525	—	—	—	—	66,527
Proceeds from the employee stock purchase plan	—	858	—	—	—	—	858
Purchases of treasury shares	—	—	—	—	(7,425)	—	(7,425)
Other comprehensive loss	—	—	(76,561)	—	—	—	(76,561)
Net income	—	—	—	388,825	—	—	388,825
Balance, September 30, 2015	<u>\$ 232</u>	<u>\$ 3,797,584</u>	<u>\$ (319,203)</u>	<u>\$ 529,706</u>	<u>\$ (89,425)</u>	<u>\$ —</u>	<u>\$ 3,918,894</u>

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

Norwegian Cruise Line Holdings Ltd.

Notes to Consolidated Financial Statements (Unaudited)

Unless otherwise indicated or the context otherwise requires, references in this report to (i) the “Company,” “we,” “our” and “us” refer to NCLH (as defined below) and its subsidiaries (including Prestige (as defined below), except for periods prior to the consummation of the Acquisition of Prestige (as defined below)), (ii) “NCLC” refers to NCL Corporation Ltd., (iii) “NCLH” refers to Norwegian Cruise Line Holdings Ltd., (iv) “Norwegian” refers to the Norwegian Cruise Line brand and its predecessors, (v) “Prestige” refers to Prestige Cruises International, Inc., together with its consolidated subsidiaries, (vi) “PCH” refers to Prestige Cruise Holdings, Inc., Prestige’s direct wholly owned subsidiary, which in turn is the parent of Oceania Cruises, Inc. (“Oceania”) and Seven Seas Cruises S. DE R.L. (“Regent”) (Oceania also refers to the brand Oceania Cruises and Regent also refers to the brand Regent Seven Seas Cruises), (vii) “Apollo” refers to Apollo Global Management, LLC, its subsidiaries and the affiliated funds it manages and the “Apollo Holders” refers to one or more of AIF VI NCL (AIV), L.P., AIF VI NCL (AIV II), L.P., AIF VI NCL (AIV III), L.P., AIF VI NCL (AIV IV), L.P., AAA Guarantor — Co-Invest VI (B), L.P., Apollo Overseas Partners (Delaware) VI, L.P., Apollo Overseas Partners (Delaware 892) VI, L.P., Apollo Overseas Partners VI, L.P., Apollo Overseas Partners (Germany) VI, L.P., AAA Guarantor — Co-Invest VII, L.P., AIF VI Euro Holdings, L.P., AIF VII Euro Holdings, L.P., Apollo Alternative Assets, L.P., Apollo Management VI, L.P. and Apollo Management VII, L.P., (viii) “TPG Global” refers to TPG Global, LLC, “TPG” refers to TPG Global and its affiliates and the “TPG Viking Funds” refers to one or more of TPG Viking, L.P., TPG Viking AIV I, L.P., TPG Viking AIV II, L.P., and TPG Viking AIV-III, L.P. and/or certain other affiliated investment funds, each an affiliate of TPG, (ix) “Genting HK” refers to Genting Hong Kong Limited and/or its affiliates (formerly Star Cruises Limited and/or its affiliates) (Genting HK owns NCLH’s ordinary shares indirectly through Star NCLC Holdings Ltd., its wholly owned subsidiary (“Star NCLC”)), and (x) “Affiliate(s)” or “Sponsor(s)” refers to the Apollo Holders, Genting HK and/or the TPG Viking Funds.

1. Corporate Reorganization

In February 2011, NCLH, a Bermuda limited company, was formed with the issuance to the Sponsors of, in aggregate, 10,000 ordinary shares, with a par value of \$.001 per share. On January 24, 2013, NCLH consummated its initial public offering (“IPO”). In connection with the consummation of the IPO, the Sponsors’ ordinary shares in NCLC were exchanged for the ordinary shares of NCLH at a share exchange ratio of 1.0 to 8.42565 and NCLH became the owner of 100% of the ordinary shares and parent company of NCLC (the “Corporate Reorganization”). Accordingly, NCLH contributed \$460.0 million to NCLC and the historical financial statements of NCLC became those of NCLH. The Corporate Reorganization was effected solely for the purpose of reorganizing our corporate structure. NCLH had not prior to the completion of the Corporate Reorganization conducted any activities other than those incidental to its formation and to preparations for the Corporate Reorganization and IPO. The Corporate Reorganization resulted in all parties being in the same economic position as they were immediately prior to the IPO. As the economic position of the investors did not change as part of the Corporate Reorganization, the Corporate Reorganization was considered a nonsubstantive merger from an accounting perspective.

As a result of the Corporate Reorganization, NCLC was treated as a partnership for U.S. federal income tax purposes, and the terms of the partnership (including the economic rights with respect thereto) are set forth in an amended and restated tax agreement for NCLC. Economic interests in NCLC were represented by the partnership interests established under the tax agreement, which we refer to as “NCL Corporation Units.” The NCL Corporation Units held by NCLH (as a result of its ownership of 100% of the ordinary shares of NCLC) represented a 97.3% economic interest in NCLC as of the consummation of the IPO. The remaining 2.7% economic interest in NCLC as of the consummation of the IPO was in the form of Management NCL Corporation Units held by management (or former management).

In the fourth quarter of 2014, all Management NCL Corporation Units were exchanged for NCLH ordinary shares and restricted ordinary shares. NCLH became the sole member and 100% owner of the economic interests in NCLC and the non-controlling interest no longer exists. Accordingly, following the exchange of the Management NCL Corporation Units, NCLC is treated as a disregarded entity for U.S. federal income tax purposes. No new NCLC profits interests or Management NCL Corporation Units will be issued; however, NCLH has granted, and expects to continue to grant, equity to its employees and members of its Board of Directors under its long-term incentive plan.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are unaudited and, in our opinion, contain all normal recurring adjustments necessary for a fair statement of the results for the periods presented.

Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire fiscal year. Historically, demand for cruises has been strongest during the summer months. The interim consolidated financial statements should

be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014, which are included in our most recently filed Annual Report on Form 10-K.

During the nine months ended September 30, 2015, we revised the classification of goodwill and intangible assets to separately present goodwill and tradenames. Other intangible assets consisting of customer relationships and backlog are presented within other long-term assets. The revision was not deemed material to the Consolidated Balance Sheet.

Reclassification

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

Shareholders' Equity

In connection with the Corporate Reorganization, previously granted profits interests to employees were exchanged for Management NCL Corporation Units ("Units"), and the vested Unit holders gained proportionate rights to distributions of NCLC and were therefore allocated a proportionate share of NCLC's equity. The effect of this change was a \$20.2 million increase in the non-controlling interest.

During 2014, following the effectiveness of NCLH's registration statement on Form S-3, additional performance-based Units became eligible to participate in the earnings of NCLC, and as a result, a proportionate amount of NCLC's equity was allocated to the additional non-controlling interest. Each Unit holder had the right, subject to the same time-based and performance-based vesting requirements of the profits interests, to exchange Units for NCLH's ordinary shares at a rate equal to one ordinary share for every Unit. When such an exchange occurred, this resulted in the exchange of non-controlling interest to controlling interest. Accordingly, upon the exchange of a Unit for an ordinary share of NCLH, a portion of the non-controlling interest balance was reclassified to additional paid-in capital. During the nine months ended September 30, 2014, there was \$9.0 million transferred to non-controlling interest.

During the nine months ended September 30, 2014, Management NCL Corporation Unit holders were distributed funds for partnership tax payments of \$3.9 million. In the fourth quarter of 2014, all Management NCL Corporation Units were exchanged for NCLH ordinary shares and restricted ordinary shares. We refer you to Note 1— "Corporate Reorganization".

On April 29, 2014, NCLH's Board of Directors authorized, and NCLH announced, a three-year share repurchase program for up to \$500.0 million. NCLH may make repurchases in the open market, in privately negotiated transactions, in accelerated repurchase programs or in structured share repurchase programs, and any repurchases may be made pursuant to Rule 10b5-1 plans. During the nine months ended September 30, 2014, NCLH repurchased approximately 2.5 million ordinary shares under its share repurchase program for \$82.0 million, these shares are reflected as treasury shares at cost on the consolidated balance sheet as of September 30, 2014 included in NCLH's Quarterly Report on Form 10-Q filed on October 31, 2014. During the three and nine months ended September 30, 2015, 46,225 ordinary shares were repurchased to cover tax withholding obligations for employees who received NCLH's ordinary shares in connection with the Acquisition of Prestige. These shares were not purchased pursuant to any publicly announced share repurchase programs. In addition, 83,396 ordinary shares were repurchased as part of the publicly announced share repurchase program during the three and nine months ended September 30, 2015. As of September 30, 2015, \$413.3 million remained available for repurchases of our outstanding ordinary shares under the share repurchase program.

Earnings Per Share

A reconciliation between basic and diluted earnings per share was as follows (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 251,787	\$ 201,078	\$ 388,825	\$ 363,961
Net income	\$ 251,787	\$ 203,278	\$ 388,825	\$ 368,249
Basic weighted-average shares outstanding	227,384,616	203,220,218	225,805,901	204,444,469
Dilutive effect of share awards	2,890,140	5,286,963	4,054,999	5,548,178
Diluted weighted-average shares outstanding	230,274,756	208,507,181	229,860,900	209,992,647
Basic earnings per share	\$ 1.11	\$ 0.99	\$ 1.72	\$ 1.78
Diluted earnings per share	\$ 1.09	\$ 0.97	\$ 1.69	\$ 1.75

Revenue and Expense Recognition

Revenue and expense includes taxes assessed by governmental authorities that are directly imposed on a revenue-producing transaction between a seller and a customer. The amounts included in revenue and expense on a gross basis were \$70.0 million and \$51.5 million for the three months ended September 30, 2015 and 2014, respectively, and \$184.4 million and \$134.0 million for the nine months ended September 30, 2015 and 2014, respectively.

Guest cancellation penalties are recognized in passenger ticket revenue in the month of the cancellation.

Depreciation and Amortization Expense

The amortization of deferred financing fees are included in depreciation and amortization expense in the statements of cash flows but are not included in the depreciation and amortization expense in the statements of operations.

Recently Issued Accounting Pronouncements

In August 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-15 to clarify presentation for debt issuance costs related to line-of-credit arrangements, as this was not addressed in ASU No. 2015-03. ASU No. 2015-15 provides that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. We will consider this guidance upon adoption of ASU No. 2015-03.

In July 2015, the FASB issued ASU No. 2015-11 to simplify the measurement of inventory for all entities. This applies to all inventory that is measured using first-in, first-out or average cost. The guidance requires an entity to measure inventory at the lower of cost and net realizable value. The guidance must be applied prospectively and will be effective for our interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an interim or annual reporting period. We are currently evaluating the impact of the adoption of this newly issued guidance to our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-05 to clarify a customer’s accounting for fees paid in a cloud computing arrangement. The amendments provide guidance to customers about whether a cloud computing arrangement includes a software license or if the arrangement should be accounted for as a service contract. This guidance will impact the accounting of software licenses but will not change a customer’s accounting for service contracts. The guidance will be effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. An entity can elect to adopt the amendments either prospectively or retrospectively. We are currently evaluating the impact, if any, of the adoption of this newly issued guidance to our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03 to simplify the presentation of debt issuance costs. The guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by these amendments. This guidance should be applied on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The guidance will be effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted for financial statements that have not been previously issued. We will adopt this newly issued guidance in our Annual Report on Form 10-K for the year ending December 31, 2015.

In May 2014, FASB issued ASU No. 2014-09 which requires entities to recognize revenue through the application of a five-step model, which includes identification of the contract, identification of the performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligation and recognition of revenue as the entity satisfies the performance obligations. Entities have the option of using either a full retrospective or a modified approach to adopt the guidance. In August 2015, the FASB issued ASU No. 2015-14 deferring the effective date for one year. We can elect to adopt the provisions of ASU No. 2014-09 for annual periods beginning after December 15, 2017 including interim periods within that reporting period or we can elect to early adopt the guidance as of the original effective date. We are currently evaluating the impact of the adoption of this newly issued guidance to our consolidated financial statements.

3. Intangible Assets

The gross carrying amounts of intangible assets included within other long-term assets, the related accumulated amortization, the net carrying amounts and the weighted-average amortization periods of the Company's intangible assets are listed in the following table (in thousands, except amortization period):

	September 30, 2015			Weighted-Average Amortization Period (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationship	\$ 120,000	\$ (12,113)	\$ 107,887	6.0
Backlog	70,000	(60,472)	9,528	1.0
Licenses	3,368	(115)	3,253	5.6
Total intangible assets subject to amortization	<u>\$ 193,368</u>	<u>\$ (72,700)</u>	<u>\$ 120,668</u>	

The aggregate amortization expense is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Amortization expense	\$ 20,951	\$ —	\$ 60,172	\$ —

	December 31, 2014			Weighted-Average Amortization Period (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationship	\$ 120,000	\$ (4,556)	\$ 115,444	6.0
Backlog	70,000	(7,972)	62,028	1.0
Total intangible assets subject to amortization	<u>\$ 190,000</u>	<u>\$ (12,528)</u>	<u>\$ 177,472</u>	

The following table sets forth the Company's estimated aggregate amortization expense for each of the five years below (in thousands):

Year ended December 31,	Amortization Expense
2016	\$ 21,659
2017	31,177
2018	26,058
2019	18,489
2020	9,906

4. The Acquisition of Prestige

On November 19, 2014, we completed the Acquisition of Prestige. Consideration for the Acquisition of Prestige includes a cash payment of up to \$50 million upon achievement of certain 2015 net revenue milestones. The contingent consideration is valued using various projected 2015 net revenue scenarios weighted by the likelihood of each scenario occurring. The probability-weighted payout is then discounted at an appropriate discount rate commensurate for the risk of meeting the probabilistic cash flows. As the fair value is measured based upon significant inputs that are unobservable in the market, it was classified as Level 3 in the fair value hierarchy. Level 3 consists of significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available. The significant unobservable inputs used in the fair value measurement of the Company's contingent consideration are the estimated annual net revenue and the probabilities associated with attaining the threshold and target net revenue as defined by the Merger Agreement. A significant increase in the estimated net revenue or an increase in the probability associated

with reaching the target would result in a significantly higher fair value measurement. The maximum fair value would not be able to exceed \$50 million, while an amount of net revenue less than 98% of target would result in no payout. For the nine months ended September 30, 2015, the fair value of the contingent consideration was reduced to zero based upon updates to the probability-weighted assessment of various projected revenue scenarios. We do not believe that the net revenue target will be met, and accordingly, we recognized a \$43.4 million fair value adjustment during the nine months ended September 30, 2015, which was included in marketing, general and administrative expense.

The following table summarizes the change in fair value of the contingent consideration liability (in thousands):

	Contingent Consideration Liability
Balance as of December 31, 2014	\$ 43,400
Fair value adjustment (Level 3)	(43,400)
Balance as of September 30, 2015	\$ —

5. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) for the nine months ended September 30, 2015 was as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ (242,642)	\$ (234,188)	\$ (8,454)
Current period other comprehensive loss before reclassifications	(138,501)	(138,501)	—
Amounts reclassified into earnings	61,940	61,582(1)	358(2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ (319,203)</u>	<u>\$ (311,107)(3)</u>	<u>\$ (8,096)</u>

(1) We refer you to Note 8—“Fair Value Measurements and Derivatives” for the affected line items in the Consolidated Statements of Operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to payroll and related expense.

(3) Includes approximately \$110.6 million of losses expected to be reclassified into earnings in the next 12 months.

Accumulated other comprehensive income (loss) for the nine months ended September 30, 2014 was as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ (16,690)	\$ (10,532)	\$ (6,158)
Current period other comprehensive loss before reclassifications	(43,875)	(43,875)	—
Amounts reclassified into earnings	2,086	1,806(1)	280(2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ (58,479)</u>	<u>\$ (52,601)</u>	<u>\$ (5,878)</u>

(1) We refer you to Note 8—“Fair Value Measurements and Derivatives” for the affected line items in the Consolidated Statements of Operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to payroll and related expense.

6. Related Party Disclosures

In August and May 2015, the Selling Shareholders sold an aggregate of 40,000,000 ordinary shares of NCLH in Secondary Equity Offerings. In March 2015, Genting HK and the TPG Viking Funds sold 12,500,000 ordinary shares of NCLH in a Secondary Equity Offering. The Company did not receive any proceeds from these offerings. As of September 30, 2015, the approximate relative ownership percentages of NCLH’s ordinary shares were as follows: the Apollo Holders (18.0%), Genting HK (13.3%), the TPG Viking Funds (2.3%), and public shareholders (66.4%).

In March 2015, we entered into an agreement with SWB Yankees, LLC related to sponsorship of and advertising with the Scranton/Wilkes-Barre RailRiders, a Minor League Baseball team. Pursuant to the agreement, we will pay an annual fee to SWB Yankees, LLC of \$200,000. Mr. David M. Abrams, one of our directors, is the co-managing partner of the Scranton/Wilkes-Barre RailRiders.

7. Income Tax Benefit (Expense)

NCLH is treated as a corporation for U.S. federal income tax purposes. For the three months ended September 30, 2015, we had an income tax expense of \$3.5 million compared to \$2.5 million for the three months ended September 30, 2014. For the nine months ended September 30, 2015 we had an income tax expense of \$6.9 million compared to an income tax benefit of \$3.8 million for the nine months ended September 30, 2014. The benefit for the nine month period of 2014 includes a \$5.3 million non-recurring benefit associated with the election of a tax method to calculate deductible interest expense.

8. Fair Value Measurements and Derivatives

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair Value Hierarchy

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

- Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.
- Level 2 Significant other observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.
- Level 3 Significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available.

Derivatives

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. We assess whether derivatives used in hedging transactions are “highly effective” in offsetting changes in the cash flow of our hedged forecasted transactions. We use regression analysis for this hedge relationship and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative and the hedged forecasted transaction. Cash flows from the derivatives are classified in the same category as the cash flows from the underlying hedged transaction. The determination of ineffectiveness is based on the amount of dollar offset between the cumulative change in fair value of the derivative and the cumulative change in fair value of the hedged transaction at the end of the reporting period. If it is determined that a derivative is not highly effective as a hedge, or if the hedged forecasted transaction is no longer probable of occurring, then the amount recognized in accumulated other comprehensive income (loss) is released to earnings. In addition, the ineffective portion of our highly effective hedges is recognized in earnings immediately and reported in other income (expense) in our consolidated statements of operations. There are no amounts excluded from the assessment of hedge effectiveness and there are no credit-risk-related contingent features in our derivative agreements.

We monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including but not limited to counterparty non-performance under derivatives and our Revolving Loan Facility, is not considered significant, as we primarily conduct business with large, well-established financial institutions that we have established relationships with and that have credit risks acceptable to us or the credit risk is spread out among a large number of creditors. We do not anticipate non-performance by any of our significant counterparties.

