

ROYAL CARIBBEAN CRUISES LTD  
Form DEF 14A  
April 18, 2019

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Royal Caribbean Cruises Ltd.**

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(Name of Registrant as Specified In Its Charter)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**PROXY SUMMARY**

Our Annual Meeting is an important event and we look forward to welcoming you. It provides Management and the Board of Directors with an opportunity to receive collective feedback from our shareholders on how we are performing. We place significant value on your opinion and we have strived to highlight in this summary key information for your consideration. It is important, however, that you read the entire proxy statement carefully before voting.

**Annual Meeting of Shareholders**

**When:** May 30, 2019  
9:00 AM EDT

**Where:** JW Marriott Marquis Miami  
255 Biscayne Boulevard Way  
Miami, Florida 33131

**Record Date:** April 10, 2019

**Voting:** Shareholders as of the record date are entitled to vote.

**Admission to Meeting:** We encourage our shareholders to attend the meeting. Proof of share ownership will be required for admission. See "General Information" for details.

**Meeting Agenda**

•

Elect directors

•

Approve executive compensation

•

Ratify Pricewaterhouse Coopers LLP as our independent auditor

•

Vote on the shareholder proposal regarding political contributions disclosure

•

Other business that may properly come before the meeting

**Voting Matters and Vote Recommendation**

	<b>Page for More Information</b>	<b>Board Vote Recommendation</b>
Election of twelve directors	19	<b>FOR</b>
Vote on executive compensation	30	<b>FOR</b>
Ratification of Pricewaterhouse Coopers LLP as our independent auditor	55	<b>FOR</b>
Shareholder proposal regarding political contributions disclosure	57	<b>AGAINST</b>

**Board Nominees**

Name	Age	Director Since	Principal Occupation	Independent	AC	Committee Memberships		SEH
						TCC	NGC	
John F. Brock	70	2014	Former Chairman & CEO, Coca-Cola European Partners	Yes		M	M	
Richard D. Fain	71	1981	Chairman & CEO, Royal Caribbean	No				
Stephen R. Howe, Jr.	57	2018	Former U.S. Chairman & Managing Partner, Ernst & Young	Yes	M			
William L. Kimsey	76	2003	Former CEO, Ernst & Young Global	Yes	C		M	
Maritza G. Montiel	67	2015	Former Deputy CEO & Vice Chairman, Deloitte	Yes	M			
Ann S. Moore	68	2012	Former Chairman & CEO, Time	Yes		M		
Eyal M. Ofer	68	1995	Chairman, Ofer Global and Zodiac Group	Yes			M	M
Thomas J. Pritzker	68	1999	Executive Chairman, Hyatt Hotels	Yes			C	
William K. Reilly	79	1998	Founding Partner, Aqua International Partners	Yes				C
Vagn O. Sørensen	59	2011	Former President & CEO, Austrian Airlines Group	Yes	M	M		M
Donald Thompson	56	2015	Former President & CEO, McDonald's	Yes		M		M
Arne Alexander Wilhelmsen	53	2003	Chairman, AWILHELMSSEN AS	Yes			M	

---

AC Audit Committee

NGC Nominating and Corporate Governance Committee

SEH Safety, Environment and Health Committee

C Chair

M Member

TCC Talent and Compensation Committee

On February 8, 2019, Mr. Reitan informed the Board that after his many years as a member of the Board he will not stand for re-election and will retire from the Board effective as of the date of the Annual Meeting.

Table of Contents**Governance Highlights**

We are committed to maintaining strong governance practices and believe that our shareholders are best served by an independent, diverse, well-functioning Board with an appropriate balance between continuity and fresh perspective. In December 2018, the Board appointed Stephen R. Howe, Jr., former U.S. Chairman and Managing Partner and Americas Area Managing Partner of Ernst & Young, as a new Board member, further contributing to the diversity in experience, attributes and skills of our Board. Below, we highlight our key corporate governance practices and policies:

Current Size of Board	13 directors
Current Director Independence	92% of our directors are independent (12 out of 13). Our Corporate Governance Principles require two-thirds of our directors to be independent
Lead Independent Director ("Lead Director")	William L. Kimsey
Standing Board Committees	Audit Committee, Nominating and Corporate Governance Committee, Safety, Environment and Health Committee, and Talent and Compensation Committee
Board Committee Independence	All Board committees consist entirely of independent directors
Director Attendance	All directors attended at least 75% of Board and applicable Board committee meetings
Executive Sessions	Our independent directors regularly meet in executive session without management present, which the Lead Director presides
Board Evaluation Process	On an annual basis, the Nominating and Corporate Governance Committee oversees an evaluation of Board and Board committee performance
Board Refreshment	4 of 12 non-management directors joined the Board within the last 6 years
CEO Succession Planning	Overseen by the Talent and Compensation Committee, in consultation with the CEO. The Talent and Compensation Committee reports at least annually to full Board
Financial Expertise	4 "audit committee financial experts" on our Audit Committee
Annual Election of Directors	Yes
Voting for Directors	Majority of votes cast
Right to Call Special Meetings	Shareholders with at least 50% of the outstanding shares can call Special Meetings
Advisory Say-on-Pay Vote	Annual
Poison Pill	No
Equity Ownership Guidelines	
	CEO 8x salary
	Other named executive officers ("NEOs") 5x salary
Share Holding Requirements	Board of Directors 3x annual cash retainer Officers who have not reached target equity ownership during the applicable compliance period must retain at least 50% of net after-tax shares received upon vesting and exercise of awards until target reached
Hedging of Company Securities	Prohibited for all employees and members of the Board of Directors
Clawback Provisions	Equity and annual incentive plans permit recoupment in case of a restatement for material non-compliance with financial reporting requirements



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**Executive Compensation Programs**

2018 was another record year, as we grew US GAAP Net Income to \$1.8 billion, or \$8.56 per diluted share, and Adjusted Net Income\* to \$1.9 billion, or \$8.86 per diluted share, representing a 13.7% and 17.7% year-over-year growth in US GAAP EPS and Adjusted EPS\*, respectively, despite the unfavorable impact from currency and fuel. We again turned the year at a record booked position at higher rates than the prior year, as well as brand preference and guest satisfaction scores at an all-time high. Our compensation programs responded to these outcomes as outlined below.

