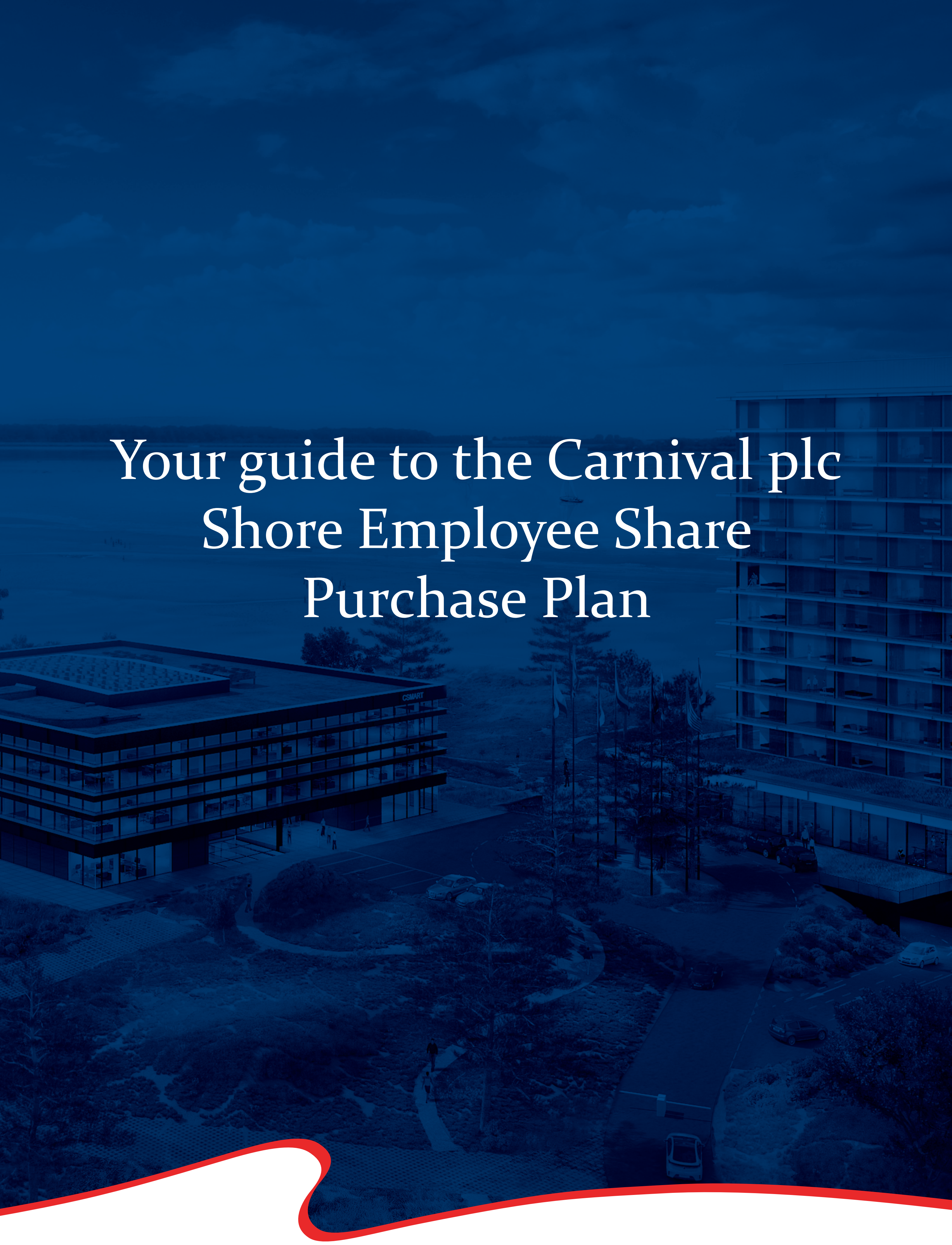

Your guide to the Carnival plc Shore Employee Share Purchase Plan

CARNIVAL UK

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Welcome

We pride ourselves on delivering unforgettable holiday happiness for our guests. It's at the heart of what we do and key to our success.

We want more of our people to share in our success, as our brands go from strength to strength. That's what the Shore Employee Share Purchase Plan is designed to do.

The Plan gives you the opportunity to buy shares in Carnival plc, in an easy, tax efficient way. In addition, you'll get an extra share for every six shares you buy – increasing your investment in the Company and giving you greater opportunity to benefit from its success.