The following table sets forth our derivatives measured at fair value and discloses the balance sheet location (in thousands):

Balance Sheet location	Asset		Liability	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Fuel swaps designated as hedging instruments				
Accrued expenses and other liabilities	\$ 2,610	\$ —	\$ 101,328	\$ 111,304
Other long-term liabilities	4,953	190	88,516	77,250
Fuel swaps not designated as hedging instruments				
Accrued expenses and other liabilities	—	—	10,215	—
Foreign currency forward contracts designated as hedging instruments				
Prepaid expenses and other assets	988	—	—	—
Other long-term assets	1,538	—	—	—
Accrued expenses and other liabilities	—	—	84,316	29,498
Other long-term liabilities	—	—	11,933	118
Foreign currency collar not designated as a hedging instrument				
Accrued expenses and other liabilities	—	—	35,392	16,744
Interest rate swaps designated as hedging instruments				
Accrued expenses and other liabilities	—	—	5,626	5,736
Other long-term liabilities	—	—	5,397	3,104
Interest rate swap not designated as a hedging instrument				
Accrued expenses and other liabilities	—	—	—	3,823

The fair values of swap and forward contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The Company determines the value of options and collars utilizing an option pricing model based on inputs that are either readily available in public markets or can be derived from information available in publicly quoted markets. The option pricing model used by the Company is an industry standard model for valuing options and is used by the broker/dealer community. The inputs to this option pricing model are the option strike price, underlying price, risk free rate of interest, time to expiration, and volatility. The fair value of option contracts considers both the intrinsic value and any remaining time value associated with those derivatives that have not yet settled. The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values. Our derivatives and financial instruments were categorized as Level 2 in the fair value hierarchy, and we had no derivatives or financial instruments categorized as Level 1 or Level 3 as of September 30, 2015 and December 31, 2014.

Our derivative contracts include rights of offset with our counterparties. We have elected to net certain assets and liabilities within counterparties. We are not required to post cash collateral related to our derivative instruments. The following table discloses the amounts recognized within the consolidated balance sheets (in thousands):

September 30, 2015	Gross Amounts	Gross Amounts Offset	Total Net Amounts	Gross Amounts Not Offset	Net Amounts
Assets	\$ 2,526	\$ —	\$ 2,526	\$ (2,526)	\$ —
Liabilities	342,723	(7,563)	335,160	(142,664)	192,496

December 31, 2014	Gross Amounts	Gross Amounts Offset	Total Net Amounts	Gross Amounts Not Offset	Net Amounts
Liabilities	\$ 247,577	\$ (190)	\$ 247,387	\$ (59,023)	\$ 188,364

Fuel Swaps

As of September 30, 2015, we had fuel swaps maturing through December 31, 2019 which are used to mitigate the financial impact of volatility in fuel prices pertaining to approximately 1.4 million metric tons of our projected fuel purchases.

The effects on the consolidated financial statements of the fuel swaps which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other comprehensive income (loss) – effective portion	\$ (101,056)	\$ (27,777)	\$ (69,724)	\$ (25,938)
Loss recognized in other income (expense) – ineffective portion	(1,580)	(51)	(10,825)	(16)
Amount reclassified from accumulated other comprehensive income (loss) into fuel expense	11,670	578	47,503	(1,345)

As of September 30, 2015, we had bought fuel swaps pertaining to approximately 40,000 metric tons offset by sold fuel swaps which were not designated as cash flow hedges. The bought fuel swaps were previously designated as cash flow hedges and were redesignated due to a change in our expected future fuel purchases mix.

The effects on the consolidated financial statements of the fuel swaps which were dedesignated and recognized into earnings were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Amount reclassified from accumulated other comprehensive income (loss) into other income (expense)	\$ —	\$ —	\$ 10,000	\$ —
Loss recognized in other income (expense)	(4,716)	—	(4,716)	—

Fuel Collars and Options

We had fuel collars and fuel options maturing through December 2014, which were used to mitigate the financial impact of volatility in fuel prices of our fuel purchases.

The effects on the consolidated financial statements of the fuel collars which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other comprehensive income (loss) – effective portion	\$ —	\$ (127)	\$ —	\$ (436)
Gain recognized in other income (expense) – ineffective portion	—	4	—	111
Amount reclassified from accumulated other comprehensive income (loss) into fuel expense	—	370	248	1,111

The effects on the consolidated financial statements of the fuel options which were not designated as hedging instruments were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Gain (loss) recognized in other income (expense)	\$ —	\$ (59)	\$ —	\$ 127

Foreign Currency Options

We had foreign currency options that matured through January 2014, which consisted of call options with deferred premiums. These options were used to mitigate the financial impact of volatility in foreign currency exchange rates related to our ship construction contracts denominated in euros. If the spot rate at the date the ships were delivered was less than the strike price under these option contracts, we would have paid the deferred premium and would not exercise the foreign currency options.

The effects on the consolidated financial statements of the foreign currency options which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other comprehensive income (loss) – effective portion	\$ —	\$ —	\$ —	\$ (1,157)
Loss recognized in other income (expense) – ineffective portion	—	—	—	(241)
Amount reclassified from accumulated other comprehensive income (loss) into depreciation and amortization expense	330	330	990	938

Foreign Currency Forward Contracts

As of September 30, 2015, we had foreign currency forward contracts which were used to mitigate the financial impact of volatility in foreign currency exchange rates related to our ship construction contracts and forecasted Dry-dock payments denominated in euros. The notional amount of our foreign currency forward contracts was €0.9 billion, or \$1.0 billion based on the euro/U.S. dollar exchange rate as of September 30, 2015.

The effects on the consolidated financial statements of the foreign currency forward contracts which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other comprehensive income (loss) – effective portion	\$ (1,519)	\$ (11,199)	\$ (61,966)	\$ (12,187)
Loss recognized in other income (expense) – ineffective portion	(3)	—	(10)	(1)
Amount reclassified from accumulated other comprehensive income (loss) into depreciation and amortization expense	(64)	(63)	(191)	(180)

We had a foreign currency forward contract related to a foreign currency financial instrument denominated in Norwegian kroner that matured in July 2015.

The effects on the consolidated financial statements of the foreign currency forward contract which was not designated as a cash flow hedge was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Gain recognized in other income (expense)	\$ 585	\$ —	\$ 684	\$ —

Foreign Currency Collar

We had a foreign currency collar that matured in January 2014, which was used to mitigate the volatility of foreign currency exchange rates related to our ship construction contracts denominated in euros.

The effects on the consolidated financial statements of the foreign currency collar which was designated as a cash flow hedge was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other comprehensive income (loss) – effective portion	\$ —	\$ —	\$ —	\$ (1,588)
Amount reclassified from accumulated other comprehensive income (loss) into depreciation and amortization expense	(91)	(91)	(273)	(242)

As of September 30, 2015, we had a foreign currency collar which was used to mitigate the financial impact of volatility in foreign currency exchange rates related to a ship construction contract. The notional amount of our foreign currency collar was €274.4 million, or \$306.7 million based on the euro/U.S. dollar exchange rate as of September 30, 2015.

The effect on the consolidated financial statements of the foreign currency collar contract which was not designated as a cash flow hedge was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Gain (loss) recognized in other income (expense)	\$ 955	\$ —	\$ (18,648)	\$ —

Interest Rate Swaps

As of September 30, 2015, we had interest rate swap agreements to mitigate our exposure to interest rate movements and to manage our interest expense. The notional amount of outstanding debt associated with the interest rate swap agreements was \$1.1 billion.

The effects on the consolidated financial statements of the interest rates swaps which were designated as cash flow hedges were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Gain (loss) recognized in other comprehensive income (loss) – effective portion	\$ (2,652)	\$ 1,302	\$ (6,811)	\$ (3,054)
Loss recognized in other income (expense) – ineffective portion	(9)	—	(21)	—
Amount reclassified from accumulated other comprehensive income (loss) into interest expense, net	1,287	695	3,305	1,543

We had an interest rate swap that matured in January 2015, which was used to mitigate our exposure to interest rate movements and to manage our interest expense.

The effect on the consolidated financial statements of the interest rate swap which was not designated as a cash flow hedge was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Loss recognized in other income (expense)	\$ —	\$ —	\$ (2)	\$ —

Long-Term Debt

As of September 30, 2015 and December 31, 2014, the fair value of our long-term debt, including the current portion, was \$5,765.7 million and \$6,229.1 million, which was \$82.6 million and \$45.0 million higher, respectively, than the carrying values. The difference between the fair value and carrying value of our long-term debt is due to our fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of our long-term debt was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities. The calculation of the fair value of our long-term debt is considered a Level 2 input.

Other

The carrying amounts reported in the consolidated balance sheets of all financial assets and liabilities other than our long-term debt approximate fair value.

9. Employee Benefits and Share Option Plans

Share Option Awards

On July 1, 2015, we granted 3.5 million share option awards to our employees at an exercise price of \$56.19 with a contractual term of ten years. The share options vest equally over three years.

On August 4, 2015, we granted 700,000 share option awards to our employees at an exercise price of \$59.43 with a contractual term of ten years. The share options vest equally over three years. In addition, on August 4, 2015, we entered into an amendment to the employment agreement with our President and Chief Executive Officer pursuant to which we awarded 625,000 time-based share option awards, 416,667 performance-based share option awards and 208,333 market-based share option awards at an exercise price of \$59.43 and contractual term of ten years. The time-based share option awards vest 50% on June 30, 2017 and 50% on June 30, 2019. The performance-based and market-based share option awards vest upon the achievement of certain performance and market-related metrics.

The performance-based awards are subject to performance conditions such that the number of awards that ultimately vest depends on the adjusted earnings per share (“Adjusted EPS”) and adjusted return on invested capital (“Adjusted ROIC”) achieved by the Company during the performance period compared to targets established at the award date. Because the terms of the performance-based awards provide discretion to make certain adjustments to the performance calculation, the service inception date of these awards precedes the grant date. Accordingly, the Company recognizes compensation expense beginning on the service inception date and remeasures the fair value of the awards until a grant date occurs. The estimate of the awards’ fair value will be fixed in the period in which the grant date occurs, and cumulative compensation expense will be adjusted based on the fair value at the grant date.

The following is a summary of option activity under our share option plan for the nine months ended September 30, 2015 (excludes the impact of 416,667 performance based awards as no grant date has been established):

	Number of Share Option Awards			Weighted-Average Exercise Price			Weighted-Average Contractual Term	Aggregate Intrinsic Value
	Time-Based Awards	Performance-Based Awards	Market-Based Awards	Time-Based Awards	Performance-Based Awards	Market-Based Awards	(years)	(in thousands)
Outstanding as of January 1, 2015	6,079,881	1,457,314	—	\$ 29.92	\$ 19.00	\$ —	7.61	\$ 142,831
Granted	5,070,000	—	208,333	56.62	—	59.43		
Exercised	(2,090,746)	(493,009)	—	27.34	19.00	—		
Forfeited and cancelled	(1,165,874)	(477,611)	—	34.18	19.00	—		
Outstanding as of September 30, 2015	<u>7,893,261</u>	<u>486,694</u>	<u>208,333</u>	<u>\$ 47.12</u>	<u>\$ 19.00</u>	<u>\$ 59.43</u>	<u>8.80</u>	<u>\$ 101,781</u>

The total intrinsic value of options exercised during the three and nine months ended September 30, 2015 was \$14.6 million and \$64.1 million, respectively, and total cash received by the Company from options exercised was \$11.5 million and \$66.5 million for the three and nine months ended September 30, 2015, respectively. Share-based compensation expense for the three months ended September 30, 2015 was \$13.7 million and for the nine months ended September 30, 2015 was \$27.8 million, which includes \$8.2 million related to the acceleration of certain equity awards of the former President and Chief Executive Officer, and was recorded in marketing, general and administrative expense.

Restricted Ordinary Share Awards

The following is a summary of restricted ordinary share activity for the nine months ended September 30, 2015:

	Number of Time-Based Awards	Weighted-Average Grant Date Fair Value	Number of Performance-Based Awards	Weighted-Average Grant Date Fair Value
Non-vested as of January 1, 2015	196,644	\$ 3.43	1,208,608	\$ 3.37
Granted	5,165	47.56	—	—
Vested	(81,581)	5.74	(620,739)	3.92
Forfeited or Expired	(74,980)	2.67	(587,869)	2.79
Non-vested and expected to vest as of September 30, 2015	<u>45,248</u>	<u>5.57</u>	<u>—</u>	<u>—</u>

Restricted Share Units

On August 4, 2015, we entered into an amendment to the employment agreement with our President and Chief Executive Officer pursuant to which we awarded 150,000 time-based restricted share unit awards, 100,000 performance-based restricted share unit awards and 50,000 market-based restricted share unit awards. The time-based restricted share unit awards vest equally on June 30, 2016, 2017, 2018 and 2019, respectively. The performance-based and market-based restricted share unit awards vest upon the achievement of certain performance and market-related metrics.

The performance-based awards are subject to performance conditions such that the number of awards that ultimately vest depends on the adjusted earnings per share (“Adjusted EPS”) and adjusted return on invested capital (“Adjusted ROIC”) achieved by the Company during the performance period compared to targets established at the award date. Because the terms of the performance-based awards provide discretion to make certain adjustments to the performance calculation, the service inception date of these awards precedes the grant date. Accordingly, the Company recognizes compensation expense beginning on the service inception date and remeasures the fair value of the awards until a grant date occurs. The estimate of the awards’ fair value will be fixed in the period in which the grant date occurs, and cumulative compensation expense will be adjusted based on the fair value at the grant date.

The following is a summary of restricted share unit activity for the nine months ended September 30, 2015 (excludes the impact of 100,000 performance-based awards as no grant date was established):

	Number of Time-Based Awards	Weighted- Average Grant Date Fair Value	Number of Market-Based Awards	Weighted- Average Grant Date Fair Value
Non-vested as of January 1, 2015				
Granted	150,000	\$ 59.43	50,000	\$ 59.43
Vested	—	—	—	—
Forfeited or Expired	—	—	—	—
Non-vested and expected to vest as of September 30, 2015	<u>150,000</u>	<u>\$ 59.43</u>	<u>50,000</u>	<u>\$ 59.43</u>

Other Employee Matters

On January 8, 2015, Kevin M. Sheehan resigned as President and Chief Executive Officer of the Company, together with all of his positions and offices with the Company and its subsidiaries or affiliates, effective immediately. In connection with Mr. Sheehan's resignation from the Company, Mr. Sheehan and the Company entered into a Separation Agreement and Release (the "Separation Agreement"). The Separation Agreement sets forth the terms of Mr. Sheehan's resignation from the Company, including, among other things, a general release of claims in favor of the Company and certain non-competition, non-solicitation, confidentiality and cooperation undertakings. The Separation Agreement also provides that Mr. Sheehan will receive (i) all of his accrued and unpaid base salary (and accrued and unpaid vacation time) through January 8, 2015 (the "Effective Date"), (ii) his previously approved bonus payment for fiscal year 2014 of \$1,627,500, (iii) a one-time cash separation payment in an amount equal to his base salary and target bonus and (iv) vesting of a portion of his outstanding unvested equity-based awards as of the Effective Date, and all remaining unvested equity-based awards shall immediately terminate, expire and be forfeited as of the Effective Date. This resulted in a total severance expense of \$13.4 million of which \$8.2 million was due to the acceleration of the equity-based awards which was recorded in marketing, general and administrative expense in January 2015.

Frank J. Del Rio was appointed President and Chief Executive Officer of the Company as of January 8, 2015.

10. Commitments and Contingencies

Ship Construction Contracts

Norwegian Escape was delivered in October 2015. We have three other Breakaway Plus Class Ships on order with Meyer Werft shipyard for delivery in the spring of 2017, spring of 2018 and fall of 2019. These ships will be the largest in our fleet, reaching approximately 164,600 Gross Tons and approximately 4,000 Berths each. The combined contract price of these three ships is approximately €2.5 billion, or \$2.8 billion based on the euro/U.S. dollar exchange rate as of September 30, 2015. We have export credit financing in place that provides financing for 80% of their contract prices. We also have a contract with Fincantieri shipyard to build a luxury cruise ship to be named Seven Seas Explorer. The contract price of the ship is approximately €367.2 million, or approximately \$410.4 million based on the euro/U.S. dollar exchange rate as of September 30, 2015. We have export credit financing in place that provides financing for 80% of the ship's contract price. Seven Seas Explorer is expected to be delivered in the summer of 2016.

In connection with the contracts to build these ships, we do not anticipate any contractual breaches or cancellation to occur. However, if any would occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us, subject to certain refund guarantees, and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Litigation

In 2015, the Alaska Department of Environmental Conservation issued Notices of Violations to major cruise lines that operated in the state of Alaska, including Norwegian, for alleged violations of the Alaska Marine Vessel Visible Emission Standards that occurred over the last several years. We are cooperating with the Alaska Department of Environmental Conservation and conducting our own internal investigation into these matters. However, we do not believe the ultimate outcome will have a material impact on our financial condition, results of operations or cash flows.

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount.

Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential contingent losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

11. Restructuring Costs

Due to the Acquisition of Prestige, a number of employee positions were consolidated. As of September 30, 2015, we had an accrued expense balance of \$3.1 million for restructuring costs for severance and other employee-related costs. An additional expense of \$11.6 million was recorded for the nine months ended September 30, 2015 and is included in marketing, general and administrative expense.

The following table summarizes changes in the accrual for restructuring costs (in thousands):

	<u>Restructuring costs</u>
Accrued expense balance as of December 31, 2014	\$ (7,956)
Amounts paid	16,418
Additional accrued expense	(11,568)
Accrued expense balance as of September 30, 2015	<u>\$ (3,106)</u>

12. Supplemental Cash Flow Information

For the nine months ended September 30, 2015, we had non-cash investing activities in connection with capital leases of \$28.5 million and capital expenditures of \$6.5 million.

13. Revision to the Consolidated Statement of Cash Flows

During the three months ended September 30, 2015, we determined that for the three months ended March 31, 2015 and six months ended June 30, 2015, cash payments related to property and equipment were reported as a decrease in cash flows from operating activities related to the change in accrued expenses and other liabilities and prepaid and other assets when it should have been reported as a decrease in cash flows from investing activities related to additions to property and equipment. The Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and six months ended June 30, 2015 will be revised in future Form 10-Q filings, to increase cash from operating activities related to the change in accrued expenses and other liabilities and prepaid and other assets and increase in investing cash outflow from additions to property and equipment by \$14.6 million and 18.5 million, respectively. We have determined that the revision is not material to our consolidated financial statements individually and in the aggregate.

During the three months ended June 30, 2015, we determined that for the year ended December 31, 2014, non-cash transactions related to the financing of one of our ships was reported as cash used for additions to property and equipment and cash provided by proceeds from long-term debt. The Consolidated Statement of Cash Flows, for the year ended December 31, 2014, will be revised in our Form 10-K for the year ending December 31, 2015, by decreasing cash used for additions to property and equipment and cash provided by proceeds from long-term debt by \$82.0 million. We have determined that the revision is not material to our consolidated financial statements.

14. Subsequent Event

Norwegian Escape was delivered in October 2015. This ship is approximately 164,600 Gross Tons with approximately 4,200 Berths.