We place significant focus on the design of our executive compensation programs as we believe their effectiveness is crucial to our success as a company. We assess our programs regularly and strive to continuously make improvements as well as incorporate shareholder feedback. Our 2018 executive compensation program was generally consistent with the prior year's program.

For a detailed discussion of our executive compensation program, please see the "Compensation Discussion and Analysis" beginning on page 30.



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**ROYAL CARIBBEAN CRUISES LTD.**

**1050 Caribbean Way  
Miami, Florida 33132**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

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To our Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of Royal Caribbean Cruises Ltd. will be held at 9:00 A.M., EDT, on Thursday, May 30, 2019 at the JW Marriott Marquis Miami, 255 Biscayne Boulevard Way, Miami, Florida 33131, for the following purposes:

1. To elect twelve directors to our Board of Directors, each for a one-year term expiring in 2020;
2. To hold a vote on an advisory basis to approve the compensation of our named executive officers;
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
4. To vote on the shareholder proposal regarding political contributions disclosure; and
5. To transact such other business as may properly come before the meeting and any adjournment thereof.

The Board of Directors has fixed the close of business on April 10, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting or any adjournment thereof.

We will furnish our proxy materials over the Internet as permitted by the rules of the U.S. Securities and Exchange Commission. As a result, we are sending a Notice of Internet Availability of Proxy Materials rather than a full paper set of the proxy materials, unless you previously requested to receive printed copies. The Notice of Internet Availability of Proxy Materials contains instructions on how to access our proxy materials on the Internet, as well as instructions on how shareholders may obtain a paper copy of the proxy materials. This process will reduce the costs associated with printing and distributing our proxy materials.

To make it easier for you to vote, Internet voting is available. The instructions on the Notice of Internet Availability of Proxy Materials or your proxy card describe how to use these convenient services.

**All shareholders are cordially invited to attend the meeting in person. Whether or not you expect to attend in person, you are urged to vote as soon as possible by Internet or mail so that your shares may be voted in accordance with your wishes. Granting a proxy does not affect your right to revoke it later or vote your shares in person in the event you should attend the Annual Meeting.**

April 18, 2019

/s/ Bradley H. Stein  
General Counsel and Secretary  
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**ROYAL CARIBBEAN CRUISES LTD.**

**1050 Caribbean Way  
Miami, Florida 33132**

**PROXY STATEMENT  
FOR ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 30, 2019**

This proxy statement is being furnished to you in connection with the solicitation of proxies by our Board of Directors (the "Board") to be used at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the JW Marriott Marquis Miami, 255 Biscayne Boulevard Way, Miami, Florida 33131 on Thursday, May 30, 2019 at 9:00 a.m., EDT, and any adjournments or postponements thereof. References in this proxy statement to "we," "us," "our," the "Company" and "Royal Caribbean" refer to Royal Caribbean Cruises Ltd. The complete mailing address, including zip code, of our principal executive offices is 1050 Caribbean Way, Miami, Florida 33132 and our telephone number is (305) 539-6000.

**IMPORTANT INFORMATION REGARDING THE AVAILABILITY OF PROXY MATERIALS**

Under the rules adopted by the U.S. Securities and Exchange Commission ("SEC"), we are furnishing proxy materials to our shareholders primarily over the Internet. We believe that this process expedites shareholders' receipt of these materials, lowers the costs of our Annual Meeting and helps to conserve natural resources. On or about April 18, 2019, we mailed to each of our shareholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review the proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2018, on the Internet and how to access a proxy card to vote on the Internet. The Notice of Internet Availability of Proxy Materials also contains instructions on how to receive a paper copy of the proxy materials. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one. If you received paper copies of our proxy materials, you may also view these materials at [www.proxyvote.com](http://www.proxyvote.com).

**GENERAL INFORMATION**

**Who May Vote**

Each share of our common stock outstanding as of the close of business on April 10, 2019 (the "Record Date") is entitled to one vote at the Annual Meeting. At the close of business on the Record Date, 209,644,507 shares of our common stock were outstanding and entitled to vote. You may vote all of the shares owned by you as of the close of business on the Record Date. These shares include shares that are (1) held of record directly in your name (in which case, you are a "Record Holder" with respect to such shares) and (2) held for you as the beneficial owner through a broker, bank or other nominee (in which case, you are a "Beneficial Holder" with respect to such shares). There are some distinctions between being a Record Holder and a Beneficial Holder as described herein.

***Shares held of record***

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the Record Holder with respect to those shares, and the proxy materials were sent directly to you by Royal Caribbean. As the Record Holder, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. If you requested to receive printed proxy materials, we have enclosed or sent a proxy card for you to use. You may also vote on the Internet as described in the Notice of Internet Availability of Proxy Materials and below under the heading "How to Vote."

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*Shares owned beneficially*

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the Beneficial Holder of shares held in street name, and the proxy materials were forwarded to you by your broker or other nominee who is considered, with respect to those shares, the shareholder of record. As the Beneficial Holder, you have the right to direct your broker or other nominee on how to vote the shares in your account, and you are also invited to attend the Annual Meeting.

**Requirements to Attend the Annual Meeting**

You are invited to attend the Annual Meeting if you are a Record Holder or Beneficial Holder as of the Record Date. If you are a Record Holder, you must bring proof of identification, such as a valid driver's license, for admission to the Annual Meeting. If you are a Beneficial Holder, you will need to provide proof of ownership by bringing either your proxy card provided to you by your broker or a copy of your brokerage statement showing your share ownership as of the Record Date.

**How to Vote**

*Voting in Person*

Shares held in your name as the Record Holder may be voted in person at the Annual Meeting. Shares for which you are the Beneficial Holder may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to attend the meeting.