Choosing to invest in the Plan is of course an individual decision and we would encourage each of you to consider this carefully in line with your own personal circumstances. Participating in the Plan is a decision that has some financial risk, Carnival UK are not liable for any potential loss in your investment.

This booklet has been designed as guidance only to help you make an informed investment decision. Should you have any specific questions we encourage you to seek advice from a qualified Financial Advisor.

Words to help you navigate the guide

Employee Share Purchase Plan ("the Plan")

An employee benefit that allows employees to buy shares in a company. Employees contribute to the plan through payroll deductions. Also known and referred to in this document as 'the Plan'. You may also see it referred to as a Share Incentive Plan (SIP), the name given by Her Majesty's Revenue and Customs (HMRC) who set the guidelines on the rules of the benefit.

Partnership Shares

The name of the shares you'll own if you participate in the Plan.

Matching Shares

The shares Carnival plc will give you for free every time you buy six shares.

Shareholder

Someone who holds company shares and benefits from the company's success through any increase in the value of the shares, as well as through any declared dividend payments.

Holding period

The amount of time you have to hold shares for them to be available to you.

Global Shares

The trustee and administrator of the Plan.

Capital Gains Tax

A tax on profits made when you sell an asset (shares on this occasion) that has increased in value.

Global Shares Equity Gateway

The portal hosted by Global Shares for you to enrol in the Plan, to view all the transactions for your Plan, and make any changes.

Tax Liability

Any tax that becomes due on your shares.

National Insurance

A tax on earnings and self-employed profits paid by employees, employers and the self-employed.

Dividend

Payments made by a company to its shareholders.

Her Majesty's Revenue and Customs (HRMC)

Her Majesty's Revenue and Customs, tax authority of the UK Government.

The Plan at a glance

- Buy shares in Carnival plc
- Contribute up to £150 per month
- Join at any time throughout the year
- Save on income tax and national insurance as all contributions to buy shares will be taken from your pre-tax salary
- For every six shares you own, receive a free share from Carnival plc
- Receive dividends on your shares when they're paid by Carnival plc
- If you keep your partnership and matching shares in the Plan for five years, you won't pay income tax or national insurance when you withdraw them.

Eligibility

The Employee Share Purchase Plan is available to all shore based UK resident employees of Carnival Plc who're UK taxpayers, and have completed at least three months continuous service.

How does the Employee Share Purchase Plan work?

Every month you'll have the chance to become a shareholder by buying Carnival plc shares from your pre-tax salary. You choose the amount you want to invest, from £10 to a maximum of £150 per month (or 10% of your taxable pay if this is lower).

Payroll will then send your deductions to Global Shares, who'll buy the shares for you each month. These are known as partnership shares and are just ordinary shares in Carnival plc.

In addition to the tax and national insurance savings you'll make on the salary deductions, Carnival plc will also give you one matching share for every six partnership shares that you buy yourself.

You must have the matching shares for three years from the date they are given to you before you can withdraw them, and if you withdraw the corresponding partnership shares within those three years then you'll forfeit the matching shares.

As a shareholder, you'll be able to benefit from Carnival plc's success through any increase in the value of the shares.

Dividend Shares

You'll also be entitled to receive any dividend payments that are made, which will be reinvested to buy dividend shares and automatically added to your account.

Dividend shares have a three-year holding period which means that while you're employed by Carnival plc you won't be able to withdraw them until they reach three years old. After that you can withdraw them without any income tax or national insurance deductions.

Withdrawal from the Plan

You can withdraw from the Plan at any time, either by stopping monthly deductions or by selling your shares. You won't pay any income tax or national insurance if you leave the partnership shares and matching shares in the Plan for five years from the date of each purchase, and remain employed by Carnival plc during such time.

If you leave Carnival plc then you'll have to withdraw the shares from the Plan. The tax treatment may be different depending on your reason for leaving, but Global Shares will let you know if any tax is due. You can find more information on this in the FAQs on The Insider. You'll also find more information on withdrawing shares on page 12 of this guide.

You can check how many partnership shares you have bought and how many matching shares you have been given each month on the Global Shares Equity Gateway. You'll be given access to the gateway if you choose to sign up to the Plan.

Understanding the purchasing of shares

These case studies have been produced to give you examples of how the Plan works. Share price and contribution values have been made up for illustrative purposes.