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

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this report constitute forward-looking statements within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained, or incorporated by reference, in this report, including, without limitation, those regarding our business strategy, financial position, results of operations, plans, prospects and objectives of management for future operations (including development plans and objectives relating to our activities), are forward-looking statements. Many, but not all, of these statements can be found by looking for words like "expect," "anticipate," "goal," "project," "plan," "believe," "seek," "will," "may," "forecast," "estimate," "intend" and "future" and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to:

- the effects of costs incurred in connection with the Acquisition of Prestige;
- the ability to realize, or delays in realizing, the anticipated benefits of the Acquisition of Prestige;
- the assumption of certain potential liabilities relating to Prestige's business;
- the diversion of management's attention away from operations as a result of the integration of Prestige's business;
- the effect that the Acquisition of Prestige may have on employee relations and on our ability to retain key personnel;
- the adverse impact of general economic conditions and related factors, such as fluctuating or increasing levels of unemployment, underemployment and the volatility of fuel prices, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence;
- the risks associated with operating internationally, including changes in interest rates and/or foreign currency exchange rates;
- changes in fuel prices and/or other cruise operating costs;
- the impact of our hedging strategies;
- our efforts to expand and impact from expanding our business into new markets;
- our substantial indebtedness, including the ability to raise additional capital to fund our operations, and to generate the necessary amount of cash to service our existing debt;
- restrictions in the agreements governing our indebtedness that limit our flexibility in operating our business;
- the significant portion of our assets pledged as collateral under our existing debt agreements and the ability of our creditors to accelerate the repayment of our indebtedness;
- our ability to incur significantly more debt despite our substantial existing indebtedness;
- the impact of volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees;
- adverse events impacting the security of travel, such as terrorist acts, acts of piracy, armed conflict and threats thereof and other international events;
- the impact of the spread of epidemics and viral outbreaks;
- the impact of any future changes relating to how external distribution channels sell and market our cruises;

- the impact of any adverse findings from our assessment of internal controls;
- our reliance on third parties to provide hotel management services to certain of our ships and certain other services;
- the impact of delays in our shipbuilding program and ship repairs, maintenance and refurbishments;
- the impact of any future increases in the price of, or major changes or reduction in, commercial airline services;
- the impact of seasonal variations in passenger fare rates and occupancy levels at different times of the year;
- the effect of adverse incidents involving cruise ships and our ability to obtain adequate insurance coverage;
- the impact of any breaches in data security or other disturbances to our information technology and other networks;
- our ability to keep pace with developments in technology;
- the impact of amendments to our collective bargaining agreements for crew members and other employee relation issues;
- the continued availability of attractive port destinations;
- the impact of pending or threatened litigation, investigations and enforcement actions;
- changes involving the tax and environmental regulatory regimes in which we operate;
- the significant percentage of ordinary shares held by our Sponsors; and
- other factors set forth under “Risk Factors” in our most recently filed Annual Report on Form 10-K and “Item 1A Risk Factors” in this report.

The above examples are not exhaustive and new risks emerge from time to time. Our forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

The interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2014, which are included in our most recently filed Annual Report on Form 10-K.

Terminology

This report includes certain non-GAAP financial measures, such as Net Revenue, Net Yield, Net Cruise Cost, Adjusted Net Yield, Adjusted Net Revenue, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS. Definitions of these non-GAAP financial measures are included below. For further information about our non-GAAP financial measures including detailed adjustments made in calculating our non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure, we refer you to “Results of Operations” below. Unless otherwise indicated in this report, the following terms have the meanings set forth below:

- *Acquisition of Prestige*. In November 2014, pursuant to the Merger Agreement, we acquired Prestige in a cash and stock transaction for total consideration of \$3.025 billion, including the assumption of debt. The acquisition consideration is subject to an additional cash payment of up to \$50.0 million upon achievement of certain 2015 revenue milestones.
- *Adjusted EBITDA*. EBITDA adjusted for other income (expense) and other supplemental adjustments.
- *Adjusted EPS*. Adjusted Net Income divided by the number of diluted weighted-average shares.
- *Adjusted Net Cruise Cost Excluding Fuel*. Net Cruise Cost less fuel expense adjusted for supplemental adjustments.
- *Adjusted Net Income*. Net income adjusted for supplemental adjustments.

- *Adjusted Net Revenue*. Net Revenue adjusted for supplemental adjustments.
- *Adjusted Net Yield*. Net Yield adjusted for supplemental adjustments.
- *Berths*. Double occupancy capacity per stateroom (single occupancy per studio stateroom) even though many staterooms can accommodate three or more passengers.
- *Breakaway Class Ships*. Norwegian Breakaway and Norwegian Getaway.
- *Breakaway Plus Class Ships*. The next generation of ships which are similar in design and innovation to Breakaway Class Ships.
- *Breakaway Two Credit Facility*. €529.8 million Breakaway Two Credit Agreement, dated as of November 18, 2010, by and among Breakaway Two, Ltd. and a syndicate of international banks and related Guarantee by NCL Corporation Ltd., as amended.
- *Business Enhancement Capital Expenditures*. Capital expenditures other than those related to new ship construction and ROI Capital Expenditures.
- *Capacity Days*. Available Berths multiplied by the number of cruise days for the period.
- *Charter*. The hire of a ship for a specified period of time whereby no crew or provisions are provided by the Company.
- *Constant Currency*. A calculation whereby foreign currency-denominated revenue and expenses in a period are converted at the U.S. dollar exchange rate of a comparable period in order to eliminate the effects of the foreign exchange fluctuations.
- *Dry-dock*. A process whereby a ship is positioned in a large basin where all of the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.
- *Gross Tons*. A unit of enclosed passenger space on a cruise ship, such that one gross ton = 100 cubic feet or 2.831 cubic meters.
- *EBITDA*. Earnings before interest, taxes, depreciation and amortization.
- *EPS*. Earnings per share.
- *GAAP*. Generally accepted accounting principles in the U.S.
- *Gross Cruise Cost*. The sum of total cruise operating expense and marketing, general and administrative expense.
- *Gross Yield*. Total revenue per Capacity Day.
- *IPO*. The initial public offering of 27,058,824 ordinary shares, par value \$.001 per share, of NCLH, which was consummated on January 24, 2013.
- *Management NCL Corporation Units*. NCLC's previously outstanding profits interests issued to management (or former management) of NCLC which were converted into units in NCLC in connection with the Corporate Reorganization.
- *Merger Agreement*. Agreement and Plan of Merger, dated as of September 2, 2014, by and among Prestige, NCLH, Portland Merger Sub, Inc. and Apollo Management, L.P., as amended, for the Acquisition of Prestige.
- *Net Cruise Cost*. Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.
- *Net Cruise Cost Excluding Fuel*. Net Cruise Cost less fuel expense.
- *Net Revenue*. Total revenue less commissions, transportation and other expense and onboard and other expense.
- *Net Yield*. Net Revenue per Capacity Day.

- *Occupancy Percentage.* The ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some staterooms.
- *Passenger Cruise Days.* The number of passengers carried for the period, multiplied by the number of days in their respective cruises.
- *Revolving Loan Facility.* \$625.0 million senior secured revolving credit facility maturing on May 24, 2018.
- *Secondary Equity Offering(s).* Secondary public offering(s) of NCLH's ordinary shares in August 2015, May 2015, March 2015, March 2014, December 2013 and August 2013.
- *Selling Shareholders.* Apollo Holders, Star NCLC and the TPG Viking Funds.
- *Shipboard Retirement Plan.* An unfunded defined benefit pension plan for certain crew members which computes benefits based on years of service, subject to certain requirements.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, such as Net Revenue, Adjusted Net Revenue, Net Yield, Adjusted Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS, to enable us to analyze our performance. See "Terminology" for the definitions of these non-GAAP financial measures. We utilize Net Revenue and Net Yield to manage our business on a day-to-day basis and believe that they are the most relevant measures of our revenue performance because they reflect the revenue earned by us net of significant variable costs. In measuring our ability to control costs in a manner that positively impacts net income, we believe changes in Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel to be the most relevant indicators of our performance.

As our business includes the sourcing of passengers and deployment of vessels outside of North America, a portion of our revenue and expenses are denominated in foreign currencies, particularly British pound, Canadian dollar, euro and Australian dollar which are subject to fluctuations in currency exchange rates versus our reporting currency, the U.S. dollar. In order to monitor results excluding these fluctuations, we calculate certain non-GAAP measures on a Constant Currency basis whereby current period revenue and expenses denominated in foreign currencies are converted to U.S. dollars using currency exchange rates of the comparable period. We believe that presenting these non-GAAP measures on both a reported and Constant Currency basis is useful in providing a more comprehensive view of trends in our business.

We believe that Adjusted EBITDA is appropriate as a supplemental financial measure as it is used by management to assess operating performance. We believe that Adjusted EBITDA is a useful measure in determining our performance as it reflects certain operating drivers of our business, such as sales growth, operating costs, marketing, general and administrative expense and other operating income and expense. Adjusted EBITDA is not a defined term under GAAP. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income as it does not take into account certain requirements such as capital expenditures and related depreciation, principal and interest payments and tax payments and it includes other supplemental adjustments.

In addition, Adjusted Net Revenue and Adjusted Net Yield, which excludes certain business combination accounting entries, are non-GAAP financial measures that we believe are useful as supplemental measures in evaluating the performance of our operating business and provide greater transparency into our results of operations. Adjusted Net Income and Adjusted EPS are non-GAAP financial measures that exclude certain amounts and are used to supplement GAAP net income and EPS. We use Adjusted Net Income and Adjusted EPS as key performance measures of our earnings performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparison to our historical performance. The amounts excluded in the presentation of these non-GAAP financial measures may vary from period to period; accordingly, our presentation of Adjusted Net Revenue, Adjusted Net Yield, Adjusted Net Income and Adjusted EPS may not be indicative of future adjustments or results.

You are encouraged to evaluate each adjustment used in calculating our non-GAAP financial measures and the reasons we consider our non-GAAP financial measures appropriate for supplemental analysis. In evaluating our non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to the adjustments in our presentation. Our non-GAAP financial measures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of our non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our non-GAAP financial measures may not be comparable to

other companies. Please see a historical reconciliation of these measures to the most comparable GAAP measure presented in our consolidated financial statements below in the “Results of Operations” section.

Financial Presentation

Revenue from our cruise and cruise-related activities are categorized by us as “passenger ticket revenue” and “onboard and other revenue.” Passenger ticket revenue and onboard and other revenue vary according to product offering, the size of the ship in operation, the length of cruises operated and the markets in which the ship operates. Our revenue is seasonal based on demand for cruises, which has historically been strongest during the summer months.

Passenger ticket revenue primarily consists of revenue for accommodations, meals in certain restaurants on the ship, certain onboard entertainment, and includes revenue for service charges and air and land transportation to and from the ship to the extent guests purchase these items from us. Onboard and other revenue primarily consists of revenue from gaming, beverage sales, shore excursions, specialty dining, retail sales, spa services, photo services as well as certain Charter revenue. We record onboard revenue from onboard activities we perform directly or that are performed by independent concessionaires, from which we receive a share of their revenue.

Our cruise operating expense is classified as follows:

- Commissions, transportation and other primarily consists of direct costs associated with passenger ticket revenue. These costs include travel agent commissions, air and land transportation expenses, related credit card fees, costs associated with service charges, certain port expenses and the costs associated with shore excursions and hotel accommodations included as part of the overall cruise purchase price.
- Onboard and other primarily consists of direct costs that are incurred in connection with onboard and other revenue. These include costs incurred in connection with gaming, beverage sales and shore excursions.
- Payroll and related consists of the cost of wages and benefits for shipboard employees and costs for a third party that provides crew and other hotel services for certain of our ships.
- Fuel includes fuel costs, the impact of certain fuel hedges and fuel delivery costs.
- Food consists of food costs for passengers and crew on certain of our ships.
- Other consists of repairs and maintenance (including Dry-dock costs), ship insurance and other ship expenses.

Critical Accounting Policies

For a discussion of our critical accounting policies and estimates, see “Critical Accounting Policies” included in our Annual Report on Form 10-K for the year ended December 31, 2014 under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We have made no significant changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K for the year ended December 31, 2014.

Quarterly Overview

For the third quarter of 2015, on a GAAP basis, net income and diluted earnings per share were \$251.8 million and \$1.09, respectively. We reported Adjusted Net Income of \$311.1 million and Adjusted EPS of \$1.35, which excludes \$17.0 million of expenses related to non-cash compensation, \$0.4 million related to Secondary Equity Offering expenses, \$1.4 million of severance costs, \$6.1 million of expenses related to the Acquisition of Prestige, \$3.0 million of a deferred revenue adjustment, \$20.9 million related to the amortization of intangible assets, \$3.8 million related to derivative expense and \$6.8 million related to contract termination expenses.

In August 2015, the Selling Shareholders sold 20,000,000 ordinary shares of NCLH in a Secondary Equity Offering. We did not receive any proceeds from this offering.

Norwegian Escape was delivered in October 2015. This ship is approximately 164,600 Gross Tons with approximately 4,200 Berths.

Three months ended September 30, 2015 (“2015”) compared to the three months ended September 30, 2014 (“2014”)

Total revenue increased 41.7% to \$1.3 billion in 2015 compared to \$0.9 billion in 2014. Net Revenue in 2015 increased 40.4% to \$975.2 million from \$694.4 million in 2014 due to an increase in Capacity Days of 17.6% and an increase in Net Yield of 19.4%. The increase in Capacity Days was primarily due to the Acquisition of Prestige.

Operating income was \$306.8 million in 2015 compared to \$234.8 million in 2014 and Adjusted EBITDA improved 37.1% for the same period (we refer you to our “Results of Operations” below for a calculation of Adjusted EBITDA).

Results of Operations

The following table sets forth operating data as a percentage of total revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue				
Passenger ticket	73.8%	71.7%	72.7%	69.6%
Onboard and other	26.2%	28.3%	27.3%	30.4%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cruise operating expense				
Commissions, transportation and other	17.6%	15.8%	17.8%	16.0%
Onboard and other	6.6%	7.7%	6.4%	7.4%
Payroll and related	13.3%	12.8%	14.8%	13.8%
Fuel	6.9%	8.8%	8.1%	10.1%
Food	3.6%	4.9%	4.0%	5.4%
Other	7.9%	6.4%	9.3%	8.4%
Total cruise operating expense	55.9%	56.4%	60.4%	61.1%
Other operating expense				
Marketing, general and administrative	11.7%	10.7%	12.4%	11.3%
Depreciation and amortization	8.5%	7.0%	9.5%	8.1%
Total other operating expense	20.2%	17.7%	21.9%	19.4%
Operating income	23.9%	25.9%	17.7%	19.5%
Non-operating income (expense)				
Interest expense, net	(3.9)%	(3.6)%	(4.6)%	(4.1)%
Other income (expense)	(0.1)%	0.4%	(1.1)%	0.2%
Total non-operating income (expense)	(4.0)%	(3.2)%	(5.7)%	(3.9)%
Net income before income taxes	19.9%	22.7%	12.0%	15.6%
Income tax benefit (expense)	(0.3)%	(0.3)%	(0.2)%	0.2%
Net income	19.6%	22.4%	11.8%	15.8%
Net income attributable to non-controlling interest	—%	0.2%	—%	0.2%
Net income attributable to Norwegian Cruise Line Holdings Ltd.	19.6%	22.2%	11.8%	15.6%

The following table sets forth selected statistical information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Passengers carried	574,011	518,394	1,615,213	1,456,394
Passenger Cruise Days	4,208,605	3,609,294	11,925,493	10,079,345
Capacity Days	3,696,549	3,143,592	10,887,160	9,113,991
Occupancy Percentage	113.9%	114.8%	109.5%	110.6%

Net Revenue, Adjusted Net Revenue, Gross Yield, Net Yield and Adjusted Net Yield were calculated as follows (in thousands, except Capacity Days and Yield data):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015 Constant Currency		2014	2015 Constant Currency		2014
	2015			2015		
Passenger ticket revenue	\$ 948,059	\$ 979,036	\$ 650,323	\$ 2,406,533	\$ 2,457,524	\$ 1,627,684
Onboard and other revenue	336,851	336,851	256,694	901,992	901,544	709,288
Total revenue	1,284,910	1,315,887	907,017	3,308,525	3,359,068	2,336,972
Less:						
Commissions, transportation and other expense	225,586	232,954	143,194	589,851	596,886	374,716
Onboard and other expense	84,171	84,171	69,389	210,701	210,251	172,780
Net Revenue	975,153	998,762	694,434	2,507,973	2,551,931	1,789,476
Non-GAAP Adjustment:						
Deferred revenue (1)	3,026	3,026	—	31,514	31,514	—
Adjusted Net Revenue	\$ 978,179	\$ 1,001,788	\$ 694,434	\$ 2,539,487	\$ 2,583,445	\$ 1,789,476
Capacity Days	3,696,549	3,696,549	3,143,592	10,887,160	10,887,160	9,113,991
Gross Yield	\$ 347.60	\$ 355.98	\$ 288.53	\$ 303.89	\$ 308.53	\$ 256.42
Net Yield	\$ 263.80	\$ 270.19	\$ 220.90	\$ 230.36	\$ 234.40	\$ 196.34
Adjusted Net Yield	\$ 264.62	\$ 271.01	\$ 220.90	\$ 233.26	\$ 237.29	\$ 196.34

(1) Reflects deferred revenue fair value adjustments related to the Acquisition of Prestige that were made pursuant to business combination accounting rules.