*Voting Without Attending the Annual Meeting*

Regardless of how you hold your shares, you may vote your shares without attending the Annual Meeting. You may vote by granting a proxy or, for shares held as a Beneficial Holder, by submitting voting instructions to your broker or other nominee. You may also vote using the Internet or by mail as outlined in the Notice of Internet Availability of Proxy Materials or on your proxy card. Please see the Notice of Internet Availability of Proxy Materials, your proxy card or the information your bank, broker or other holder of record provided to you for more information on these options. Votes cast by Internet have the same effect as votes cast by submitting a written proxy card.

**How Proxies Work**

All properly executed proxies will be voted in accordance with the instructions contained thereon and, if no choice is specified, the proxies will be voted:

**FOR** the election of the twelve nominees for director named below (Proposal No. 1);

**FOR** the approval of the compensation of our named executive officers (Proposal No. 2);

**FOR** the ratification of the selection of PricewaterhouseCoopers LLP (Proposal No. 3); and

**AGAINST** the shareholder proposal regarding political contributions disclosure (Proposal No. 4).

Under New York Stock Exchange ("NYSE") rules, if you are a Beneficial Holder and do not provide specific voting instructions in a timely fashion to your broker or other nominee that holds your shares, such broker or nominee will not be authorized to vote your shares on any matters other than Proposal No. 3 regarding the ratification of the auditors. Therefore, failure to provide your broker or other nominee with specific voting instructions in a timely fashion will result in "broker non-votes" with respect to Proposals No. 1, 2 and 4.

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**Matters to be Presented**

We are not aware of any matters to be presented for a vote at the Annual Meeting other than those described in this proxy statement. If any matters not described in this proxy statement are properly presented at the meeting, the proxies will use their own judgment to determine how to vote your shares. If the meeting is postponed or adjourned, the proxies will vote your shares on the new meeting date in accordance with your previous instructions, unless you have revoked your proxy.

**Votes Necessary to Approve Proposals**

We will hold the Annual Meeting if we have a quorum, which requires the presence, in person or represented by proxy, of holders of a majority of the outstanding shares of common stock as of the Record Date. If you vote via the Internet or sign and return your proxy card, your shares will be counted to determine whether we have a quorum, even if you abstain or fail to vote on any of the proposals listed on the proxy card. If the persons present or represented by proxy at the Annual Meeting constitute the holders of less than a majority of the outstanding shares of common stock as of the Record Date, we will not have a quorum and the Annual Meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum.

The affirmative vote of a majority of the votes cast is required to approve each proposal.

Although abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present, they will not have any effect on the outcome of any proposal.

Prior to the Annual Meeting, we will select one or more inspectors of election for the meeting. Such inspectors shall determine the number of shares of common stock represented at the Annual Meeting, the existence of a quorum and the validity and effect of proxies. They shall also receive, count and tabulate ballots and votes and determine the results thereof.

**Revoking a Proxy**

Any proxy may be revoked by a shareholder at any time prior to the final vote at the Annual Meeting by voting again on a later date via the Internet (only your latest Internet proxy submitted prior to the Annual Meeting will be counted), by signing and submitting a later-dated proxy or by attending the Annual Meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the Annual Meeting or specifically request that your prior proxy be revoked by delivering to our Corporate Secretary at 1050 Caribbean Way, Miami, Florida 33132 a written notice of revocation prior to the Annual Meeting.

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**CORPORATE GOVERNANCE**

We are committed to maintaining strong governance practices as we evolve as a company and regularly assess our practices to determine effectiveness and whether additional enhancements should be made.

**Corporate Governance Principles**

We have adopted corporate governance principles which, along with our Board committee charters, provide the framework for the governance of the Company. The corporate governance principles address such matters as director qualifications, director independence, director compensation, Board committees and committee evaluations. Copies of these principles and our Board committee charters are posted in the corporate governance section on our website at [www.rclcorporate.com/investors](http://www.rclcorporate.com/investors).

**Board of Directors and Committees**

*Meetings*

The Board held six meetings during 2018. In 2018, each of our directors attended at least 75% of an aggregate of all meetings of the Board and of any committees on which he or she served during the period the director was on the Board or committee. Our independent directors regularly meet in executive session without management directors present. The Lead Director presides at such meetings.

We do not have a formal policy regarding Board member attendance at the annual shareholders meeting. Two of our Board members attended our 2018 annual shareholders meeting.

*Board Committees*

The Board has established four standing committees: the Audit Committee, the Nominating and Corporate Governance Committee, the Safety, Environment and Health Committee, and the Talent and Compensation Committee, each of which consists solely of independent directors. Each committee has adopted a written charter, meets periodically throughout the year, reports its actions and recommendations to the Board, receives reports from senior management, annually evaluates its performance and has the authority to retain outside advisors in its discretion. The primary responsibilities of each committee are summarized in the charts below and set forth in more detail in each committee's written charter, which can be found in the corporate governance section on our website at [www.rclcorporate.com/investors](http://www.rclcorporate.com/investors). In addition to these committees, the Board, from time to time, authorizes additional Board committees to assist the Board in executing its responsibilities.



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**Audit Committee**

**Members:**

*William L. Kimsey (Chair)*

*Stephen R. Howe, Jr.*

*Maritza G. Montiel*

*Vagn O. Sørensen*

*Bernt Reitan\**

**Responsibilities:**

Oversight of

○

the integrity of our financial statements

○

the qualifications and independence of our principal independent auditor

○

the performance of our internal audit function and principal independent auditor

○

our compliance with the legal and regulatory requirements in connection with the foregoing

Review of and discussions with management and the principal independent auditor regarding the annual audited and quarterly financial statements of the Company and related disclosures

Preparation of Report of the Audit Committee (page 56)

**Meetings Held During  
2018: 18**

**Independence and Financial Expertise:**

The Board has determined that each member of the Audit Committee is independent within the meaning of the NYSE and SEC standards of independence for directors and audit committee members

The Board has concluded that Mr. Howe, Mr. Kimsey, Ms. Montiel and Mr. Sørensen each qualifies as an "audit committee financial expert" within the meaning of SEC rules

\*

Mr. Reitan will no longer serve on the Audit Committee following the expiration of his director term, which will occur on the date of the Annual Meeting.