Case study One:

Alma contributes £150 a month to the Employee Share Purchase Plan.

At the time of purchasing shares the price of Carnival plc shares is £16 so she can afford nine partnership shares.

Because she has purchased nine partnership shares, Alma will receive one matching share free from Carnival plc.

The cost of the shares would be £144, so £6 would be rolled over to the next month.

If the total number of partnership shares purchased cannot be matched by the ratio of 1:6, any unmatched partnership shares will be carried forwarded and added to those purchased the following month for matching purposes. See matching shares row in grid below.

	Month one	Month two	Month three
Monthly contribution (plus any contribution carried forward)	£150.00	£156.00	£159.75
Share price	£16.00	£16.25	£15.90
Number of partnership shares	9	9	10
Number of matching shares	1	2	1
Total cost of shares	£144.00	£146.25	£159.00
Money carried forward	£6.00	£9.75	£0.75
Total shares	**10**	**21**	**32**

Case study two:

Nina contributes £20 a month to the Employee Share Purchase Plan.

At the time of purchasing shares the price of Carnival plc shares is £16 so Nina can afford one partnership share.

The cost of the share would only be £16, so £4 would be rolled over to the next month.

Nina won't get a matching share until she buys six partnership shares.

	Month one	Month two	Month three
Monthly contribution (plus any contribution carried forward)	£20.00	£24.00	£27.75
Share price	£16.00	£16.25	£15.90
Number of partnership shares	1	1	1
Number of matching shares	0	0	0
Total cost of shares	£16.00	£16.25	£15.90
Money carried forward	£4.00	£9.75	£11.85
Total shares	1	2	3

Case study three:

Amir contributes £75 a month to the Employee Share Purchase Plan.

At the time of purchasing shares the price of Carnival plc shares is £16, so Amir can afford four partnership shares.

The cost of the shares would only be £64, so £11 would be rolled over to the next month.

Amir won't get a matching share until he buys six partnership shares.

	Month one	Month two	Month three
Monthly contribution (plus any contribution carried forward)	£75.00	£86.00	£79.75
Share price	£16.00	£16.25	£15.90
Number of partnership shares	4	5*	5*
Number of matching shares	0	1	1
Total cost of shares	£64.00	£81.25	£79.50
Money carried forward	£11.00	£4.75	£0.25
Total shares	**4**	**10**	**16**

Understanding tax and affordability

Contributions for the Plan are taken from your pre-tax salary, which means that you won't pay any income tax or national insurance contributions on the amount you're paying to buy shares.

If you're a basic rate taxpayer and contributing £100 per month, then the tax and national insurance savings would be approximately £32. This means your take home pay would only be reduced by £68.

If you're a higher rate taxpayer and contributing £100 per month, then the tax and national insurance savings would be approximately £42, and your take home pay would only reduce by £58.

If you're an additional rate taxpayer and contributing £100 per month, then the tax and national insurance savings would be approximately £47, and your take home pay would only reduce by £53.

Let's see how this might work:

Example one:

Alex decides to pay £100 per month into the Employee Share Purchase Plan.

His salary is £2,080 per month (£24,960 pa).

Alex pays income tax at the basic rate of 20% on earnings (over a £12,570 annual tax-free allowance) and national insurance at 12% (on earning over the £792 threshold).

	Before joining the plan	After joining the plan
Monthly salary	£2,080	£2,080
Contribution to the Employee Share Purchase Plan	£0.00	£100.00
Subject to tax and national insurance	£1032.50	£932.50
Income tax	£206.50	£186.50
National insurance	£153.92	£141.92
Take home pay:	**£1,719.58**	**£1,651.58**

At the end of 12 months, Alex's take-home pay has reduced by £816 (£68 per month) but £1,200 is invested in Carnival plc shares through the Plan. When you add in the matching shares given by the company for free, the investment is even higher.

Example two:

Sam decides to pay £150 per month into the Employee Share Purchase Plan

Her salary is £5,250 per month (£63,000 pa).

Sam pays income tax at the basic rate (20%) on earnings over £1,041.67 per month (£12,500 pa) and at the higher rate (40%) on earnings over £4,166.67 per month (£50,000 pa).

Sam pays national insurance at 12% on earnings over £719.00 per month and 2% on earnings over £4,166.67 per month.