Gross Cruise Cost, Net Cruise Cost, Net Cruise Cost Excluding Fuel and Adjusted Net Cruise Cost Excluding Fuel were calculated as follows (in thousands, except Capacity Days and per Capacity Day data):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015 Constant Currency		2014	2015 Constant Currency		2014
	2015			2015		
Total cruise operating expense	\$ 717,722	\$ 729,349	\$ 511,298	\$ 1,997,701	\$ 2,010,801	\$ 1,428,004
Marketing, general and administrative expense	150,558	151,846	97,111	411,879	415,898	263,584
Gross Cruise Cost	868,280	881,195	608,409	2,409,580	2,426,699	1,691,588
Less:						
Commissions, transportation and other expense	225,586	232,954	143,194	589,851	596,886	374,716
Onboard and other expense	84,171	84,171	69,389	210,701	210,251	172,780
Net Cruise Cost	558,523	564,070	395,826	1,609,028	1,619,562	1,144,092
Less: Fuel expense	88,829	88,829	79,881	267,784	267,784	236,753
Net Cruise Cost Excluding Fuel	469,694	475,241	315,945	1,341,244	1,351,778	907,339
Less Non-GAAP Adjustments:						
Non-cash deferred compensation (1)	3,277	3,277	2,535	5,759	5,759	5,144
Non-cash share-based compensation (2)	13,691	13,691	4,473	27,857	27,857	9,552
Secondary Equity Offering expenses (3)	362	362	—	1,384	1,384	2,075
Severance payments and other fees (4)	1,369	1,369	—	15,045	15,045	—
Management NCL Corporation Units exchange expenses (5)	—	—	—	624	624	—
Acquisition of Prestige expenses (6)	6,098	6,098	20,268	17,389	17,389	20,268
Contingent consideration adjustment (7)	—	—	—	(43,400)	(43,400)	—
Contract termination expenses (8)	3,319	3,319	—	3,319	3,319	—
Other (9)	—	—	810	—	—	2,943
Adjusted Net Cruise Cost Excluding Fuel	\$ 441,578	\$ 447,125	\$ 287,859	\$ 1,313,267	\$ 1,323,801	\$ 867,357
Capacity Days	3,696,549	3,696,549	3,143,592	10,887,160	10,887,160	9,113,991
Gross Cruise Cost per Capacity Day	\$ 234.89	\$ 238.38	\$ 193.54	\$ 221.32	\$ 222.90	\$ 185.60
Net Cruise Cost per Capacity Day	\$ 151.09	\$ 152.59	\$ 125.92	\$ 147.79	\$ 148.76	\$ 125.53
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 127.06	\$ 128.56	\$ 100.50	\$ 123.20	\$ 124.16	\$ 99.55
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$ 119.46	\$ 120.96	\$ 91.57	\$ 120.63	\$ 121.59	\$ 95.17

- (1) Non-cash deferred compensation expenses related to the crew pension plan, which are included in payroll and related expense.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense.
- (3) Expenses related to the Secondary Equity Offerings, which are included in marketing, general and administrative expense.
- (4) Severance payments and other expenses related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (5) Expenses related to the exchange of Management NCL Corporation Units for ordinary shares, which are included in marketing, general and administrative expense.
- (6) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (7) Contingent consideration fair value adjustment related to the Acquisition of Prestige, which is included in marketing, general and administrative expense.
- (8) Contract termination expenses related to the Acquisition of Prestige, which are included in other cruise operating expense.
- (9) Expenses primarily related to the Corporate Reorganization and the settlement of a 2007 breach of contract claim, which are included in marketing, general and administrative expense.

Adjusted Net Income and Adjusted EPS were calculated as follows (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 251,787	\$ 201,078	\$ 388,825	\$ 363,961
Net income attributable to non-controlling interest	—	2,200	—	4,288
Net income	251,787	203,278	388,825	368,249
Non-GAAP Adjustments:				
Non-cash deferred compensation (1)	3,277	2,535	5,759	5,144
Non-cash share-based compensation (2)	13,691	4,473	28,030	9,552
Secondary Equity Offerings' expenses (3)	362	—	1,384	2,075
Tax benefit (4)	—	870	—	(5,304)
Severance payments and other fees (5)	1,369	—	15,045	—
Management NCL Corporation Units exchange expenses (6)	—	—	624	—
Acquisition of Prestige expenses (7)	6,098	20,268	17,389	20,268
Deferred revenue (8)	3,026	—	31,514	—
Amortization of intangible assets (9)	20,914	—	59,973	—
Contingent consideration adjustment (10)	—	—	(43,400)	—
Derivative loss (11)	3,767	—	33,370	—
Contract termination expenses (12)	6,848	—	6,848	—
Other (13)	—	810	—	2,943
Adjusted Net Income	\$ 311,139	\$ 232,234	\$ 545,361	\$ 402,927
Diluted weighted-average shares outstanding – Net income and Adjusted Net Income	230,274,756	208,507,181	229,860,900	209,992,647
Diluted earnings per share	\$ 1.09	\$ 0.97	\$ 1.69	\$ 1.75
Adjusted EPS	\$ 1.35	\$ 1.11	\$ 2.37	\$ 1.92

- (1) Non-cash deferred compensation expenses related to the crew pension plan, which are included in payroll and related expense.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense.
- (3) Expenses related to the Secondary Equity Offerings, which are included in marketing, general and administrative expense.

- (4) Tax benefit of \$5.3 million from a change in estimate of tax provision associated with a change in our corporate entity structure, which is included in income tax benefit (expense).
- (5) Severance payments and other expenses related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (6) Expenses related to the exchange of Management NCL Corporation Units for ordinary shares, which are included in marketing, general and administrative expense.
- (7) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (8) Deferred revenue fair value adjustments related to the Acquisition of Prestige that were made pursuant to business combination accounting rules, which are primarily included in Net Revenue.
- (9) Amortization of intangible assets related to the Acquisition of Prestige, which are included in depreciation and amortization expense.
- (10) Contingent consideration fair value adjustment related to the Acquisition of Prestige, which is included in marketing, general and administrative expense.
- (11) Losses of approximately \$(4.7) million related to certain fuel swap derivative hedge contracts and the fair value adjustment of \$1.2 million of a foreign exchange collar which does not receive hedge accounting treatment, which are included in other income (expense) for the three months ended September 30, 2015. Losses of \$(18.6) million of a foreign exchange collar which does not receive hedge accounting treatment and losses of \$(14.7) million related to certain fuel swap derivative hedge contracts for the nine months ended September 30, 2015.
- (12) Contract termination expenses related to the Acquisition of Prestige, which are included in other cruise operating expense and depreciation and amortization expense.
- (13) Expenses primarily related to the Corporate Reorganization and the settlement of a 2007 breach of contract claim, which are included in marketing, general and administrative expense.

EBITDA and Adjusted EBITDA was calculated as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income attributable to Norwegian Cruise Line Holdings Ltd.	\$ 251,787	\$ 201,078	\$ 388,825	\$ 363,961
Interest expense, net	49,784	32,284	153,219	95,316
Income tax (benefit) expense	3,528	2,502	6,931	(3,761)
Depreciation and amortization expense	109,798	63,786	314,381	188,885
EBITDA	414,897	299,650	863,356	644,401
Net income attributable to non-controlling interest	—	2,200	—	4,288
Other (income) expense	1,733	(3,242)	35,589	(3,305)
Non-GAAP Adjustments:				
Non-cash deferred compensation (1)	3,277	2,535	5,759	5,144
Non-cash share-based compensation (2)	13,691	4,473	27,857	9,552
Secondary Equity Offerings' expenses (3)	362	—	1,384	2,075
Severance payments and other fees (4)	1,369	—	15,045	—
Management NCL Corporation Units exchange expenses (5)	—	—	624	—
Acquisition of Prestige expenses (6)	6,098	20,268	17,389	20,268
Deferred revenue (7)	3,026	—	31,514	—
Contingent consideration adjustment (8)	—	—	(43,400)	—
Contract termination expenses (9)	3,319	—	3,319	—
Other (10)	—	810	—	2,943
Adjusted EBITDA	\$ 447,772	\$ 326,694	\$ 958,436	\$ 685,366

- (1) Non-cash deferred compensation expenses related to the crew pension plan, which are included in payroll and related expense.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense.
- (3) Expenses related to the Secondary Equity Offerings, which are included in marketing, general and administrative expense.
- (4) Severance payments and other expenses related to restructuring costs and other severance arrangements, which are included in marketing, general and administrative expense.
- (5) Expenses related to the exchange of Management NCL Corporation Units for ordinary shares, which are included in marketing, general and administrative expense.
- (6) Expenses related to the Acquisition of Prestige, which are included in marketing, general and administrative expense.
- (7) Deferred revenue fair value adjustments related to the Acquisition of Prestige that were made pursuant to business combination accounting rules, which are primarily included in Net Revenue.

- (8) Contingent consideration fair value adjustment related to the Acquisition of Prestige, which is included in marketing, general and administrative expense.
- (9) Contract termination expenses related to the Acquisition of Prestige, which are included in other cruise operating expense.
- (10) Expenses primarily related to the Corporate Reorganization and the settlement of a 2007 breach of contract claim, which are included in marketing, general and administrative expense.

Three months ended September 30, 2015 (“2015”) compared to three months ended September 30, 2014 (“2014”)

Revenue

Total revenue increased 41.7% to \$1.3 billion in 2015 compared to \$0.9 billion in 2014. Net Revenue in 2015 increased 40.4% to \$975.2 million from \$694.4 million in 2014 due to an increase in Capacity Days of 17.6% and an increase in Net Yield of 19.4%. The increase in Capacity Days was primarily due to the Acquisition of Prestige. The increase in Net Yield was primarily due to an increase in passenger ticket pricing and higher onboard and other revenue. Adjusted Net Revenue includes a deferred revenue fair value adjustment of \$3.0 million related to the Acquisition of Prestige. On a Constant Currency basis, Net Yield and Adjusted Net Yield increased 22.3% and 22.7%, respectively, in 2015 compared to 2014.

Expense

Total cruise operating expense increased 40.4% in 2015 compared to 2014 primarily due to the increase in Capacity Days as discussed above. Total other operating expense increased 61.8% in 2015 compared to 2014 primarily due to the amortization expense related to the Prestige intangible assets and depreciation expense related to the Prestige ships as well as an increase in marketing, general and administrative expenses primarily related to the Acquisition of Prestige. On a Capacity Day basis, Net Cruise Cost increased 20.0% (21.2% on a Constant Currency basis) due to certain crew related expenses and an increase in marketing, general and administrative expenses as discussed above. Adjusted Net Cruise Cost Excluding Fuel per Capacity Day increased 30.5% (32.1% on a Constant Currency basis) primarily due to the increase in expenses discussed above.

Interest expense, net increased to \$49.8 million in 2015 from \$32.3 million in 2014 primarily due to an increase in average debt outstanding in connection with the Acquisition of Prestige. Other income (expense) was an expense of \$1.7 million in 2015 compared to income of \$3.2 million in 2014 primarily related to the expense recorded from the dedesignation of certain fuel swap derivative hedge contracts and the ineffectiveness of settled fuel swaps in 2015. The expense was partially offset by income related to the fair value adjustment of a foreign exchange collar which does not receive hedge accounting treatment and foreign currency transaction gains.

In 2015, we had an income tax expense of \$3.5 million compared to \$2.5 million in 2014.

Nine months ended September 30, 2015 (“2015”) compared to nine months ended September 30, 2014 (“2014”)

Revenue

Total revenue increased 41.6% to \$3.3 billion in 2015 compared to \$2.3 billion in 2014. Net Revenue in 2015 increased 40.2% to \$2.5 billion from \$1.8 billion in 2014 due to an increase in Capacity Days of 19.5% and Net Yield of 17.3%. The increase in Capacity Days was primarily due to the Acquisition of Prestige and the operation of Norwegian Getaway for the entire nine months of 2015. The increase in Net Yield was primarily due to an increase in passenger ticket pricing and higher onboard and other revenue. Adjusted Net Revenue includes a deferred revenue fair value adjustment of \$31.5 million related to the Acquisition of Prestige. On a Constant Currency basis, Net Yield and Adjusted Net Yield increased 19.4% and 20.9%, respectively, in 2015 compared to 2014.

Expense

Total cruise operating expense increased 39.9% in 2015 compared to 2014 primarily due to the increase in Capacity Days as discussed above. Total other operating expense increased 60.5% in 2015 compared to 2014 primarily due to an increase in marketing, general and administrative expenses primarily related to the Acquisition of Prestige including certain restructuring and severance costs, as well as amortization expense related to the Prestige intangible assets and depreciation expense related to the Prestige ships. This was partially offset by the adjustment for the contingent consideration related to the Acquisition of Prestige. On a Capacity Day basis, Net Cruise Cost increased 17.7% (18.5% on a Constant Currency basis) due to an increase in marketing, general and administrative expenses as discussed above and certain crew related expenses partially offset by the decrease in fuel expense which was primarily the result of an 13.5% decrease in the average fuel price to \$550 per metric ton in 2015 from \$636 per metric ton in 2014. Adjusted Net Cruise Cost Excluding Fuel per Capacity Day increased 26.8% (27.8% on a Constant Currency basis) primarily due to the increase in expenses discussed above.

Interest expense, net increased to \$153.2 million in 2015 from \$95.3 million in 2014 primarily due to an increase in average debt outstanding in connection with the Acquisition of Prestige. Other income (expense) was an expense of \$35.6 million in 2015 compared to income of \$3.3 million in 2014 primarily related to the expense from the dedesignation of certain fuel swap derivative hedge contracts and the ineffectiveness of settled fuel swaps in 2015. Also included in 2015 was the expense related to the fair value adjustment of a foreign exchange collar which does not receive hedge accounting treatment.

In 2015, we had an income tax expense of \$6.9 million. In 2014, we had an income tax benefit of \$3.8 million. During the fourth quarter of 2013, we completed the implementation of a global tax platform, which had a favorable impact on the amount of income subject to U.S. corporate tax. This favorable impact continued through calendar year 2014. In addition, during the first quarter of 2014, we received information which allowed us to elect a tax method to calculate deductible interest expense resulting in a tax benefit of \$11.1 million including a \$5.3 million non-recurring benefit that has been excluded from Adjusted Net Income and Adjusted EPS for the nine months ended September 30, 2014.

Liquidity and Capital Resources

General

As of September 30, 2015, our liquidity was \$855.2 million consisting of \$230.2 million in cash and cash equivalents and \$625.0 million, which is the full amount available under our Revolving Loan Facility. Our primary ongoing liquidity requirements are to finance working capital, capital expenditures and debt service.

As of September 30, 2015, we had a working capital deficit of \$2.0 billion. This deficit included \$1.1 billion of advance ticket sales, which represents the passenger ticket revenue we collect in advance of sailing dates, and accordingly, are substantially more like deferred revenue balances rather than actual current cash liabilities. Our business model, along with our Revolving Loan Facility, allows us to operate with a working capital deficit and still meet our operating, investing and financing needs.

We evaluate potential sources of additional liquidity, including the capital markets, in the ordinary course of business. We believe that prevailing market conditions, particularly in the debt capital markets, are generally favorable. We will continue to evaluate opportunities to increase our liquidity in the near term, taking into consideration our current and expected requirements, our assessment of prevailing market conditions and expectations regarding future conditions, and the contractual and other restrictions to which we are subject.

Sources and Uses of Cash

In this section, references to “2015” refer to the nine months ended September 30, 2015 and references to “2014” refer to the nine months ended September 30, 2014.

Net cash provided by operating activities was \$973.5 million in 2015 as compared to \$700.7 million in 2014. The change in net cash provided by operating activities included timing differences in cash receipts and payments relating to operating assets and liabilities with advance ticket sales of \$308.7 million in 2015 compared to \$85.6 million in 2014.

Net cash used in investing activities was \$331.6 million in 2015, primarily related to payments for our newbuild ships and ship improvements and shoreside projects. Net cash used in investing activities was \$864.8 million in 2014, primarily related to the payments for delivery of Norwegian Getaway as well as payments related to our Breakaway Plus Class Ships and other ship improvements and shoreside projects.

Net cash used in financing activities was \$496.6 million in 2015, primarily due to repayments of our Revolving Loan Facility and other loan facilities. Net cash provided by financing activities was \$163.5 million in 2014, primarily due to proceeds from the Breakaway Two Credit Facility and credit facilities related to our Breakaway Plus Class Ships partially offset by repayments of our Revolving Loan Facility and other borrowings.

Future Capital Commitments

Future capital commitments consist of contracted commitments, including ship construction contracts, and future expected capital expenditures necessary for operations. As of September 30, 2015, anticipated capital expenditures were \$0.9 billion for the remainder of 2015, and \$1.0 billion and \$1.1 billion for each of the years ending December 31, 2016 and 2017, respectively, of which we have export credit financing in place for the expenditures related to ship construction contracts of \$0.6 billion for the remainder of 2015, \$0.5 billion for 2016 and \$0.6 billion for 2017.

Norwegian Escape was delivered in October 2015. We have three other Breakaway Plus Class Ships on order with Meyer Werft shipyard for delivery in the spring of 2017, spring of 2018 and fall of 2019. These ships will be the largest in our fleet, reaching approximately 164,600 Gross Tons and approximately 4,000 Berths each. The combined contract price of these three ships is approximately €2.5 billion, or \$2.8 billion based on the euro/U.S. dollar exchange rate as of September 30, 2015. We have export credit financing in place that provides financing for 80% of their contract prices. We also have a contract with Fincantieri shipyard to build a luxury cruise ship to be named Seven Seas Explorer. The contract price of the ship is approximately €367.2 million, or approximately \$410.4 million based on the euro/U.S. dollar exchange rate as of September 30, 2015. We have export credit financing in place that provides financing for 80% of the ship's contract price. Seven Seas Explorer is expected to be delivered in the summer of 2016.

In connection with the contracts to build these ships, we do not anticipate any contractual breaches or cancellation to occur. However, if any would occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us, subject to certain refund guarantees, and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Capitalized interest for the three and nine months ended September 30, 2015 was \$9.1 million and \$24.2 million, respectively, and for the three and nine months ended September 30, 2014 was \$5.5 million and \$14.7 million, respectively, primarily associated with the construction of our Breakaway Plus Class Ships.

Off-Balance Sheet Transactions

None.

Contractual Obligations

As of September 30, 2015, our contractual obligations, with initial or remaining terms in excess of one year, including interest payments on long-term debt obligations, were as follows (in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt (1)	\$ 5,683,741	\$ 587,504	\$ 2,156,897	\$ 1,316,504	\$ 1,622,836
Due to Affiliate (2)	38,923	38,923	—	—	—
Operating leases (3)	147,672	11,980	24,870	25,199	85,623
Ship construction contracts (4)	3,821,206	1,276,121	1,716,126	828,959	—
Port facilities (5)	199,218	18,703	53,279	43,657	83,579
Interest (6)	749,298	172,004	288,461	166,020	122,813
Other (7)	126,211	48,739	36,787	14,617	26,068
Total	<u>\$ 10,766,269</u>	<u>\$ 2,153,974</u>	<u>\$ 4,276,420</u>	<u>\$ 2,394,956</u>	<u>\$ 1,940,919</u>

- (1) Net of unamortized original issue discount of \$0.8 million and includes premiums aggregating \$0.7 million. Also includes capital leases.
- (2) Primarily related to the purchase of Norwegian Sky.
- (3) Primarily for offices, motor vehicles and office equipment.
- (4) For our newbuild ships based on the euro/U.S. dollar exchange rate as of September 30, 2015. Export credit financing is in place from a syndicate of banks.
- (5) Primarily for our usage of certain port facilities.
- (6) Includes fixed and variable rates with LIBOR held constant as of September 30, 2015.
- (7) Future commitments for service, maintenance and other Business Enhancement Capital Expenditure contracts.

As of September 30, 2015, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest and penalties totaling \$11.4 million. Due to the uncertainties related to these tax matters, we are unable to make a reasonably reliable estimate when cash settlement with a taxing authority will occur in relation to these liabilities.

Other

Certain of our service providers may require collateral in the normal course of our business. The amount of collateral may change based on certain terms and conditions.

As a routine part of our business, depending on market conditions, exchange rates, pricing and our strategy for growth, we regularly consider opportunities to enter into contracts for the building of additional ships. We may also consider the sale of ships, potential acquisitions and strategic alliances. If any of these were to occur, they may be financed through the incurrence of additional permitted indebtedness, through cash flows from operations, or through the issuance of debt, equity or equity-related securities.