**Nominating and Corporate Governance Committee**

**Responsibilities:**

**Members:**

*Thomas J. Pritzker (Chair)*

*John F. Brock*

*William L. Kimsey*

*Eyal M. Ofer*

*Arne Alexander Wilhelmsen*

Identification of individuals qualified to become Board members

Recommendation to the Board of director nominees

Recommendation to the Board of corporate governance principles

Recommendation to the Board of Board committee nominees

Recommendation to the Board of Board committee structure, operations and Board reporting

Oversee evaluation of Board and management performance

**Meetings Held During  
2018:** 3

**Independence:**

The Board has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the NYSE standards of independence for directors

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**Safety, Environment and Health Committee**

**Members:**

*William K. Reilly (Chair)*  
*Eyal M. Ofer*  
*Vagn O. Sørensen*  
*Donald Thompson*

**Responsibilities:**

Oversight of our management concerning the implementation and monitoring of our safety (including security), environmental and health programs and policies

Monitor overall safety, environment and health compliance and performance

Review of safety, environment and health programs and policies on board our cruise ships

**Meetings Held During**

**2018:** 4

**Talent and Compensation Committee**

**Members:**

*Bernt Reitan (Chair)\**  
*John F. Brock*  
*Ann S. Moore*  
*Vagn O. Sørensen*  
*Donald Thompson*

**Responsibilities:**

Overall responsibility for approving and evaluating the executive compensation plans, policies and programs of the Company

Annual determination of CEO compensation levels, taking into account corporate goals and CEO performance against these goals

Annual determination of senior executive compensation levels

Periodic review and recommendations for director compensation

Periodic review of talent development programs and succession planning

Preparation of Report of the Talent and Compensation Committee (page 45)

**Meetings Held During 2018:**

**Independence:**

5

The Board has determined that each member of the Talent and Compensation Committee is independent within the meaning of the NYSE and SEC standards of independence for directors and compensation committee members

\*

Mr. Reitan will no longer serve on the Talent and Compensation Committee following the expiration of his director term, which will occur on the date of the Annual Meeting.

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**Board Leadership Structure**

The Board believes that one of its key responsibilities is to evaluate and implement an optimal leadership structure to facilitate appropriate oversight by an engaged Board of Directors. The Board regularly considers these matters and has concluded that the current leadership structure is appropriate to the Company's current circumstances.

The current leadership structure of the Board consists of:

<b>Name</b>	<b>Title</b>
Richard Fain	Chairman and Chief Executive Officer
William Kimsey	Lead Director, Chairman of Audit Committee
Bernt Reitan*	Chairman of Talent and Compensation Committee
Thomas Pritzker	Chairman of Nominating and Corporate Governance Committee
William Reilly	Chairman of Safety, Environment and Health Committee

\*

Mr. Reitan will no longer serve on the Talent and Compensation Committee following the expiration of his director term, which will occur on the date of the Annual Meeting.

Mr. Kimsey is our Lead Director. As Lead Director, Mr. Kimsey is responsible for presiding at and calling meetings of non-management directors, serving as a liaison between the Chairman and the non-management directors, advising the Chairman on and approving Board meeting agendas and schedules as well as information sent to the Board and, if requested by major shareholders, being available as appropriate for consultation and direct communication. The Lead Director serves at the pleasure of the non-management directors and may be replaced at any time by a majority of the non-management directors.

The Board also regularly reviews the management structure within the Company and has concluded that combining the roles of Chairman and Chief Executive Officer is the most appropriate for our current circumstances. Mr. Fain has served as both Chairman and Chief Executive Officer for over 30 years. His experience and knowledge of our company and his position in our industry are unparalleled. He has effectively led the Company in both roles during the Company's evolution, including through a number of challenging industry and macroeconomic environments. Over the years, he has developed strong working relationships and trust with other members of the Board. Further, the Board believes that the significant leadership roles undertaken by Mr. Kimsey as well as the various independent directors who chair the other Board committees strike an appropriate balance between effective Board leadership and independent oversight of management.

While currently appropriate, the Board notes that this conclusion is specific to today's circumstances. As these specific circumstances change, the Board intends to review the leadership structure, including the issue of combining the Chairman and Chief Executive Officer roles, and to make any changes that are appropriate at that time.

**Talent Development and Succession Planning**

Our Talent and Compensation Committee is responsible for overseeing our talent development programs for our senior executives, including initiatives and practices to further enhance their skills and experience in order to ensure the continuity of capable management. As part of this responsibility, the Talent and Compensation Committee, in consultation with the Chairman & CEO, annually reviews and reports to the Board on management succession planning. This review includes an assessment of the qualifications for the Chief Executive Officer job, an evaluation of potential successors to the position, consideration of the appropriate process going forward and a review of our emergency management succession plan.

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**Risk Oversight and Board Role**

We have a formal enterprise risk management program. Pursuant to this program, management annually performs a Company-wide enterprise risk assessment under the supervision of the Audit & Advisory Services department. This assessment is updated at least once during the course of the year. The assessment identifies those risks inherent in our business plans and strategies with the greatest potential to impact the achievement of our business objectives. This assessment is used to provide us with a risk-based approach to managing our business. Management reviews and discusses the risk assessment report and updates thereto with the Audit Committee and the Board. In addition, committees of the Board consider and review with management at regularly scheduled committee meetings ongoing financial, strategic, operational, legal and compliance risks inherent in the business activities applicable to each committee's area of responsibility, including cybersecurity and data protection risks, which are overseen by the Audit Committee. The committee chairs inform the Board of the outcome of these reviews through reports to the Board at the regularly scheduled Board meetings.

**Director Independence**

Under our corporate governance principles, two-thirds of our directors are required to be independent within the meaning of the NYSE standards of independence for directors. Our corporate governance principles contain guidelines established by the Board to assist it in determining director independence in accordance with these NYSE standards. The Board believes that directors who do not meet the NYSE independence standards also make valuable contributions to the Board and to the Company by reason of their experience and wisdom, and the Board expects that some minority of its Board will not meet the NYSE independence standards.