	Before joining the Plan	After joining the Plan
Monthly salary	£5,250	£5,250
Contribution to the Employee Share Purchase Plan	£0.00	£150.00
Subject to tax and national insurance	£4,202.50	£4,052.50
Income tax	£1,052.66	£992.66
National insurance	£428.24	£425.24
Take home pay:	**£3,769.10**	**£3,682.10**

At the end of 12 months, Sam's take-home pay has reduced by £1,044 (£87 per month) but £1,800 is invested in Carnival plc shares through the Plan. When you add in the matching shares given by the company for free, the investment is even higher.

The amount of tax and national insurance saved will depend on whether you're a basic, higher or additional rate taxpayer. The examples are based on tax and national insurance rates for 2021/22. Your tax savings may be different if you're a Scottish or Welsh taxpayer.

If you keep your shares for five years or more, there'll be no income tax or national insurance due. The Plan is designed to be a long-term investment and the longer you hold the shares, the more beneficial the tax treatment is.

Withdrawing shares

You can sell (or withdraw) your partnership shares whenever you want but if you do so before the end of the five-year holding period, the key advantages of the Plan will be lost. Any matching shares held for less than the three-year holding period will be forfeited.

If you withdraw from the Plan, the proceeds of the sale will be paid over to you as soon as is practical, net of any tax liability. The circumstances in which tax would become payable is summarised below.

Purchase	Three years	Between three and five years	Five years +
No tax on purchase	Your partnership shares will be subject to income tax and national insurance at point of sale (on the value of shares on sale or withdrawal). Your matching shares will be forfeited. Sale or withdrawal of matching shares is not allowed.	Your matching shares become available to you. Your partnership and matching shares will be subject to income tax and national insurance at point of sale on either the value at purchase or sale, depending on which is lower.	Your partnership shares and matching shares will not be subject to income tax or national insurance

Irrespective of when your shares are sold from Plan, there will be no capital gains tax on any growth in their value. If you withdraw shares from the Plan, you'll be deemed to acquire them at that time for market value when working out the gain or loss on any later disposal. Please note, the tax information provided here is for general guidance only. For specific guidance, please consult a qualified Tax Adviser.

To sell your shares you'll need to access the Global Shares Equity Gateway. You'll need to agree to the Global Shares trading terms and conditions before you can select the shares you wish to sell and then follow the on-screen instructions.

Are there any risks?

As with any investment in shares, there are risks with the Employee Share Purchase Plan. You're buying shares in Carnival plc, which are traded on the London Stock Exchange.

If you have any questions about whether this investment is right for you we encourage you to seek financial advice from a qualified Financial Advisor.

You should bear in mind the following:

The price of shares can go down as well as up

Your investment in Carnival plc shares will take place each month, reflecting the share price on that day. It's important to understand that the value of shares ultimately depends on the balance of those wanting to buy and sell shares. This can be affected not just by how well the company has done, but by how well investors think it will do in the future, and external factors (e.g., interest rates, competitors, regulation). If the Carnival plc share price increases, so will the value of your investment, but remember that share prices can fall as well as rise.

As an investor in the Plan, you have some protection from these risks in that:

- You get one free share for every six you buy (not something ordinary investors get).
- If you hold your partnership and matching shares for five years from the point at which you invest, you don't pay any tax on the money you invested or the value of the matching shares.

Your statutory pay or benefits may be affected if you participate.

Contributions from your pay may affect your entitlement to statutory benefits such as statutory maternity pay and your pension, particularly if your earnings are brought below the lower earnings limited for national insurance purposes.

Seek advice from a qualified Financial Advisor if you're concerned about your benefits or statutory pay provisions.

How do I join?

If you're eligible for the Plan, you'll receive an activation email from Global Shares, containing an activation link unique to you.

Follow the instructions to activate your account on the Global Shares Equity Gateway.

The first time you log in to the Global Shares Equity Gateway you'll need to open your account and accept the terms and conditions, in the 'My Tasks' section.

You can then enrol in the Employee Purchase Plan through the enrolment task.

Remember, if you're unsure about whether to invest in the Plan, you should seek financial advice.

Can't find your activation email?

Contact Global Shares and they'll resend your account activation email to you. Contact them via the details listed below.

Any questions?

If you have any questions about the Plan, please complete the enquiry form on the Global Shares Equity Gateway or contact the Global Shares Helpdesk on 0330 808 1845, between 8.00 and 21.00, Monday to Friday.