Funding Sources

Our debt agreements contain covenants that, among other things, require us to maintain a minimum level of liquidity, as well as limit our net funded debt-to-capital ratio, maintain certain other ratios and restrict our ability to pay dividends. Our ships and substantially all other property and equipment are pledged as collateral for substantially all of our debt. We believe we were in compliance with these covenants as of September 30, 2015.

We believe our cash on hand, expected future operating cash inflows, available borrowings under our Revolving Loan Facility and our ability to issue debt securities or raise equity, will be sufficient to fund operations, debt payment requirements, capital expenditures and maintain compliance with covenants under our debt agreements over the next twelve-month period. There is no assurance that cash flows from operations and additional financings will be available in the future to fund our future obligations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

General

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. The financial impacts of these derivative instruments are primarily offset by corresponding changes in the underlying exposures being hedged. We achieve this by closely matching the amount, term and conditions of the derivatives with the underlying risk being hedged. We do not hold or issue derivatives for trading or other speculative purposes. Derivative positions are monitored using techniques including market valuations and sensitivity analyses.

Interest Rate Risk

As of September 30, 2015, we had interest rate swap agreements to mitigate our exposure to interest rate movements and to manage our interest expense. As of September 30, 2015, 61% of our debt was fixed and 39% was variable, which includes the effects of the interest rate swaps. The notional amount of outstanding debt associated with the interest rate swap agreements as of September 30, 2015 was \$1.1 billion. Based on our September 30, 2015 outstanding variable rate debt balance, a one percentage point increase in annual LIBOR interest rates would increase our annual interest expense by approximately \$24.1 million excluding the effects of capitalization of interest.

Foreign Currency Exchange Rate Risk

As of September 30, 2015, we had foreign currency derivatives to hedge the exposure to volatility in foreign currency exchange rates related to our ship construction contracts denominated in euros. These derivatives hedge the foreign currency exchange rate risk on a portion of the payments on our ship construction contracts and forecasted Dry-dock payments. The payments not hedged aggregate €2.1 billion, or \$2.3 billion based on the euro/U.S. dollar exchange rate as of September 30, 2015. We estimate that a 10% change in the euro as of September 30, 2015 would result in a \$238.8 million change in the U.S. dollar value of the foreign currency denominated remaining payments.

Fuel Price Risk

Our exposure to market risk for changes in fuel prices relates to the forecasted purchases of fuel on our ships. Fuel expense, as a percentage of our total cruise operating expense, was 12.4% and 15.6% for the three months ended September 30, 2015 and 2014, respectively, and 13.4% and 16.6% for the nine months ended September 30, 2015 and 2014, respectively. We use fuel derivative agreements to mitigate the financial impact of fluctuations in fuel prices and as of September 30, 2015, we had hedged approximately 59%, 59%, 54%, 42% and 8% of our 2015, 2016, 2017, 2018 and 2019 projected metric tons of fuel purchases, respectively. We estimate that a 10% increase in our weighted-average fuel price would increase our anticipated remaining 2015 fuel expense by \$6.7 million. This increase would be partially offset by an increase in the fair value of our fuel swap agreements of \$2.5 million. Fair value of our derivative contracts is derived using valuation models that utilize the income valuation approach. These valuation models take into account the contract terms such as maturity, as well as other inputs such as fuel types, fuel curves, creditworthiness of the counterparty and the Company, as well as other data points.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of September 30, 2015. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2015 to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange

Commission, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In 2015, the Alaska Department of Environmental Conservation issued Notices of Violations to major cruise lines that operated in the state of Alaska, including Norwegian, for alleged violations of the Alaska Marine Vessel Visible Emission Standards that occurred over the last several years. We are cooperating with the Alaska Department of Environmental Conservation and conducting our own internal investigation into these matters. However, we do not believe the ultimate outcome will have a material impact on our financial condition, results of operations or cash flows.

In the normal course of our business, various claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount. Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential contingent losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

Item 1A. Risk Factors

We refer you to our 2014 Annual Report on Form 10-K for a discussion of the risk factors that affect our business and financial results. We wish to caution the reader that the risk factors discussed in “*Item 1A. Risk Factors*” in our 2014 Annual Report on Form 10-K, and those described below and elsewhere in this report or other Securities and Exchange Commission filings, could cause future results to differ materially from those stated in any forward-looking statements.

Our hedging strategies may not be cost-effective or adequately protect us from increased costs related to changes in fuel prices.

In order to manage risks associated with the variable market prices of fuel, we routinely hedge a portion of our future fuel requirements. However, our hedging program may not be successful in mitigating higher fuel costs, and any price protection provided may be limited due to market conditions, including choice of hedging instruments, breakdown of correlation between hedging instrument and market price of fuel and failure of hedge counterparties. To the extent that we use hedge contracts that have the potential to create an obligation to pay upon settlement if fuel prices decline significantly, such hedge contracts may limit our ability to benefit fully from lower fuel costs in the future. There can be no assurance that our hedging arrangements will be cost-effective, will provide any particular level of protection against rises in fuel prices or that our counterparties will be able to perform under our hedging arrangements. Additionally, deterioration in our financial condition could negatively affect our ability to enter into new hedge contracts in the future.

Despite our substantial indebtedness, we may still be able to incur significantly more debt, which could further limit cash flow available for our operations and could adversely affect our financial condition, operations, prospects and flexibility.

We may be able to incur substantial additional indebtedness at any time in the future. Although the terms of the agreements governing our indebtedness contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial.

If our cash flows and capital resources are insufficient to meet our liquidity needs, we may be forced to reduce or delay capital expenditures, seek additional capital, restructure or refinance our indebtedness or sell assets. We evaluate potential sources of additional liquidity, including the capital markets, in the ordinary course of business. We believe that prevailing market conditions, particularly in the debt capital markets, are generally favorable. We will continue to evaluate opportunities to increase our liquidity in the near term, taking into consideration our current and expected requirements, our assessment of prevailing market conditions and expectations regarding future conditions, and the contractual and other restrictions to which we are subject.

An increase in our level of indebtedness could further limit cash flow available for our operations and could adversely affect our financial condition, operations, prospects and flexibility. Our substantial indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the repayment of our indebtedness, thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business, the economy or the industry in which we operate;
- restrict us from making strategic acquisitions, introducing new technologies or exploiting business opportunities;
- restrict us from taking certain actions by means of restrictive covenants in the agreements governing our indebtedness;
- make our credit card processors seek more restrictive terms in respect of our credit card arrangements; and
- expose us to the risk of increased interest rates as certain of our borrowings are (and may be in the future) at a variable rate of interest.

Any adverse findings from our assessment of our internal controls could result in a loss of investor confidence in our financial reports, significant expenses to remediate any internal control deficiencies and could ultimately have an adverse effect on our share price.

As a public company, we are subject to the internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) which requires, among other things, that we maintain effective internal control over financial reporting. We cannot be certain that our internal control measures will continue to provide adequate control over our financial processes and reporting and ensure compliance with Section 404 of the Sarbanes-Oxley Act. Furthermore, as we grow our business or acquire other businesses, our internal controls may become more complex and we may require significantly more resources to ensure they remain effective. Failure to implement required

new or improved controls, or difficulties encountered in their implementation, either in our existing business or in businesses that we may acquire, could harm our operating results or cause us to fail to meet our reporting obligations. We are in the process of integrating our internal control over financial reporting with Prestige's controls and procedures. However, there can be no assurance that we will be able to do so effectively in the one-year post-acquisition exemption period or at all.

If we or our independent registered public accounting firm identify material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and the trading price of our ordinary shares may decline.

Remediation of a material weakness could require us to incur significant expense and if we fail to remedy any material weakness, our financial statements may be inaccurate, our ability to report our financial results on a timely and accurate basis may be adversely affected, the trading price of our ordinary shares may decline, and we may be subject to sanctions or investigation by regulatory authorities. We may also be required to restate our financial statements from prior periods.

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

Share repurchase activity during the three months ended September 30, 2015 was as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program ⁽²⁾	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in thousands)
July 1, 2015 - July 31, 2015	—	\$ —	—	\$ 418,000
August 1, 2015 - August 31, 2015	46,225	\$ 59.72	—	\$ 418,000
September 1, 2015 - September 30, 2015	83,396	\$ 55.94	83,396	\$ 413,335
Total for the three months ended September 30, 2015	129,621	\$ 57.29	83,396	\$ 413,335

¹ The total number of shares purchased includes: (i) 46,225 ordinary shares purchased to cover tax withholding obligations for employees who received NCLH’s ordinary shares in the Acquisition of Prestige and were not purchased pursuant to any publicly announced share repurchase programs and (ii) 83,396 shares purchased pursuant to the share repurchase program described in footnote 2 below.

² On April 29, 2014, NCLH’s Board of Directors authorized, and NCLH announced, a three-year share repurchase program for up to \$500.0 million. NCLH may make repurchases in the open market, in privately negotiated transactions, in accelerated repurchase programs or in structured share repurchase programs, and any repurchases may be made pursuant to Rule 10b5-1 plans. This column discloses the number of ordinary shares purchased pursuant to the plan during the period.

Item 6. Exhibits

- 2.1 Agreement and Plan of Merger, dated as of September 2, 2014, by and among Prestige Cruises International, Inc., Norwegian Cruise Line Holdings Ltd., Portland Merger Sub, Inc. and Apollo Management, L.P. (incorporated herein by reference to Exhibit 2.1 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on September 4, 2014 (File No. 001-35784))
- 2.2 Amendment No. 1 to the Agreement and Plan of Merger, dated as of October 6, 2014, by and among Prestige Cruises International, Inc., Norwegian Cruise Line Holdings Ltd., Portland Merger Sub, Inc. and Apollo Management, L.P. (incorporated herein by reference to Exhibit 2.1 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on October 8, 2014 (File No. 001-35784))
- 10.1* Letter Regarding Amendment to Frank J. Del Rio’s Executive Employment Agreement, dated August 4, 2015
- 10.2* Form of Norwegian Cruise Line Holdings Ltd. Time and Performance-based Restricted Share Unit Award Agreement
- 10.3* Form of Notice of Grant of Norwegian Cruise Line Holdings Ltd. Time and Performance-based Option and Terms and Conditions
- 10.4* Employment Agreement by and between NCL (Bahamas) Ltd. and Wendy A. Beck, entered into on September 2, 2015
- 10.5* Employment Agreement by and between NCL (Bahamas) Ltd. and Andrew Stuart, entered into on September 2, 2015
- 10.6* Addendum No. 3, dated September 10, 2015, to Shipbuilding Contract for Hull identified therein, as amended, by and among Meyer Werft GmbH & Co. KG, Seahawk One, Ltd. and NCL Corporation Ltd.+
- 10.7* Addendum No. 3, dated September 10, 2015, to Shipbuilding Contract for Hull identified therein, as amended, by and among Meyer Werft GmbH Co. KG, Seahawk Two, Ltd. and NCL Corporation Ltd.+

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- 31.1* Certification of the President and Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
- 31.2* Certification of the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
- 32.1** Certifications of the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code
- 101* The following unaudited financial statements are from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, formatted in Extensible Business Reporting Language (XBRL), as follows:
- (i) the Consolidated Statements of Operations for the three and nine months ended September 30, 2015 and 2014;
 - (ii) the Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2015 and 2014;
 - (iii) the Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014;
 - (iv) the Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 and 2014;
 - (v) the Consolidated Statements of Changes in Shareholder's Equity for the nine months ended September 30, 2015 and 2014; and
 - (vi) the Notes to the Consolidated Financial Statements, tagged in summary and detail.
- * Filed herewith.
- ** Furnished herewith.
- + Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

SIGNATURES

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

NORWEGIAN CRUISE LINE HOLDINGS LTD.
(Registrant)

By: /s/ FRANK J. DEL RIO
Name: Frank J. Del Rio
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ WENDY A. BECK
Name: Wendy A. Beck
Title: Executive Vice President and Chief Financial
Officer
(Principal Financial Officer and Principal
Accounting Officer)

Dated: November 4, 2015

As of August 4, 2015

Frank J. Del Rio
President and Chief Executive Officer
Norwegian Cruise Line Holdings Ltd.
7665 Corporate Center Drive
Miami, Florida 33126

Re: Amendment to Executive Employment Agreement

Dear Frank:

On January 9, 2015, you assumed the position of President and Chief Executive Officer of Norwegian Cruise Line Holdings Ltd. (“Norwegian” or the “Company”). This letter agreement (the “Agreement”), effective as of the date hereof, constitutes an amendment to your Amended and Restated Executive Employment Agreement dated as of June 5, 2014 by and among you, Oceania Cruises, Inc. (“Oceania”) and Prestige Cruises International, Inc. (“PCI”) (the “Employment Agreement”) and the letter agreement dated September 2, 2014 among you, Oceania, Norwegian, and PCI (the “September 2014 Letter Agreement”). Unless otherwise stated, all capitalized terms shall be defined as set forth in the September 2014 Letter Agreement or in the Employment Agreement to the extent incorporated by reference in the September 2014 Letter Agreement (collectively, the “Prior Agreements”).

1. Continuation of Employment/Severance

You will continue to serve as President and Chief Executive Officer of Norwegian and will be elected to Norwegian’s Board of Directors, to serve in such positions through the termination of your employment. The Period of Employment (as defined in the Employment Agreement) shall be extended to June 30, 2019, or to such other date that may be otherwise agreed by the parties. If your employment terminates upon the expiration of the Period of Employment, or if your employment is earlier terminated by the Company without “Cause” or by you for “Good Reason” (as such terms are defined in the Employment Agreement), you will be entitled to all of your same rights, including without limitation bonuses, severance and benefits (and subject to the same conditions) provided under Section 6.2 of your Employment Agreement; provided, that, if the date of such employment termination occurs on or before November 18, 2016, your cash severance payments described in Section 6.2(c) of your Employment Agreement shall be paid, in accordance with the September 2014 Letter Agreement, in one lump sum payment on the 30th day following the date of employment termination, subject to the provisions of Section 15 of the Employment Agreement.

2. Base Salary / Travel Expense Allowance

Modifying Section 4.1 of your Employment Agreement, for calendar year 2016 and each subsequent calendar year during the Period of Employment, the annual Base Salary shall be One Million Five Hundred Thousand dollars (\$1,500,000) and the proviso in the second sentence of such Section 4.1 is hereby deleted. Your travel expense allowance as provided in clause (iii) of the second paragraph of Section 4.4 of your Employment Agreement shall be increased to \$100,000 per calendar year beginning with calendar year 2016, with no expectation of increases during the Period of Employment.

3. Incentive Compensation.

Modifying Section 4.2 of your Employment Agreement, for calendar year 2016 and each subsequent calendar year during the Period of Employment, the annual Target Bonus amount for each such calendar year shall equal 200% (rather than 100%) of your Base Salary and the maximum Incentive Bonus amount for each such calendar year shall equal 300% of your Base Salary.

4. Additional Options

Pursuant to Section 4.3 of your Employment Agreement, as further amended by Section 3 of the 2014 Letter Agreement, you are entitled to a grant of an "Additional Option" on or about January 1 of each year during your Period of Employment. In lieu of, and in full satisfaction of, any annual Additional Option referred to in the immediately preceding sentence, in connection with your entering into this Agreement, you shall be awarded a one-time grant of stock options covering 1.25 million ordinary shares of Norwegian ("Norwegian Options") at an exercise price per share equal to the closing price of Norwegian's ordinary shares on the date of grant. Fifty percent (50%) of the Norwegian Options shall be time-vesting options, of which half shall vest and be exercisable on June 30, 2017, and half shall vest and be exercisable on June 30, 2019, in each case, subject to your continued employment on each vesting date. The remaining fifty percent (50%) of the Norwegian Options shall be performance-vesting options, with vesting contingent on the achievement of performance hurdles based on earnings per share ("EPS"), return on invested capital ("ROIC") and appreciation in the Norwegian share price ("Share Appreciation"), as further detailed on Exhibit A attached hereto. Upon your termination of employment without Cause or for Good Reason, all unvested Norwegian Options shall automatically vest and become exercisable. Upon your termination of employment by reason of your death or Disability, you shall vest in a prorated portion of the next installment of your unvested time-vesting Norwegian Options determined by multiplying the number of Options covered by such installment by a fraction, the numerator of which is the number of days from the preceding June 30 to the date of such termination and the denominator of which is 365. You (or your estate as the case may be) shall have one year from your last date of employment to exercise the vested Norwegian Options. Other than as explicitly set forth herein, unvested Norwegian Options shall be forfeited upon your employment termination. The Norwegian Options shall be granted pursuant to and subject to the terms and conditions of a stock option award agreement and equity plan, each of which will be provided to you in conjunction with the grant of such award. As used in the Agreement, "Disability" shall have the meaning ascribed to the term "disabled" under Section 409A(a)(2)(C) of the Code.

5. Restricted Stock Units

In connection with your entering into this Agreement, you shall be awarded a one-time grant of 300,000 Norwegian Restricted Share Units ("Norwegian RSUs"). Fifty percent (50%) of the Norwegian RSUs shall be time-vesting and shall vest and be delivered to you ratably on each of the first, second, third and fourth anniversaries of June 30, 2015, in each case, subject to your continued employment on each vesting date. The remaining fifty percent (50%) of the Norwegian RSUs shall be performance-vesting, with vesting contingent on the achievement of performance hurdles based on EPS, ROIC and Share Appreciation, as further detailed on Exhibit A attached hereto. Upon your termination of employment without Cause or for Good Reason, all unvested Norwegian RSUs shall vest and be delivered to you. Upon your termination of employment by reason of your death or Disability, you shall vest in a prorated portion of the next installment of your unvested time-vesting Norwegian RSUs determined by multiplying the number of Norwegian RSUs covered by such installment by a fraction, the numerator of which is the number of days from the preceding June 30 to the date of such termination and the denominator of which is 365. Other than as explicitly set forth

herein, unvested Norwegian RSUs shall be forfeited upon your employment termination. The Norwegian RSUs 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 you in conjunction with the grant of such award.

6. Form of Release

Modifying Section 6.1 and Section 6.2 of your Employment Agreement, severance payments shall be conditioned upon your execution and non-revocation of a general release of claims in the form attached hereto as Exhibit B.

7. Effect on the Prior Agreements

Except as modified pursuant to this Agreement, the Prior Agreements shall remain in full force and effect. On and after the date hereof, each reference in the Prior Agreements to "this Agreement," "herein," "hereof," "hereunder" or words of similar import shall mean and be a reference to the Prior Agreements as amended hereby. On and after the date hereof, each reference in the Prior Agreements to the "Employer" or the "Company" or words of similar import shall mean and be a reference to Norwegian, and each reference in the Prior Agreements to the "Parent Group" or words of similar import shall mean and be a reference to Norwegian and each corporation, limited liability company, partnership or other entity in which Norwegian directly or indirectly control a majority of the voting power. To the extent that a provision of this Agreement conflicts with or differs from a provision of the Prior Agreements, such provision of this Agreement shall prevail and govern for all purposes and in all respects.

8. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will 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 copies of such signed counterparts may be used in lieu of the originals for any purpose.

Sincerely,

NORWEGIAN CRUISE LINE HOLDINGS LTD.