To be considered independent under the NYSE independence standards, the Board must determine that a director does not have any direct or indirect material relationship with the Company or any of its subsidiaries (collectively, the "Royal Caribbean Group"). The Board has established the following guidelines to assist it in determining director independence in accordance with those standards:

A director will not be independent if:

- the director is, or has been within the preceding three years, an employee of the Royal Caribbean Group, or an immediate family member is, or has been within the preceding three years, an executive officer of the Royal Caribbean Group, other than in each instance as interim Chairman, interim CEO or other interim executive officer;
- the director or an immediate family member has received during any twelve-month period within the preceding three years more than \$120,000 in direct compensation from the Royal Caribbean Group other than (A) director and committee fees, (B) pension and other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), (C) compensation for former services as an interim Chairman, interim CEO or other interim executive officer or (D) compensation to an immediate family member for service as a non-executive employee of the Royal Caribbean Group;
- the director is a current partner or employee of Royal Caribbean's internal or external auditor (in either case, the "Auditor") or has an immediate family member who is either (A) a current partner of the Auditor or (B) a current employee who personally works on Royal Caribbean's audit;
- the director or an immediate family member was within the last three years a partner or employee of the Auditor and personally worked on Royal Caribbean's audit within that time;
- the director or an immediate family member is, or has been within the preceding three years, employed as an executive officer of another company where any of Royal Caribbean's current executive officers at the same time serves or served on the compensation committee of that other company; or
- the director is an employee of another company that does business with the Royal Caribbean Group, or the director has an immediate family member that is an executive officer of another company that does



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business with the Royal Caribbean Group and, in either case, the annual payments to, or payments from, the Royal Caribbean Group within any of the three most recently completed fiscal years exceed \$1,000,000 or two percent of the annual consolidated gross revenues of the other company (whichever is greater).

The following commercial relationships will not be considered to be material relationships that would impair a director's independence:

- if a director is an employee of another company that does business with the Royal Caribbean Group and the annual payments to, or payments from, the Royal Caribbean Group are less than \$1,000,000 or two percent of the annual consolidated revenues of the company he or she serves as an employee (whichever is greater);
- if a director is an employee of another company which is indebted to the Royal Caribbean Group, or to which the Royal Caribbean Group is indebted, and the total amount of indebtedness to the other is less than two percent or \$1,000,000 (whichever is greater) of the total consolidated assets of the company he or she serves as an employee; and
- if an immediate family member of a director is an executive officer of another company that does business with the Royal Caribbean Group, and the annual payments to, or payments from, the Royal Caribbean Group, are less than \$1,000,000 or two percent of the annual consolidated revenues of the company the immediate family member serves as an executive officer (whichever is greater).

Each director must regularly disclose to the Board whether his or her relationships satisfy these independence tests. Based on these disclosures and other information available to it, the Board has determined that each of the directors is independent with the exception of Mr. Fain, who is not considered independent as a result of his position as Chairman & CEO of the Company. In determining that each of Mr. Pritzker and Mr. Howe is independent, the Board considered the transactions described below in "Certain Relationships and Related Person Transactions Related Person Transactions."

**Selection of Director Candidates**

In identifying and evaluating candidates for nomination to the Board, the Nominating and Corporate Governance Committee considers the personal and professional ethics, integrity and values of the candidate, his or her willingness and ability to evaluate, challenge and stimulate, and his or her ability to represent the long-term interests of the shareholders. The Nominating and Corporate Governance Committee also considers the candidate's experience in business and other areas that may be relevant to the activities of the Company, his or her leadership ability, the applicable independence requirements, the current composition of the Board and the appropriate balance between the value of continuity of service by existing members of the Board with that of obtaining a new perspective.

The Board recognizes the value and importance of diversity and considers diversity when evaluating prospective nominees as part of our director nomination process. As diversity can encompass many attributes, our corporate governance principles provide that diversity includes matters of race, gender and ethnicity. The Nominating and Corporate Governance Committee is committed to seeking out qualified and diverse director candidates, including women and individuals from minority groups, to include in the pool from which nominees are chosen.

The Nominating and Corporate Governance Committee has been committed to refreshing the Board by adding new directors. Four new members have been added to the Board within the past six years. Such refreshment brings different experiences to the Board and expands the Board's diversity in terms of gender, race and ethnicity.

The Nominating and Corporate Governance Committee regularly engages third party search firms to identify or assist in identifying potential director nominees. The Nominating and Corporate Governance Committee seeks to identify director candidates from a variety of sources, including search firms, personal connections, shareholder



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recommendations and recommendations by others. The Nominating and Corporate Governance Committee will consider director candidates recommended by shareholders that are submitted as described in our amended and restated by-laws. During the last year, we employed an outside firm to assist us with our search process for new directors. In 2018, this third party search firm identified and recommended Mr. Howe for appointment to our Board.

**Family Relationships**

There are no family relationships among our executive officers and directors or director nominees.

**Code of Ethics**

The Board has adopted a Code of Business Conduct and Ethics that applies to all our employees, including our executive officers, and our directors. A copy of the Code of Business Conduct and Ethics is posted in the corporate governance section of our website at [www.rclcorporate.com/investors](http://www.rclcorporate.com/investors) and is available in print, without charge, to shareholders upon written request to our Corporate Secretary at Royal Caribbean Cruises Ltd., 1050 Caribbean Way, Miami, Florida 33132. Any amendments to the code or any waivers from any provisions of the code granted to executive officers or directors that require disclosure under the applicable SEC or NYSE rules will be posted on our website at [www.rclcorporate.com/investors](http://www.rclcorporate.com/investors).

**Compensation Committee Interlocks and Insider Participation**

During 2018, none of the members of the Talent and Compensation Committee (a) was an officer or employee of the Company or any of its subsidiaries, (b) was a former officer of the Company or any of its subsidiaries or (c) had any related party relationships requiring disclosure under Item 404 of SEC Regulation S-K. During 2018, no executive officer of the Company served as a member of the board of directors or on the compensation committee of any other company, one of whose executive officers or directors serve or served as a member of the Board or the Talent and Compensation Committee of the Company.