By: /s/Steve Martinez
Chairman, Compensation Committee of the Board of Directors

Date Executed: August 4, 2015

AGREED AND ACCEPTED:

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

Date Executed: August 4, 2015

FORM OF GENERAL RELEASE AGREEMENT

This Release Agreement (this "Release Agreement") is entered into this ___ day of _____, by and between [_____], an individual (Executive), and Norwegian Cruise Line Holdings Ltd., a corporation organized under the laws of (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 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 on or 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, as amended, the Civil Rights Act of 1991, as amended, the Civil Rights Acts of 1866 and 1871, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Americans with Disabilities Act of 1990, as amended, the Family and Medical Leave Act of 1993, as amended, the Rehabilitation Act of 1973 (including Section 504 thereof), as amended, the Employee Retirement Income Security Act of 1990, as amended, the Workers Adjustment and Relocation Notice Act, as amended, the Equal Pay Act, as amended, or any other applicable federal, state or local law, statute, order, 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");]¹ 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 rights to indemnification or liability insurance coverage that Executive may have pursuant to the Employment Agreement; (3) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (4) any rights to the severance and other benefits payable under Section 6 of the Employment Agreement in accordance with the terms of the Employment Agreement; (5) 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; or (6) any rights with respect to workers' compensation or unemployment benefits under applicable state law. 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, Executive will receive consideration beyond that which 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

¹ Note to Draft: To be updated at the time of termination of employment to reflect then-applicable law.

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 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 he 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. Proceedings. Executive acknowledges that Executive has not filed any complaint, charge, claim or proceeding against any of the Releasees before any local, state, federal or foreign agency, court or other body (each individually a "Proceeding"). Executive represents that Executive is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that, with respect to any released matters, Executive will not initiate or cause to be initiated on his behalf any Proceeding and will not participate in any Proceeding, in each case, except as required by law; and (ii) waives any right Executive may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"). Further, Executive understands that, by executing this Release, Executive will be limiting the availability of certain remedies that Executive may have against the Company and limiting also the ability of Executive to pursue certain claims against the Releasees. Notwithstanding the above, nothing in this Release Agreement shall prevent Executive from initiating or participating in an investigation or proceeding conducted by the EEOC.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

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

12. 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.

13. 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.

14. 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 Remainder of this Page is Intentionally Left Blank]

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”

Print Name: _____

NORWEGIAN CRUISE LINE HOLDINGS LTD.
a corporation organized under the laws of_____.

By: _____

Name: _____

Title: _____

**FORM OF NORWEGIAN CRUISE LINE HOLDINGS LTD.
2013 PERFORMANCE INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT**

THIS RESTRICTED SHARE UNIT AWARD AGREEMENT (this “**Agreement**”) is dated as of [_____] by and between Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the “**Company**”), and [Name] (the “**Participant**”).

W I T N E S S E T H

WHEREAS, pursuant to the Norwegian Cruise Line Holdings Ltd. 2013 Performance Incentive Plan (the “**Plan**”), the Company has granted to the Participant effective as of the date hereof (the “**Award Date**”), a credit of restricted share units under the Plan (the “**Award**”), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered and to be rendered by the Participant, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. Grant. Subject to the terms of this Agreement, the Company hereby grants to the Participant an Award with respect to an aggregate of [_____] restricted share units (subject to adjustment as provided in Section 7.1 of the Plan) (the “**Share Units**”). As used herein, the term “share unit” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Ordinary Share of the Company (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Agreement. The Share Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Share Units vest pursuant to Section 3. The Share Units shall not be treated as property or as a trust fund of any kind.

3. Vesting. Subject to Section 8 below, the Award shall vest and become nonforfeitable as follows:

(a) *Time-Based Share Units:* [Fifty percent (50%)] of the total number of Share Units (the “**Time-Based Share Units**”) (subject to adjustment under Section 7.1 of the Plan) shall vest ratably in substantially equal installments on each of [**Insert Vesting Dates**].

(b) *Performance-Based Share Units:* [Fifty percent (50%)] of the total number of Share Units (the “**Performance-Based Share Units**”) (subject to adjustment under Section 7.1 of the Plan) will become vested upon the achievement of the performance hurdles described below. The Administrator or Board of Directors of the Company (the “**Board**”) shall determine whether each of the applicable performance hurdles has been achieved, and the vesting of any installment of the Performance-Based Share Units is subject to the Administrator’s or Board’s determination.]

[Insert Performance Vesting Terms]

4. Continuation of Employment/Service. Except as provided in Section 3, the vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Except as provided in Section 3, employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 8 below or under the Plan.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or services, or affects the right of the Company or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with Units.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Share Units and any Ordinary Shares underlying or issuable in respect of such Share Units until such Ordinary Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Ordinary Shares underlying or issuable in respect of such Share Units.

(b) **Dividend Equivalent Rights Distributions.** As of any date that the Company pays an ordinary cash dividend on its Ordinary Shares, the Company shall credit the Participant with an additional number of Share Units equal to (i) the per share cash dividend paid by the Company on its Ordinary Shares on such date, multiplied by (ii) the total number of Share Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 7.1 of the Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the fair market value of an Ordinary Share on the date of payment of such dividend. Any Share Units credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Share Units to which they relate. No crediting of Share Units shall be made pursuant to this Section 5(b) with respect to any Share Units which, as of such record date, have either been paid pursuant to Section 7 or terminated pursuant to Section 3 or Section 8.

6. Restrictions on Transfer. Neither the Award, nor any interest therein or amount or shares payable in respect thereof (until such shares underlying the Award have been issued) may

be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers by will or the laws of descent and distribution.

7. Timing and Manner of Payment of Share Units On or as soon as administratively practical following each vesting of the applicable portion of the total Award pursuant to Section 3 hereof or Section 7 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Company shall deliver to the Participant a number of Ordinary Shares (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its discretion) equal to the number of Share Units subject to this Award that vest on the applicable vesting date, unless such Share Units terminate prior to the given vesting date pursuant to Section 3 or Section 8. The Company's obligation to deliver Ordinary Shares or otherwise make payment with respect to vested Share Units is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested Share Units deliver to the Company any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Share Units that are paid or that terminate pursuant to Section 3 or Section 8.

8. Effect of Termination of Employment or Service Except as provided in Section 3, the Participant's Share Units shall terminate and be forfeited to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service to the Company or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Company or a Subsidiary, whether voluntarily or involuntarily. If any unvested Share Units are terminated hereunder, such Share Units shall automatically terminate and be forfeited as of the applicable termination date without payment of any consideration by the Company and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

9. Adjustments Upon Specified Events Upon the occurrence of certain events relating to the Company's shares contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such Share), the Administrator shall make adjustments in accordance with such section in the number of Share Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are credited pursuant to Section 5(b). Each of the performance hurdles set forth in Section 3 shall also be subject to equitable and proportionate adjustment under Section 7.1 of the Plan.

10. Tax Withholding Subject to Section 8.1 of the Plan, unless the Participant has previously notified the General Counsel of the Company that the Participant will pay the amount of any applicable federal, state or local tax law withholding taxes directly to the Company in cash, upon any distribution of Ordinary Shares in respect of the Share Units, the Company shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Company or its Subsidiaries with respect to such

distribution of shares at the minimum applicable withholding rates. In the event that the Company cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Share Units, the Company (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

11. Notices. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Company at its principal office to the attention of the General Counsel, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Company, shall be deemed to have been duly given by the Company when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

12. Plan. The Award and all rights of the Participant under this Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Agreement. The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Agreement. Unless otherwise expressly provided in other sections of this Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

13. Entire Agreement. This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

14. Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Share Units, and rights no greater than the right to receive the Ordinary Shares as a general unsecured creditor with respect to Share Units, as and when payable hereunder.

15. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of Bermuda without regard to conflict of law principles thereunder.

18. Section 409A. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. If the Participant is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant's "separation from service" (within the meaning of Section 409A of the Code), the Participant shall not be entitled to any payment pursuant to Section 7 until the earlier of (i) the date which is six (6) months after the Participant's separation from service for any reason other than death, or (ii) the date of the Participant's death. The provisions of this Section 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.

19. Clawback Policy. The Share Units are subject to the terms of the Company'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 the Share Units or any Ordinary Shares or other cash or property received with respect to the Share Units (including any value received from a disposition of the shares acquired upon payment of the Share Units).

20. No Advice Regarding Grant. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the Share Units (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Award). Neither the Company nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement) or recommendation with respect to the Award. Except for the withholding rights set forth in Section 10 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Participant has hereunto set his or her hand as of the date and year first above written.

**NORWEGIAN CRUISE LINE HOLDINGS LTD.,
a Bermuda Company**

PARTICIPANT

By: _____

Signature

Print Name: _____

Print Name

Its: _____

**Form of Notice of Grant of Option
and
Terms and Conditions of Option**

Grantee:	[Name]	Option Number:	[_____]
	[Address]	Plan:	2013
	[Address]	ID:	[_____]

Effective [_____] (the "Award Date"), you (the "Grantee") have been granted a nonqualified option (the "Option") to buy [_____] Ordinary Shares¹ of Norwegian Cruise Line Holdings Ltd. (the "Company") at a price of \$[_____] per share¹ (the "Exercise Price").

The aggregate Exercise Price of the shares subject to the Option is \$ [_____].¹

The Option will expire on [_____] (the "Expiration Date").^{1,2}

[Vesting Schedule:

Time-Based Options: [Fifty percent (50%)] of the total number of Ordinary Shares subject to the Option (the "Time-Based Options") will become vested as follows:²

Number of Ordinary Shares Subject to the Option	Time-Based Vesting Schedule
[_____]	This number of Time-Based Options will vest on [Insert Vesting Date] .
[_____]	This number of Time-Based Options will vest on [Insert Vesting Date] .

Performance-Based Options: [Fifty percent (50%)] of the total number of Ordinary Shares subject to the Option (the "Performance-Based Options") will become vested upon the achievement of the performance hurdles described below.² The Administrator or Board of Directors of the Company (the "Board") shall determine whether each of the applicable performance hurdles has been achieved, and the vesting of any installment of the Performance-Based Options is subject to the Administrator's or Board's determination.]

[Insert Performance Vesting Terms]

¹ Subject to adjustment under Section 7.1 of the Plan.
² Subject to early termination under Section 5 of the Terms and Section 7.2 of the Plan.

By your signature and the Company's signature below, you and the Company agree that the Option is granted under and governed by the terms and conditions of the Company's 2013 Performance Incentive Plan (the "Plan") and the Terms and Conditions of Nonqualified Option (the "Terms"), which are attached and incorporated herein by this reference. This Notice of Grant of Option, together with the Terms, will be referred to as your Option Agreement. The Option has been granted to you in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to you. Capitalized terms are defined in the Plan if not defined herein or in the Terms. You acknowledge receipt of a copy of the Terms, the Plan and the Prospectus for the Plan.

Norwegian Cruise Line Holdings Ltd.

Date

[Name]

Date

**NORWEGIAN CRUISE LINE HOLDINGS LTD.
2013 PERFORMANCE INCENTIVE PLAN
TERMS AND CONDITIONS OF NONQUALIFIED OPTION**

1. General.

These Terms and Conditions of Nonqualified Option (these “**Terms**”) apply to a particular option (the “**Option**”) if incorporated by reference in the Notice of Grant of Option (the “**Grant Notice**”) corresponding to that particular grant. The recipient of the Option identified in the Grant Notice is referred to as the “**Grantee**.” The per share exercise price of the Option as set forth in the Grant Notice is referred to as the “**Exercise Price**.” The effective date of grant of the Option as set forth in the Grant Notice is referred to as the “**Award Date**.” The exercise price and the number of shares covered by the Option are subject to adjustment under Section 7.1 of the Plan.

The Option was granted under and subject to the Norwegian Cruise Line Holdings Ltd. 2013 Performance Incentive Plan (the “**Plan**”). Capitalized terms are defined in the Plan if not defined herein. The Option has been granted to the Grantee in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Grantee. The Grant Notice and these Terms are collectively referred to as the “Option Agreement” applicable to the Option.

2. Vesting; Limits on Exercise; Incentive Stock Option Status

The Option shall vest and become exercisable in percentage installments of the aggregate number of shares subject to the Option as set forth on the Grant Notice. The Option may be exercised only to the extent the Option is vested and exercisable.

- Cumulative Exercisability. To the extent that the Option is vested and exercisable, the Grantee has the right to exercise the Option (to the extent not previously exercised), and such right shall continue, until the expiration or earlier termination of the Option.
- No Fractional Shares. Fractional share interests shall be disregarded, but may be cumulated.
- Minimum Exercise. No fewer than 100 Ordinary Shares (subject to adjustment under Section 7.1 of the Plan) may be purchased at any one time, unless the number purchased is the total number at the time exercisable under the Option.
- Nonqualified Option. The Option is a nonqualified option and is not, and shall not be, an incentive stock option within the meaning of Section 422 of the Code.

3. Continuance of Employment/Service Required; No Employment/Service Commitment

The vesting schedule applicable to the Option requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Option and the rights and benefits under this Option Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 5 below or under the Plan.

Nothing contained in this Option Agreement or the Plan constitutes a continued employment or service commitment by the Company or any of its Subsidiaries, affects the Grantee’s status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Grantee any

right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service, or affects the right of the Company or any Subsidiary to increase or decrease the Grantee's other compensation. Nothing in this Option Agreement, however, is intended to adversely affect any independent contractual right of the Grantee without his/her consent thereto.

4. Method of Exercise of Option.

The Option shall be exercisable by the delivery to the General Counsel of the Company (or such other person as the Administrator may require pursuant to such administrative exercise procedures as the Administrator may implement from time to time) of:

- a written notice stating the number of Ordinary Shares to be purchased pursuant to the Option or by the completion of such other administrative exercise procedures as the Administrator may require from time to time;
- payment in full for the Exercise Price of the shares to be purchased in cash, check or by electronic funds transfer to the Company;
- any written statements or agreements required pursuant to Section 8.1 of the Plan; and
- satisfaction of the tax withholding provisions of Section 8.5 of the Plan.

The Administrator also may, but is not required to, authorize a non-cash payment alternative by one or more of the following methods (subject in each case to compliance with all applicable laws, rules, regulations and listing requirements and further subject to such rules as the Administrator may adopt as to any such payment method):

- notice and third party payment in such manner as may be authorized by the Administrator;
- in Ordinary Shares already owned by the Grantee, valued at their fair market value (as determined under the Plan) on the exercise date;
- a reduction in the number of Ordinary Shares otherwise deliverable to the Grantee (valued at their fair market value on the exercise date, as determined under the Plan) pursuant to the exercise of the Option; or
- a "cashless exercise" with a third party who provides simultaneous financing for the purposes of (or who otherwise facilitates) the exercise of the Option.

5. Early Termination of Option.

5.1 Expiration Date. Subject to earlier termination as provided below in this Section 5, the Option will terminate on the "Expiration Date" set forth in the Grant Notice (the "Expiration Date").

5.2 Possible Termination of Option upon Certain Corporate Events. The Option is subject to termination in connection with certain corporate events as provided in Section 7.2 of the Plan.

5.3 Termination of Option upon a Termination of Grantee's Employment or Services. Subject to earlier termination on the Expiration Date of the Option or pursuant to Section 5.2 above, if the Grantee ceases to be employed by or ceases to provide services to the Company or a Subsidiary, the following

rules shall apply (the last day that the Grantee is employed by or provides services to the Company or a Subsidiary is referred to as the Grantee's **Severance Date**):

(a) the Grantee (or the Grantee's estate as the case may be) will have until the date that is 12 months after his or her Severance Date to exercise the Option (or portion thereof) to the extent that it was vested as of the Severance Date,

(b) the Option, to the extent not vested as of the Severance Date, shall terminate as of the Severance Date, and

(c) the Option, to the extent exercisable for the 12-month period following the Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

In all events the Option is subject to earlier termination on the Expiration Date of the Option or as contemplated by Section 5.2. The Administrator shall be the sole judge of whether the Grantee continues to render employment or services for purposes of this Option Agreement.

6. Non-Transferability.

The Option and any other rights of the Grantee under this Option Agreement or the Plan are nontransferable and exercisable only by the Grantee, except as set forth in Section 5.6 of the Plan.

7. Notices.

Any notice to be given under the terms of this Option Agreement shall be in writing and addressed to the Company at its principal office to the attention of the General Counsel, and to the Grantee at the address last reflected on the Company's payroll records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be delivered in person or shall be enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the Grantee is no longer employed by the Company or a Subsidiary, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 7.

8. Plan.

The Option and all rights of the Grantee under this Option Agreement are subject to the terms and conditions of the Plan, incorporated herein by this reference. The Grantee agrees to be bound by the terms of the Plan and this Option Agreement. The Grantee acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Option Agreement. Unless otherwise expressly provided in other sections of this Option Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not and shall not be deemed to create any rights in the Grantee unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

9. Entire Agreement.

This Option Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Option Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment

must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Grantee hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

10. Governing Law.

This Option Agreement shall be governed by and construed and enforced in accordance with the laws of Bermuda without regard to conflict of law principles thereunder.

11. Effect of this Agreement.

Subject to the Company's right to terminate the Option pursuant to Section 7.2 of the Plan, this Option Agreement shall be assumed by, be binding upon and inure to the benefit of any successor or successors to the Company.

12. Counterparts.

This Option Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13. Section Headings.

The section headings of this Option Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

14. Clawback Policy.

The Option is subject to the terms of the Company'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 forfeiture of the Option and repayment or forfeiture of any Ordinary Shares or other cash or property received with respect to the Option (including any value received from a disposition of the shares acquired upon exercise of the Option).

15. No Advice Regarding Grant.

The Grantee is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Grantee may determine is needed or appropriate with respect to the Option (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Option and any shares that may be acquired upon exercise of the Option). Neither the Company nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Option Agreement) or recommendation with respect to the Option. Except for the withholding rights contemplated by Section 4 above and Section 8.5 of the Plan, the Grantee is solely responsible for any and all tax liability that may arise with respect to the Option and any shares that may be acquired upon exercise of the Option.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 2nd day of September, 2015, by and between NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the "Company"), and Wendy A. Beck (the "Executive").

RECITALS

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

A. 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.

B. The Executive desires to be employed by the Company on the terms and conditions set forth in this Agreement.

C. 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 supersedes and negates any previous agreements with respect to such relationship.

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 Executive Vice President and Chief Financial Officer, and shall be appointed to such position on the first day of the Period of Employment. 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 as they are in effect from time to time throughout the Period of Employment (including, without limitation, the Company'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 President and Chief Executive Officer of the Company, or his/her designee.

During the Period of Employment, the Executive shall perform services for Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the "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. The Executive's service on the boards of directors (or similar body) of other business entities is subject to the approval of the Board of Directors of the Parent (the "Board"), provided that the Executive shall be permitted to serve on one board of directors (or similar bodies) during the Period of Employment, subject to the Company's rights to require the Executive's resignation pursuant to the following sentence. The Company shall have the right to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) which he may then serve if the Board reasonably determines that the Executive's service on such board or body materially interferes with the effective discharge of the Executive's duties and responsibilities or that any business related to such service is then in competition with any business of the Company or any of its Affiliates (as such term is defined in Section 5.5), successors or assigns.