**Contacting Members of the Board**

The Board welcomes questions and comments. Interested parties who wish to communicate with non-management members of the Board can address their communications to the attention of our Corporate Secretary at our principal address at 1050 Caribbean Way, Miami, Florida 33132 or via email to [bstein@rccl.com](mailto:bstein@rccl.com). The Corporate Secretary maintains a record of all such communications and promptly forwards to the Lead Director those communications that the Corporate Secretary believes require immediate attention. The Corporate Secretary periodically provides a summary of all such communications to the Lead Director and he, in turn, notifies the Board or the chairs of the relevant committees of the Board of those matters that he believes are appropriate for further action or discussion.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Principal Shareholders**

This table sets forth information as of April 1, 2019 about persons we know to beneficially own<sup>(1)</sup> more than five percent of our common stock.

<b>Name of Beneficial Owner</b>	<b>Shares of Common Stock (#)</b>	<b>Percentage of Ownership<sup>(2)</sup></b>
AWILHELMSSEN AS	25,134,512 <sup>(3)</sup>	11.99%
The Vanguard Group	17,803,216 <sup>(4)</sup>	8.49%
Osiris Holdings Inc.	11,277,680 <sup>(5)</sup>	5.38%
BlackRock, Inc.	10,793,523 <sup>(6)</sup>	5.15%

- (1) A person is deemed to be the beneficial owner of securities to which such person has the right to acquire within 60 days from April 1, 2019, including upon the exercise of options, warrants and other convertible securities.
- (2) Applicable percentage ownership is based on 209,624,192 shares of common stock outstanding as of April 1, 2019.
- (3) AWILHELMSSEN AS is a Norwegian corporation, the indirect beneficial owners of which are members of the Wilhelmsen family of Norway. The shares reported in the table include 5,035,259 shares owned by AWECO Invest AS, an affiliate of AWILHELMSSEN AS. AWILHELMSSEN AS has the power to vote and dispose of the shares owned by AWECO Invest AS pursuant to an agreement between AWILHELMSSEN AS and AWECO Invest AS. The address of AWILHELMSSEN AS is Beddingen 8, Aker Brygge, Vika N-0118 Oslo, Norway. The foregoing information is based on a Schedule 13G/A and Form 4 filed by AWILHELMSSEN AS with the SEC on February 6, 2015 and February 7, 2019, respectively.
- (4) Represents shares beneficially owned by The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355. The foregoing information is based solely on a Schedule 13G/A filed by The Vanguard Group with the SEC on February 12, 2019.
- (5) Osiris Holdings Inc. ("Osiris") is a Liberian corporation, the indirect beneficial owner of which is a trust primarily for the benefit of certain members of the Ofer family. The shares reported in the table include 9,656,380 shares owned by Osiris and 1,621,300 shares owned by a subsidiary of Osiris. The address of Osiris is c/o Global Holdings Management Group S.A.M., 3 ruelle Saint Jean, 98000 Monaco. The foregoing information is based solely on a Schedule 13G filed by Osiris with the SEC on August 25, 2011.
- (6) Represents shares beneficially owned by BlackRock, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055. The foregoing information is based solely on a Schedule 13G filed by BlackRock, Inc. with the SEC on February 11, 2019.

**Security Ownership of Directors and Executive Officers**

This table sets forth information as of April 1, 2019 about the number of shares of common stock beneficially owned<sup>(1)</sup> by (i) our directors; (ii) the named executive officers listed in the "Compensation Discussion and Analysis" below; and (iii) our directors and executive officers as a group.

The number of shares beneficially owned by each named person or entity is determined under rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose.

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No shares of common stock held by our directors or named executive officers have been pledged.

Name of Beneficial Owner	Shares of Common Stock (#) <sup>(2)</sup>	Percentage of Ownership <sup>(3)</sup>
Michael W. Bayley	4,421	*
John F. Brock	13,323	*
Richard D. Fain	1,179,744 <sup>(4)</sup>	*
Stephen R. Howe, Jr.	420	*
William L. Kimsey	19,379	*
Jason T. Liberty	2,430	*
Lisa Lutoff-Perlo		*
Harri U. Kulovaara	5,329	*
Maritza G. Montiel	4,257	*
Ann S. Moore	15,126	*
Eyal M. Ofer	29,048 <sup>(5)</sup>	*
Thomas J. Pritzker	816,926	*
William K. Reilly	15,728	*
Bernt Reitan	7,680	*
Vagn O. Sørensen	21,845	*
Donald Thompson	5,684	*
Arne Alexander Wilhelmsen	25,143,324 <sup>(6)</sup>	11.99%
<b>All directors and executive officers as a group (20 persons)</b>	<b>27,391,721</b>	<b>13.07%</b>

\* Denotes beneficial ownership of less than 1% of the outstanding shares of common stock

(1) A person is deemed to be the beneficial owner of securities to which such person has the right to acquire within 60 days from April 1, 2019, including upon the exercise of options, warrants and other convertible securities.

(2) The holdings reported in this column for each person include shares of common stock issuable upon the exercise of stock options that are exercisable as of April 1, 2019 or will be exercisable within 60 days from April 1, 2019 and the vesting of restricted stock units and performance shares that are scheduled to settle within 60 days from April 1, 2019 as follows:

Mr. Fain	72,525	Mr. Ofer	2,586	<b>Director/Officer</b>	<b>108,336</b>
Mr. Pritzker	2,586			<b>group</b>	

(3) Applicable percentage ownership is based on 209,624,192 shares of common stock outstanding as of April 1, 2019.

(4) Includes 235,106 shares owned by various trusts primarily for the benefit of certain members of the Fain family. Mr. Fain disclaims beneficial ownership of some or all of these shares. Does not include shares owned by other trusts for the benefit of members of the Fain family in which Mr. Fain does not have any beneficial or pecuniary interest or shares directly or indirectly owned by Mr. Fain's adult children.

(5) Does not include 11,277,680 shares beneficially owned by Osiris.

(6) Includes 25,134,512 shares beneficially owned by AWILHELMSSEN AS. Mr. Wilhelmsen disclaims beneficial ownership of these shares.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table summarizes our equity plan information as of December 31, 2018.