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) 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 September 1, 2015 (the "Effective Date") and ending at the close of business on the first December 31st following the third anniversary of the Effective Date (the "Termination Date"); provided, however, that this Agreement shall be automatically renewed, and the Period of Employment shall be automatically extended for one (1) additional year on the Termination Date and each anniversary of the Termination Date thereafter, unless either party gives written notice at least sixty (60) days prior to the expiration of the Period of Employment (including any renewal thereof) of such party's desire to terminate the Period of Employment (such notice to be delivered in accordance with Section 18). The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. 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 Six Hundred Fifty thousand dollars (\$650,000.00). 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.

3.2 **Incentive Bonus.** Beginning with the 2015 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, except as provided in Section 5.3, the Executive must be employed by the Company at the time the Company pays the Incentive Bonus with respect to any such fiscal year in order to be eligible for an Incentive Bonus with respect to that 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 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. 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.

3.3 **Equity Award.** The Executive shall be eligible to participate in the Parent's 2013 Performance Incentive Plan (together with any successor equity incentive plan, the "Parent Equity Plan") and to receive grants of equity awards under the Parent Equity Plan as may be approved from time to time by the Compensation Committee in its sole discretion.

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.

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.

4.3 **Company Automobile.** During the Period of Employment, the Company shall provide the Executive with a monthly cash car allowance of up to One thousand Two hundred dollars (\$1,200.00) per month, in accordance with the Company's policy as in effect from time to time.

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's annual rate of vacation accrual shall be four (4) weeks per year; provided that such vacation shall accrue on a bi-weekly basis in accordance with the Company's regular payroll cycle and be subject to the Company's vacation policies in effect from time to time. The Executive shall also be entitled to all other holiday and leave pay generally available to other similarly situated executives of the Company.

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) Unless the provisions of Section 5.3(c) below apply, if, during the Period of Employment, the Executive's employment with the Company is terminated (1) by the Company without Cause (and other than due to the Executive's death or in connection with a good faith determination by the Board that the Executive has a Disability), (2) by the Executive for Good Reason, or (3) as a result of the Company's provision of notice to the Executive that this Agreement shall not be extended or further extended, the Executive shall be entitled to the following benefits:
 - (i) The Company shall pay the Executive (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to two times Executive's Base Salary at the annualized rate in effect on the Severance Date. Such amount is referred to hereinafter as the "Severance Benefit." Subject to Section 5.7(a), the Company shall pay the Severance Benefit to the Executive in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable in the month following the month in which the Executive's Separation from Service (as such term is defined in Section 5.5) occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Severance Benefit.)
 - (ii) Subject to the Executive's continued payment of the same percentage of the applicable premiums as he was paying on the

Severance Date, the Company will pay or reimburse the Executive for Executive's premiums charged to continue medical and dental coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and the Executive shall also be entitled to continued participation in the MERP, at the same or reasonably equivalent medical coverage for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects such continued coverage (the "COBRA Benefit"); provided that the Company's obligation to make any payment or reimbursement pursuant to this clause (ii) shall, subject to Section 5.7(a), commence with continuation coverage for the month following the month in which the Executive's Separation from Service occurs and shall cease with continuation coverage for the eighteenth month following the month in which the Executive's Separation from Service occurs (or, if earlier, shall cease upon the first to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date the Company ceases to offer group medical coverage or the MERP to its active executive employees or the Company is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify the Company in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures the Company may then have in place.

- (iii) The Company shall pay the Executive, subject to tax withholding and other authorized deductions, a pro-rata portion of the Incentive Bonus for the fiscal year in which the Executive's employment terminates (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 the current fiscal year through the Severance Date 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 calendar year).
- (c) If, during the Period of Employment and within three months prior to a Change in Control or twenty-four months following a Change in Control, the Executive's employment with the Company is terminated (1) by the Company without Cause (and other than due to the Executive's death or in connection with a good faith determination by the Board that the Executive has a Disability), or (2) by the Executive for Good Reason, or (3) as a result of the Company's provision of notice to the Executive that this Agreement shall not be extended or further extended, the Executive

shall be entitled to the following benefits in lieu of the benefits described under Section 5.3(b):

- (i) The Company shall pay the Executive (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to two times Executive's Base Salary at the annualized rate in effect on the Severance Date. Such amount is referred to hereinafter as the "Change in Control Severance Benefit." Subject to Section 5.7(a), the Company shall pay the Change in Control Severance Benefit to the Executive in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable in the month following the month in which the Executive's Separation from Service (as such term is defined in Section 5.5) occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Change in Control Severance Benefit.)
 - (ii) The Company shall provide the COBRA Benefit described in Section 5.3(b)(ii) above on the terms and conditions specified in that section until the eighteenth month following the month in which the Executive's Separation from Service occurs.
 - (iii) The Company shall pay the Executive, subject to tax withholding and other authorized deductions, the Pro-Rata Bonus, as described in Section 5.3(b)(iii) above.
 - (iv) At the Severance Date, all then outstanding and unvested equity awards granted under the Parent Equity Plan or any predecessor equity incentive plan shall receive full accelerated vesting.
- (d) Notwithstanding the foregoing provisions of this Section 5.3, if the Executive breaches Executive's obligations under Section 6 of this Agreement at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Executive will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit or Change in Control Severance Benefit, the Pro-Rata Bonus, or the COBRA Benefit; provided that, if the Executive provides the release contemplated by Section 5.4, in no event shall the Executive be entitled to a Severance Benefit or Change in Control Severance Benefit payment of less than \$5,000, which amount the parties agree is good and adequate consideration, in and of itself, for the Executive's release contemplated by Section 5.4.
- (e) 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; or (ii) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage.

**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 (c), the Executive shall, upon or promptly following his or her last day of employment with the Company (and in any event within twenty-one (21) days following the Executive's last day of employment), 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 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 the Company's policy in effect at the applicable time); and (ii) any reimbursement due to the Executive pursuant to

Section 4.4 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. For purposes of clarity and without limiting the generality of the foregoing, the term "Affiliate" includes any Person that meets the definition of "Affiliate" and is, directly or indirectly through any other Person, engaged in the Business (as such term is defined in Section 6.2) if that Person is controlled by Apollo Global Management, LLC or any of its affiliated funds or Genting HK and its affiliates. However, any Person that would not otherwise be an Affiliate of the Company but for its ownership by Apollo Global Management, LLC or its affiliated funds shall not be considered an Affiliate if such Person is not, directly or indirectly through any other Person, engaged in the Business (as such term is defined in Section 6.2).
- (c) As used herein, "Cause" shall mean, as reasonably determined by the Chief Executive Officer based on the information then known to him, that one or more of the following has occurred:
 - (i) the Executive has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction), other than through vicarious liability not related to the Company or any of its Affiliates;
 - (ii) the Executive has engaged in acts of fraud, dishonesty or other acts of willful misconduct;
 - (iii) the Executive willfully fails to perform or uphold Executive's duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board and/or Chief Executive Officer, in either case after there has been delivered to the Executive a written demand for performance from the Company and the Executive fails to remedy such condition(s) within ten (10) days of receiving such written notice thereof; or

- (iv) any breach by the Executive of the provisions of Section 6, or any material breach by the Executive of any other contract he is a party to with the Company or any of its Affiliates.
- (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 10 days thereof and the Executive's intent to terminate employment as a result thereof; and (iii) 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 Sections 5.3(b)(ii) or (c)(ii) or reimbursements pursuant to Section 4 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 Sections 5.3(b)(ii) and (c)(ii) and Section 4 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 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 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. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization to make any such reports or disclosures and is not required to notify the Employer of such reports or disclosures.
- (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 she 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 twenty-four months after the Severance Date, 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 Severance Benefit payable under Section 5.3(b) or the Change in Control Severance Benefit payable under 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 twenty-four months after the Severance Date, 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 twelve months after such individual's employment relationship with the Company or such Affiliate has been terminated.

6.4 Non-Solicitation of Customers. During the Period of Employment and for a period of twenty-four months after the Severance Date, the Executive will not directly or indirectly through any other Person influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, associates, consultants, agents, or partners of the Company or any Affiliate of the Company to divert their business away from the Company or such Affiliate, and the Executive will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Company or any Affiliate of the Company, on the one hand, and any of its or their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand.

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 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. This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bear upon the subject matter hereof. 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) 436-4101
Attn: Senior Vice President, Corporate Human Resources

with a copy to:

NCL (Bahamas) Ltd.
7665 Corporate Center Drive

Miami, FL 33126
Facsimile: (305) 436-4101
Attn: Senior 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, the 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).

(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/Frank J. Del Rio
Name: Frank J. Del Rio
Title: President and Chief Executive Officer

“EXECUTIVE”

/s/Wendy A. Beck
Wendy A. Beck

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 any 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 she 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) 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 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. Non-Disparagement. Executive agrees not to make, directly or indirectly, whether verbal or in writing, any damaging or disparaging statements, representations or remarks about or concerning Employer or any of the Released Parties.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

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

12. 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.

13. 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.

14. 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”

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 days to consider the foregoing Release Agreement and voluntarily chose to sign the Release Agreement prior to the expiration of the 21-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__].

Print Name: _____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 2nd day of September, 2015, by and between NCL (Bahamas) Ltd., a company organized under the laws of Bermuda (the "Company"), and Andrew C. Stuart (the "Executive").

RECITALS

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

- A. 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.
- B. The Executive desires to be employed by the Company on the terms and conditions set forth in this Agreement.
- C. 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 supersedes and negates any previous agreements with respect to such relationship.

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 Operating Officer, Norwegian Cruise Line, and shall be appointed to such position on the first day of the Period of Employment. 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 as they are in effect from time to time throughout the Period of Employment (including, without limitation, the Company'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 President and Chief Executive Officer of the Company, or his/her

designee. During the Period of Employment, the Executive shall perform services for Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the "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. The Executive's service on the boards of directors (or similar body) of other business entities is subject to the approval of the Board of Directors of the Parent (the "Board"), provided that the Executive shall be permitted to serve on one board of directors (or similar bodies) during the Period of Employment, subject to the Company's rights to require the Executive's resignation pursuant to the following sentence. The Company shall have the right to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) which he may then serve if the Board reasonably determines that the Executive's service on such board or body materially interferes with the effective discharge of the Executive's duties and responsibilities or that any business related to such service is then in competition with any business of the Company or any of its Affiliates (as such term is defined in Section 5.5), successors or assigns.

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) 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 September 1, 2015 (the "Effective Date") and ending at the close of business on the first December 31st following the third anniversary of the Effective Date (the "Termination Date"); provided, however, that this Agreement shall be automatically renewed, and the Period of Employment shall be automatically extended for one (1) additional year on the Termination Date and each anniversary of the Termination Date thereafter, unless either party gives written notice at least sixty (60) days prior to the expiration of the Period of Employment (including any renewal thereof) of such party's desire to terminate the Period of Employment (such notice to be delivered in accordance with Section 18). The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. 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 Six Hundred Fifty thousand dollars (\$650,000.00). 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.

3.2 **Incentive Bonus.** Beginning with the 2015 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, except as provided in Section 5.3, the Executive must be employed by the Company at the time the Company pays the Incentive Bonus with respect to any such fiscal year in order to be eligible for an Incentive Bonus with respect to that 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 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. 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.

3.3 **Equity Award.** The Executive shall be eligible to participate in the Parent's 2013 Performance Incentive Plan (together with any successor equity incentive plan, the "Parent Equity Plan") and to receive grants of equity awards under the Parent Equity Plan as may be approved from time to time by the Compensation Committee in its sole discretion.

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 (including, but not limited to the NCL (Bahamas) Ltd. Supplemental Executive Retirement Plan and the NCL (Bahamas) Ltd. Senior Management Retirement Savings Plan), 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.

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.

4.3 **Company Automobile.** During the Period of Employment, the Company shall provide the Executive with a monthly cash car allowance of up to One Thousand Five Hundred dollars (\$1,500.00) per month, in accordance with the Company's policy as in effect from time to time.

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's annual rate of vacation accrual shall be five (5) weeks per year; provided that such vacation shall accrue on a bi-weekly basis in accordance with the Company's regular payroll cycle and be subject to the Company's vacation policies in effect from time to time. The Executive shall also be entitled to all other holiday and leave pay generally available to other similarly situated executives of the Company.

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) Unless the provisions of Section 5.3(c) below apply, if, during the Period of Employment, the Executive's employment with the Company is terminated (1) by the Company without Cause (and other than due to the Executive's death or in connection with a good faith determination by the Board that the Executive has a Disability), (2) by the Executive for Good Reason, or (3) as a result of the Company's provision of notice to the Executive that this Agreement shall not be extended or further extended, the Executive shall be entitled to the following benefits:
 - (i) The Company shall pay the Executive (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to two times Executive's Base Salary at the annualized rate in effect on the Severance Date. Such amount is referred to hereinafter as the "Severance Benefit." Subject to Section 5.7(a), the Company shall pay the Severance Benefit to the Executive in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable in the month following the month in which the Executive's Separation from Service (as such term is defined in Section 5.5) occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Severance Benefit.)

- (ii) Subject to the Executive's continued payment of the same percentage of the applicable premiums as he was paying on the Severance Date, the Company will pay or reimburse the Executive for Executive's premiums charged to continue medical and dental coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and the Executive shall also be entitled to continued participation in the MERP, at the same or reasonably equivalent medical coverage for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects such continued coverage (the "COBRA Benefit"); provided that the Company's obligation to make any payment or reimbursement pursuant to this clause (ii) shall, subject to Section 5.7(a), commence with continuation coverage for the month following the month in which the Executive's Separation from Service occurs and shall cease with continuation coverage for the eighteenth month following the month in which the Executive's Separation from Service occurs (or, if earlier, shall cease upon the first to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date the Company ceases to offer group medical coverage or the MERP to its active executive employees or the Company is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify the Company in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures the Company may then have in place.
 - (iii) The Company shall pay the Executive, subject to tax withholding and other authorized deductions, a pro-rata portion of the Incentive Bonus for the fiscal year in which the Executive's employment terminates (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 the current fiscal year through the Severance Date 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 calendar year).
- (c) If, during the Period of Employment and within three months prior to a Change in Control or twenty-four months following a Change in Control, the Executive's employment with the Company is terminated (1) by the Company without Cause (and other than due to the Executive's death or in connection with a good faith determination by the Board that the Executive has a Disability), or (2) by the Executive for Good Reason, or

(3) as a result of the Company's provision of notice to the Executive that this Agreement shall not be extended or further extended, the Executive shall be entitled to the following benefits in lieu of the benefits described under Section 5.3(b):

- (i) The Company shall pay the Executive (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to two times Executive's Base Salary at the annualized rate in effect on the Severance Date. Such amount is referred to hereinafter as the "Change in Control Severance Benefit." Subject to Section 5.7(a), the Company shall pay the Change in Control Severance Benefit to the Executive in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable in the month following the month in which the Executive's Separation from Service (as such term is defined in Section 5.5) occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Change in Control Severance Benefit.)
 - (ii) The Company shall provide the COBRA Benefit described in Section 5.3(b)(ii) above on the terms and conditions specified in that section until the eighteenth month following the month in which the Executive's Separation from Service occurs.
 - (iii) The Company shall pay the Executive, subject to tax withholding and other authorized deductions, the Pro-Rata Bonus, as described in Section 5.3(b)(iii) above.
 - (iv) At the Severance Date, all then outstanding and unvested equity awards granted under the Parent Equity Plan or any predecessor equity incentive plan shall receive full accelerated vesting.
- (d) Notwithstanding the foregoing provisions of this Section 5.3, if the Executive breaches Executive's obligations under Section 6 of this Agreement at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Executive will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit or Change in Control Severance Benefit, the Pro-Rata Bonus, or the COBRA Benefit; provided that, if the Executive provides the release contemplated by Section 5.4, in no event shall the Executive be entitled to a Severance Benefit or Change in Control Severance Benefit payment of less than \$5,000, which amount the parties agree is good and adequate consideration, in and of itself, for the Executive's release contemplated by Section 5.4.

- (e) 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; or (ii) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage.

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 (c), the Executive shall, upon or promptly following his or her last day of employment with the Company (and in any event within twenty-one (21) days following the Executive's last day of employment), 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 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 the Company's policy in effect at the applicable time); and (ii) any reimbursement due to the Executive pursuant to Section 4.4 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. For purposes of clarity and without limiting the generality of the foregoing, the term "Affiliate" includes any Person that meets the definition of "Affiliate" and is, directly or indirectly through any other Person, engaged in the Business (as such term is defined in Section 6.2) if that Person is controlled by Apollo Global Management, LLC or any of its affiliated funds or Genting HK and its affiliates. However, any Person that would not otherwise be an Affiliate of the Company but for its ownership by Apollo Global Management, LLC or its affiliated funds shall not be considered an Affiliate if such Person is not, directly or indirectly through any other Person, engaged in the Business (as such term is defined in Section 6.2).
- (c) As used herein, "Cause" shall mean, as reasonably determined by the Chief Executive Officer based on the information then known to him, that one or more of the following has occurred:
- (i) the Executive has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction), other than through vicarious liability not related to the Company or any of its Affiliates;
 - (ii) the Executive has engaged in acts of fraud, dishonesty or other acts of willful misconduct;
 - (iii) the Executive willfully fails to perform or uphold Executive's duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board and/or Chief Executive Officer, in either case after there has been delivered to the Executive a written demand for performance from the Company and the Executive fails to remedy such condition(s) within ten (10) days of receiving such written notice thereof; or

- (iv) any breach by the Executive of the provisions of Section 6, or any material breach by the Executive of any other contract he is a party to with the Company or any of its Affiliates.
- (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 10 days thereof and the Executive's intent to terminate employment as a result thereof; and (iii) 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 Sections 5.3(b)(ii) or (c)(ii) or reimbursements pursuant to Section 4 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 Sections 5.3(b)(ii) and (c)(ii) and Section 4 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 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 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. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization to make any such reports or disclosures and is not required to notify the Employer of such reports or disclosures.
- (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 she 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 twenty-four months after the Severance Date, 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 Severance Benefit payable under Section 5.3(b) or the Change in Control Severance Benefit payable under 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 twenty-four months after the Severance Date, 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 twelve months after such individual's employment relationship with the Company or such Affiliate has been terminated.

6.4 Non-Solicitation of Customers. During the Period of Employment and for a period of twenty-four months after the Severance Date, the Executive will not directly or indirectly through any other Person influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, associates, consultants, agents, or partners of the Company or any Affiliate of the Company to divert their business away from the Company or such Affiliate, and the Executive will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Company or any Affiliate of the Company, on the one hand, and any of its or their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand.

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 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. This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bear upon the subject matter hereof. 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) 436-4101
Attn: Senior Vice President, Corporate Human Resources

with a copy to:

NCL (Bahamas) Ltd.
7665 Corporate Center Drive

Miami, FL 33126
Facsimile: (305) 436-4101
Attn: Senior 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, the 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).