<b>Plan Category</b>	<b>Column A: Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)</b>
Equity compensation plans approved by security holders	1,256,649 <sup>(1)</sup>	\$ 29.0635 <sup>(2)</sup>	4,536,302 <sup>(3)</sup>
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>1,256,649</b>	<b>\$ 29.0635</b>	<b>4,536,302</b>

- 
- (1) Includes outstanding stock options, unvested or unsettled restricted stock units and unvested performance share units under our 2008 Equity Incentive Plan.
- (2) Represents the weighted average exercise price of stock options outstanding without regard to equity awards that have no exercise price (including restricted stock units and performance shares).
- (3) Includes shares available for issuance under our 2008 Equity Incentive Plan.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires the Company's directors, certain officers and persons who beneficially own more than 10% of our common stock (collectively, "Reporting Persons") to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Based solely upon our review of such reports or written representations of such Reporting Persons, the Company believes that during 2018 all Reporting Persons complied with all applicable reporting requirements under Section 16(a) of the Exchange Act, except as set forth below.

On January 23, 2018, the Talent and Compensation Committee determined the payout for the performance share grants issued to the NEOs and each other officer that was a Reporting Person in February 2015 (specifically, Adam Goldstein, Larry Pimentel, Henry Pujol and Bradley Stein). The shares granted at that meeting were reported on Forms 4 filed on February 7, 2018 after such grants vested in one installment on February 6, 2018.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

**General**

The Board currently consists of thirteen directors. On February 8, 2019, Mr. Reitan informed the Board that after his many years as a member of the Board he will not stand for re-election and will retire from the Board effective as of the date of the Annual Meeting. On the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated each of our twelve remaining directors for re-election. Once elected, a director holds office until the next annual shareholders meeting and until a respective successor is duly elected and qualified or until his or her earlier resignation or removal.

If any of the nominees is unexpectedly unavailable for election, shares represented by validly delivered proxies will be voted for the election of a substitute nominee designated by our Board or our Board may determine to reduce the size of our Board. Each person nominated for election has agreed to serve if elected.

**Director Nominees**

Set forth below is biographical information for the nominees, as well as the key attributes, experience and skills that the Board believes each nominee brings to the Board.

**John F. Brock**

**Director since** February 2014

**Age:** 70

**Board Committees:** Nominating and Corporate Governance Committee; Talent and Compensation Committee

**Other Public Company Boards:** None

Mr. Brock retired as Chief Executive Officer of Coca-Cola European Partners in December 2016, having served in that role since the formation of that company in May 2016. Prior to that, Mr. Brock served as Chairman and Chief Executive Officer of Coca-Cola Enterprises Inc. since April 2008 and as Chief Executive Officer since April 2006. From February 2003 until December 2005, Mr. Brock was Chief Executive Officer of InBev, S.A., a global brewer, and from March 1999 until December 2002, he was Chief Operating Officer of Cadbury Schweppes plc, an international beverage and confectionery company. From April 2007 to December 2007, Mr. Brock served as a director of Dow Jones & Company, Inc., a publisher and provider of global business and financial news. From 2004 to 2006, he served as a director of the Campbell Soup Company, a global manufacturer and marketer of branded convenience food products. From 2003 to 2005, he served as a director of Interbrew/Inbrew, a beer brewing company. He also served as a director of Reed Elsevier, a publisher, from 1997 to 2003. Mr. Brock is a Trustee and Chair of the Georgia Tech Foundation, Chairman of Horizons Atlanta, a philanthropic organization that enhances education for underserved children, and a member of the Smithsonian National Board. Mr. Brock is also a member of the Executive Board of MidOcean Partners, a private equity firm.

**Specific Qualifications, Attributes, Skills and Experience:**

Mr. Brock brings senior leadership and strategic and global expertise from his most recent position as Chairman and Chief Executive Officer of one of the world's largest independent Coca-Cola bottlers. Prior to his retirement, Mr. Brock demonstrated effective and efficient leadership of a complex, publicly traded company competing in the highly competitive international beverage industry.

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## **Richard D. Fain, Chairman**

**Director since** 1981

**Age:** 71

**Board Committees:** None

**Other Public Company Boards:** None

Mr. Fain has served as a director since 1981 and as our Chairman and Chief Executive Officer since 1988. Mr. Fain is a recognized industry leader, having participated in shipping for over 40 years and having held a number of prominent industry positions, such as Chairman of the Cruise Lines International Association (CLIA), the largest cruise industry trade association. He currently serves as Chairman of the University of Miami Board of Trustees as well as serving on the National Board of the Posse Foundation. He is also former chairman of the Miami Business Forum, the Greater Miami Convention and Visitors Bureau, and the United Way of Miami-Dade.

### **Specific Qualifications, Attributes, Skills and Experience:**

Mr. Fain's breadth of experiences, tenure and leadership provide incomparable insights into the history, operations, and strategic vision of the Company as well as the evolution and direction of the cruise industry as a whole. As our Chairman & CEO for over 30 years, Mr. Fain has grown the Company from a one-brand Caribbean-centric operation with berthing capacity of approximately 5,000 to the second largest cruise company in the world with a portfolio of global and regional brands that operate around the globe with berthing capacity of approximately 130,000.

## **Stephen R. Howe, Jr.**

**Director since** 2018

**Age:** 57

**Board Committees:** Audit Committee

**Other Public Company Boards:** None

Mr. Howe served as U.S. Chairman and Managing Partner and Americas Area Managing Partner of Ernst & Young ("EY") and was a member of EY's Global Executive Board from 2006 until his retirement on December 1, 2018. While leading EY in the U.S. and the Americas, he was executive sponsor for the firm's focus on diversity and inclusiveness. Prior to 2006, Mr. Howe was the Managing Partner of EY's Financial Services Office and led client service teams for a number of global financial institutions. He was with EY for over 35 years. Mr. Howe is also a member of the Board of Trustees of Carnegie Hall, the Board of the Peterson Institute for International Economics and the Board of Directors of the Liberty Science Center.