(Signature Page to Follow)

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 any 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 she 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) 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 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. Non-Disparagement. Executive agrees not to make, directly or indirectly, whether verbal or in writing, any damaging or disparaging statements, representations or remarks about or concerning Employer or any of the Released Parties.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

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

12. 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.

13. 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.

14. 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”

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 days to consider the foregoing Release Agreement and voluntarily chose to sign the Release Agreement prior to the expiration of the 21-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__].

Print Name: _____

[*]: THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

**ADDENDUM NO. 3
TO THE SHIPBUILDING CONTRACT
HULL NO. [*]
DATED 14 June 2013**

between

MEYER WERFT GMBH & CO. KG, a company organised and existing under the laws of Germany, and having its principal office at Industriegebiet Süd, D-26871 Papenburg, Germany (the "Builder"); and

SEAHAWK ONE, LTD., a company incorporated in Bermuda and having its registered office at Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda (the "Buyer"); and

NCL CORPORATION LTD., a company incorporated in Bermuda having its registered office at Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda ("NCLC").

Whereas by a Shipbuilding Contract originally dated 14 June 2013 in relation to Hull No.[*] – as amended – to which, by novation made on 8 July 2014, the Builder, the Buyer and NCLC are parties – (the "Contract"), the Builder has agreed to design, build, complete and sell to the Buyer a passenger cruise ship and the Buyer has agreed to purchase and accept delivery of the same, all in accordance with the terms and conditions of the Contract.

Whereas, the parties have agreed upon the modification of Hull No. [*] basically like agreed before for Hull No.[*] but also with other modifications as further stipulated in this Addendum No. 3.

Now, therefore, in consideration of the premises, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. The General Arrangement Plan and the Specification which are currently agreed by the parties within the Contract and hence do currently form a part of the Contract shall be replaced as follows:
 1. The specification Hull No.[*] dated 28 July 2015 shall be the contractual Specification for the Ship herewith replacing without any further notice the initial specification No. P09507 A1 dated 30 May 2014. For the avoidance of doubt, this replacement shall in each case include any and all of the respective Appendices.
-

2. The general arrangement plan No. [*] dated 28 July 2015 shall be part of the contractual Plans for the Ship herewith replacing without any further notice the initial general arrangement plan No. P09507 A1 dated 30 May 2014.

2. Accordingly Article 1 Clause 2.1 (“Description of the Ship”) shall be amended as follows:

1. Dimensions:

Length overall: about 333.46 metres
Length between perpendiculars: about 302.76 metres
Breadth moulded: about 41.40 metres
Depth to bulkhead deck: 11.60 metres
Design draft: about 8.40 metres

2. Deadweight

The guaranteed deadweight at a design draft of 8.40 metres will be 11,700 metric tons in seawater of 1.025 t/m3 density (and under the conditions further described in section G.2.3 of the Specification). The deadweight is the difference between the loaded displacement and the contractual lightweight. The contractual lightweight is the weight of the Ship as defined in section G.2.3 of the Specification.

3. Passenger Cabins:

Number of passenger cabins: approx. [*]

Thereof:

Penthouse Suite: [*]
Courtyard Suite 1: [*]
Courtyard Suite 2: [*]
Courtyard Suite 2 ADA: 2
Corner Suite: [*]
Spa Suite: [*]
Junior Suite: 14
Family Deluxe Suite: 3
Family Deluxe Suite ADA: 1
Mini Suite: 284
Mini Suite Spa: 20
Mini Suite ADA: 4
Balcony Cabin: [*]
Balcony Cabin Spa: 38
Balcony Cabin ADA: 16

Ocean View Cabins Transversal: 32
Ocean View Cabins Longitudinal: [*]
Ocean View Cabins Longitudinal Family: [*]
Ocean View Cabins ADA: 4
Family cabin: [*]
Family cabin ADA: 4
Inside Cabin: [*]
Inside Cabin ADA: [*]
Inside Studio Cabins: 82

4. Crew Cabins:

Number of crew cabins: approx. [*]

Thereof:

Captain class cabins: 4
Senior officer cabins: 5
Officer outside cabins: 112
Officer inside cabins: 2
Senior Crew single cabins: 71
Senior Crew double cabins: 10
Crew single cabins: 42
Crew single shared cabins: [*]
Crew double cabins A: [*]
Crew double cabins B: [*]
Crew entertainer cabins: 10

5. Life saving equipment

Total number of persons on board for the purposes of long international voyages: [*]

6. Machinery:

Diesel engines	3 x 12V 48/60 CR TIER2, each capable of a maximum continuous rating of 14,400 kW at 514 rpm (or equivalent) 2 x 14V 48/60 CR TIER2, each capable of a maximum continuous rating of 16,800 kW at 514 rpm (or equivalent)
Pod units	2 pod units each developing 22,000 kW at approximately 134 rpm

7. Speed

The trial speed of the Ship at a mean moulded draft of 8.40 metres shall be at least 23.0 knots under the conditions specified in Section G.2.5 of the Specification.

3. Article 6, Clause 2.2 shall be amended as follows:

The guaranteed trial speed ("GTS") of the Ship at a mean moulded draft of 8.40 metres (eight metres and forty centimetres) shall be 23.0 knots and shall be demonstrated by the Builder during the sea trials tests under the conditions described in section G.2.5 of the Specification. If at any time the Builder anticipates that, or if the sea trials tests demonstrate that, there will be a deficiency in the GTS the Builder shall promptly develop and provide the Buyer with a proposal to remedy the deficiency at the Builder's cost.

4. Article 6, Clause 2.6 shall be amended as follows:

The guaranteed deadweight capacity of the Ship shall be eleven thousand seven hundred (11,700) metric tons under the conditions defined in sections G.2.3 and G.2.4 of the Specification and shall be demonstrated by the Builder in the specified deadweight capacity test.

5. The agreed price payable to the Builder for the modifications contemplated in this Addendum No. 3, including without limitation the new Specification and the new Plans, amounts to € [*] and shall – if not agreed otherwise herein – be handled as an agreement on modification under and in accordance with Article 3 of the Contract (the "[*] AOM"). The Buyer or NCLC shall pay the [*] AOM price to the Builder distributed on and in addition to all outstanding next installments due and payable under and in accordance with the Contract in such a manner as described below:

1. [*] shall be paid with the second installment due and payable under and in accordance with the Contract;
2. [*] shall be paid with the third installment due and payable under and in accordance with the Contract;
3. [*] shall be paid with the fourth installment due and payable under and in accordance with the Contract and
4. [*] shall be paid with the delivery installment (i.e. balance of the contract price) due and payable under and in accordance with the Contract.

6. Currently the Builder's Hull No. [*] is a) the First Ship as defined in Article 14, Cl. 15.1 of the Contract and b) the reference ship as defined in Schedule 1 of the Contract. Upon execution of this Addendum No. 3 the Builder's Hull Number [*] shall without any further notice be replaced with Builder's Hull No. [*] so that Builder's Hull No. [*] shall from the date of execution of this Addendum No. 3 be the First Ship and the reference ship under and in accordance with the Contract. In each case – prior to and after execution of this Addendum No. 3 – the plans, drawings and other documents (including calculations,

investigations and tests) which have been agreed for the First Ship shall be deemed accepted for the Ship, save and except where such plans, drawings and other documents (including calculations, investigations and tests) need to be modified / redrawn to take account of differences between the First Ship and the Ship arising by virtue of AOMs in accordance with Article 3 of the Contract.

7. For the avoidance of doubt, the Buyer and NCLC herewith agree that the CR&Es which are defined as not included in this Addendum No. 3 according to Appendix No. 13 to the Specification are not part of the Contract – neither in technical respects nor in commercial respects. Hence Article 3 of the Contract finds nevertheless application for these items so that for these items the total sum shall be paid with the delivery installment (i.e. balance of Contract Price) due and payable under and in accordance with the Contract. Furthermore the Buyer and NCLC herewith agree that all credits resulting e.g. (without limitation) from any CR&Es and from any AOMs which have been agreed prior to the execution of this Addendum No. 3 are already included in the [*] AOM price. Hence, the Buyer and NCLC cannot claim any such credits as being payable since the credits have already been considered by the Builder for the benefit of the Buyer. For the avoidance of doubt, any and all CR&Es and any and all AOMs which will be concluded after execution of this Addendum No. 3 shall be dealt with under and in accordance with Article 3 of the Contract so that the contractually defined approach shall apply insofar.
8. This Addendum No. 3 will be treated as having been signed by the parties hereto at the time and on the date when each party has signed and initialled a complete, legible and identical counterpart of this Addendum No. 3 and exchanged the same by e-mail or fax with the other parties. Thereafter for record purposes only three identical original counterparts of this Addendum No. 3 shall be signed and initialled by each of the parties after which one original counterpart will be retained by the Builder, one will be retained by the Buyer and the other will be retained by NCLC.
9. Words and expressions defined in the Contract shall have the same meanings when used herein.
10. Except as set forth in this Addendum No. 3, the Contract shall remain unchanged and this Addendum No. 3 shall be treated as an integral part of the Contract.

IN WITNESS WHEREOF, the Builder, the Buyer and NCLC have duly executed this Addendum No. 3.

/s/ Bernard Meyer

For and on behalf of **MEYER WERFT GmbH & Co. KG**
10 September 2015

/s/ Frank J. Del Rio

For and on behalf of **SEAHAWK ONE, LTD**
10 September 2015

/s/ Frank J. Del Rio

For and on behalf of **NCL CORPORATION LTD.**
10 September 2015

– REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –

[*]: THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

**ADDENDUM NO. 3
TO THE SHIPBUILDING CONTRACT
HULL NO. [*]
DATED 14 June 2013**

between

MEYER WERFT GMBH & CO. KG, a company organised and existing under the laws of Germany, and having its principal office at Industriegebiet Süd, D-26871 Papenburg, Germany (the "Builder"); and

SEAHAWK TWO, LTD., a company incorporated in Bermuda and having its registered office at Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda (the "Buyer"); and

NCL CORPORATION LTD., a company incorporated in Bermuda having its registered office at Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda ("NCLC").

Whereas by a Shipbuilding Contract originally dated 14 June 2013 in relation to Hull No.[*] – as amended – to which, by novation made on 8 July 2014, the Builder, the Buyer and NCLC are parties – (the "Contract"), the Builder has agreed to design, build, complete and sell to the Buyer a passenger cruise ship and the Buyer has agreed to purchase and accept delivery of the same, all in accordance with the terms and conditions of the Contract.

Whereas, the parties have agreed upon the modification of Hull No. [*] basically like agreed before for Hull No.[*] but also with other modifications as further stipulated in this Addendum No. 3.

Now, therefore, in consideration of the premises, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

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 1. The specification Hull No.[*] dated 28 July 2015 shall be the contractual Specification for the Ship herewith replacing without any further notice the initial specification No. P09507 A1 dated 30 May 2014. For the avoidance of doubt, this replacement shall in each case include any and all of the respective Appendices.
-

2. The general arrangement plan No. [*] dated 28 July 2015 shall be part of the contractual Plans for the Ship herewith replacing without any further notice the initial general arrangement plan No. P09507 A1 dated 30 May 2014.

2. Accordingly Article 1 Clause 2.1 (“Description of the Ship”) shall be amended as follows:

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Length between perpendiculars: about 302.76 metres
Breadth moulded: about 41.40 metres
Depth to bulkhead deck: 11.60 metres
Design draft: about 8.40 metres

2. Deadweight

The guaranteed deadweight at a design draft of 8.40 metres will be 11,700 metric tons in seawater of 1.025 t/m3 density (and under the conditions further described in section G.2.3 of the Specification). The deadweight is the difference between the loaded displacement and the contractual lightweight. The contractual lightweight is the weight of the Ship as defined in section G.2.3 of the Specification.

3. Passenger Cabins:

Number of passenger cabins: approx. [*]

Thereof:

Penthouse Suite: [*]
Courtyard Suite 1: [*]
Courtyard Suite 2: [*]
Courtyard Suite 2 ADA: 2
Corner Suite: [*]
Spa Suite: [*]
Junior Suite: 14
Family Deluxe Suite: 3
Family Deluxe Suite ADA: 1
Mini Suite: 284
Mini Suite Spa: 20
Mini Suite ADA: 4
Balcony Cabin: [*]
Balcony Cabin Spa: 38
Balcony Cabin ADA: 16

Ocean View Cabins Transversal: 32
Ocean View Cabins Longitudinal: [*]
Ocean View Cabins Longitudinal Family: [*]
Ocean View Cabins ADA: 4
Family cabin: [*]
Family cabin ADA: 4
Inside Cabin: [*]
Inside Cabin ADA: [*]
Inside Studio Cabins: 82

4. Crew Cabins:

Number of crew cabins: approx. [*]

Thereof:

Captain class cabins: 4
Senior officer cabins: 5
Officer outside cabins: 112
Officer inside cabins: 2
Senior Crew single cabins: 71
Senior Crew double cabins: 10
Crew single cabins: 42
Crew single shared cabins: [*]
Crew double cabins A: [*]
Crew double cabins B: [*]
Crew entertainer cabins: 10

5. Life saving equipment

Total number of persons on board for the purposes of long international voyages: [*]

6. Machinery:

Diesel engines	3 x 12V 48/60 CR TIER2, each capable of a maximum continuous rating of 14,400 kW at 514 rpm (or equivalent) 2 x 14V 48/60 CR TIER2, each capable of a maximum continuous rating of 16,800 kW at 514 rpm (or equivalent)
Pod units	2 pod units each developing 22,000 kW at approximately 134 rpm

7. Speed

The trial speed of the Ship at a mean moulded draft of 8.40 metres shall be at least 23.0 knots under the conditions specified in Section G.2.5 of the Specification.

3. Article 6, Clause 2.2 shall be amended as follows:

The guaranteed trial speed ("GTS") of the Ship at a mean moulded draft of 8.40 metres (eight metres and forty centimetres) shall be 23.0 knots and shall be demonstrated by the Builder during the sea trials tests under the conditions described in section G.2.5 of the Specification. If at any time the Builder anticipates that, or if the sea trials tests demonstrate that, there will be a deficiency in the GTS the Builder shall promptly develop and provide the Buyer with a proposal to remedy the deficiency at the Builder's cost.

4. Article 6, Clause 2.6 shall be amended as follows:

The guaranteed deadweight capacity of the Ship shall be eleven thousand seven hundred (11,700) metric tons under the conditions defined in sections G.2.3 and G.2.4 of the Specification and shall be demonstrated by the Builder in the specified deadweight capacity test.

5. The agreed price payable to the Builder for the modifications contemplated in this Addendum No. 3, including without limitation the new Specification and the new Plans, amounts to € [*] and shall – if not agreed otherwise herein – be handled as an agreement on modification under and in accordance with Article 3 of the Contract (the "[*] AOM"). The Buyer or NCLC shall pay the [*] AOM price to the Builder distributed on and in addition to all outstanding next installments due and payable under and in accordance with the Contract in such a manner as described below:

1. [*] shall be paid with the second installment due and payable under and in accordance with the Contract;
2. [*] shall be paid with the third installment due and payable under and in accordance with the Contract;
3. [*] shall be paid with the fourth installment due and payable under and in accordance with the Contract and
4. [*] shall be paid with the delivery installment (i.e. balance of the contract price) due and payable under and in accordance with the Contract.

6. Currently the Builder's Hull No. [*] is a) the First Ship as defined in Article 14, Cl. 15.1 of the Contract and b) the reference ship as defined in Schedule 1 of the Contract. Upon execution of this Addendum No. 3 the Builder's Hull Number [*] shall without any further notice be replaced with Builder's Hull No. [*] so that Builder's Hull No. [*] shall from the date of execution of this Addendum No. 3 be the First Ship and the reference ship under and in accordance with the Contract. In each case – prior to and after execution of this

Addendum No. 3 – the plans, drawings and other documents (including calculations, investigations and tests) which have been agreed for the First Ship shall be deemed accepted for the Ship, save and except where such plans, drawings and other documents (including calculations, investigations and tests) need to be modified / redrawn to take account of differences between the First Ship and the Ship arising by virtue of AOMs in accordance with Article 3 of the Contract.

7. For the avoidance of doubt, the Buyer and NCLC herewith agree that the CR&Es which are defined as not included in this Addendum No. 3 according to Appendix No. 13 to the Specification are not part of the Contract – neither in technical respects nor in commercial respects. Hence Article 3 of the Contract finds nevertheless application for these items so that for these items the total sum shall be paid with the delivery installment (i.e. balance of Contract Price) due and payable under and in accordance with the Contract. Furthermore the Buyer and NCLC herewith agree that all credits resulting e.g. (without limitation) from any CR&Es and from any AOMs which have been agreed prior to the execution of this Addendum No. 3 are already included in the [*] AOM price. Hence, the Buyer and NCLC cannot claim any such credits as being payable since the credits have already been considered by the Builder for the benefit of the Buyer. For the avoidance of doubt, any and all CR&Es and any and all AOMs which will be concluded after execution of this Addendum No. 3 shall be dealt with under and in accordance with Article 3 of the Contract so that the contractually defined approach shall apply insofar.
8. This Addendum No. 3 will be treated as having been signed by the parties hereto at the time and on the date when each party has signed and initialled a complete, legible and identical counterpart of this Addendum No. 3 and exchanged the same by e-mail or fax with the other parties. Thereafter for record purposes only three identical original counterparts of this Addendum No. 3 shall be signed and initialled by each of the parties after which one original counterpart will be retained by the Builder, one will be retained by the Buyer and the other will be retained by NCLC.
9. Words and expressions defined in the Contract shall have the same meanings when used herein.
10. Except as set forth in this Addendum No. 3, the Contract shall remain unchanged and this Addendum No. 3 shall be treated as an integral part of the Contract.

IN WITNESS WHEREOF, the Builder, the Buyer and NCLC have duly executed this Addendum No. 3.

/s/ Bernard Meyer

For and on behalf of **MEYER WERFT GmbH & Co. KG**
10 September 2015

/s/ Frank J. Del Rio

For and on behalf of **SEAHAWK TWO, LTD**
10 September 2015

/s/ Frank J. Del Rio

For and on behalf of **NCL CORPORATION LTD.**
10 September 2015

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CERTIFICATION

I, Frank J. Del Rio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 4, 2015

/s/ Frank J. Del Rio

Name: Frank J. Del Rio

Title: President and Chief Executive Officer

CERTIFICATION

I, Wendy A. Beck, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Norwegian Cruise Line Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 4, 2015

/s/ Wendy A. Beck

Name: Wendy A. Beck

Title: Executive Vice President and Chief Financial Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL
OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of Frank J. Del Rio, the President and Chief Executive Officer, and Wendy A. Beck, the Executive Vice President and Chief Financial Officer, of Norwegian Cruise Line Holdings Ltd. (the "Company"), does hereby certify, that, to such officer's knowledge:

The Quarterly Report on Form 10-Q of the Company, for the quarter ended September 30, 2015 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2015

By: /s/ Frank J. Del Rio
Name: Frank J. Del Rio
Title: President and Chief Executive Officer

By: /s/ Wendy A. Beck
Name: Wendy A. Beck
Title: Executive Vice President and Chief Financial Officer