### **Specific Qualifications, Attributes, Skills and Experience:**

Mr. Howe brings to the Board considerable financial and leadership experience through his service as U.S. Chairman and Managing Partner and Americas Managing Partner of EY. He provides the board with meaningful insight gained from his past service as the executive sponsor of EY's focus on diversity and inclusiveness.

## **William L. Kimsey, Lead Director**

**Director since** 2003

**Age:** 76

**Board Committees:** Audit Committee (Chairman); Nominating and Corporate Governance Committee

**Other Public Company Boards:** None

Mr. Kimsey was employed for 32 years through September 2002 with the independent public accounting firm Ernst & Young L.L.P. From 1998 through 2002, Mr. Kimsey served as the Chief Executive Officer of Ernst & Young Global and Global Executive Board member of Ernst & Young and from 1993 through 1998 as the Firm

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Deputy Chairman and Chief Operating Officer. From 2003 until 2018, Mr. Kimsey served on the board, the compensation committee, and the audit committee (serving as chair from 2011-2018) of Accenture Plc. From 2004 until 2008, he served on the board of NAVTEQ Corporation and was the chairman of its audit committee. From 2003 through 2014, Mr. Kimsey also served on the board and the audit committee of Western Digital Corporation. Mr. Kimsey is a certified public accountant and a member of the American Institute of Certified Public Accountants.

**Specific Qualifications, Attributes, Skills and Experience:**

As former Chief Executive Officer of one of the largest public accounting firms in the world, Mr. Kimsey brings substantial accounting and finance knowledge and expertise to the Board as well as experience serving on and chairing the audit committees of a number of other large, well-regarded public corporations.

## Maritza G. Montiel

**Director since** December 2015

**Age:** 67

**Board Committees:** Audit Committee

**Other Public Company Boards:** AptarGroup, Inc. (New York Stock Exchange); Comcast Corporation (Nasdaq Global Select Market); McCormick & Company (New York Stock Exchange)

Ms. Montiel served as Deputy Chief Executive Officer and Vice Chairman of Deloitte LLP from 2011 through her retirement in May 2014. Prior to these positions, she held numerous senior management roles at Deloitte, including Managing Partner (Leadership Development and Succession, Deloitte University) from 2009 to 2011, and Regional Managing Partner from 2001 to 2009. During Ms. Montiel's tenure at Deloitte, she was the Advisory Partner for many engagements in which Deloitte was the principal auditor. Ms. Montiel is a board member of AptarGroup, Inc. where she chairs the audit committee, a board member of Comcast Corporation, where she is a member of the audit committee, and a board member of McCormick & Company, where she is a member of the audit committee.

The Board has concluded that Ms. Montiel's simultaneous service on four public company audit committees would not impair her ability to serve on the Company's Audit Committee.

**Specific Qualifications, Attributes, Skills and Experience:**

Leveraging her more than 35 years of advising companies (including providing attestation services for public companies) across a wide cross-section of industries, Ms. Montiel brings to the Board significant financial and advisory experience. The Board also benefits from her deep and broad working knowledge of the strategic and governance challenges faced by today's large organizations and her experience overseeing risk and compliance in her role as Deputy CEO of Deloitte.

## Ann S. Moore

**Director since** May 2012

**Age:** 68

**Board Committees:** Talent and Compensation Committee

**Other Public Company Boards:** None

Ms. Moore served as Chairman and Chief Executive Officer of Time Inc. from July 2002 to September 2010 and served as Chairman through December 2010. Prior to that, Ms. Moore was Executive Vice President of Time Inc., where she had executive responsibilities for a portfolio of magazines including *Time*, *People*, *InStyle*, *Teen People*, *People en Español* and *Real Simple*. Ms. Moore joined Time Inc. in 1978 in Corporate Finance. Since then, she held consumer marketing positions at *Sports Illustrated*, *Fortune*, *Money* and *Discover*, moving to general management of *Sports Illustrated* in 1983 and to publisher of *People* in 1991. From 1993 to May 2014, Ms. Moore

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served on the Board of Directors of Avon Products Inc. She was also a director of the Wallace Foundation from 2004 through June 2016.

**Specific Qualifications, Attributes, Skills and Experience:**

Ms. Moore's extensive experience in consumer-driven publishing and media brings to the Board recognized management and entrepreneurial capabilities. As the leader of one of the largest magazine companies in the United States, Ms. Moore successfully expanded the footprint of many of the company's flagship brands and oversaw her company's transition to digital platforms.

**Eyal M. Ofer**

**Director since 1995**

**Age: 68**

**Board Committees:** Nominating and Corporate Governance Committee; Safety, Environment and Health Committee

**Other Public Company Boards:** None

Mr. Ofer has served as a director of the Company since May 1995. Mr. Ofer is a global maritime shipping and real estate business leader and philanthropist. As the Chairman of a multi-generational family group, Ofer Global, he leads a private portfolio of international businesses principally focused on shipping, real estate, energy, technology, banking and investments. Its interests span Europe, North America, the Near East, Australasia and South East Asia. Mr. Ofer heads Ofer Global's various divisions, including: Zodiac Group, an international shipping enterprise operating a diversified fleet of over 160 vessels worldwide; Global Holdings Group, a real estate holding group specializing in large scale iconic office buildings, hotels and luxury residential developments, as well as other investment and development assets; O.G. Energy, a division holding oil and gas exploration and production interests (onshore & offshore) in the Australasia and South East Asia regions; and O.G. Tech Ventures, a single LP Venture Capital fund with a focus on Round A tech investments. Mr. Ofer also chairs the Eyal & Marilyn Ofer Family Foundation, a philanthropic foundation established for the charitable giving of his family in support of education and the arts.

**Specific Qualifications, Attributes, Skills and Experience:**

Mr. Ofer brings to the Board over 30 years of significant leadership in the international maritime industry, including over 20 years of service on our Board of Directors. Mr. Ofer also provides considerable expertise in both real estate and finance matters, having played a leading role throughout his career in both expanding and diversifying his family's shipping enterprise into sectors including real estate, cruise lines, hotels and banking.

**Thomas J. Pritzker**

**Director since 1999**

**Age: 68**

**Board Committees:** Nominating and Corporate Governance Committee (Chairman)

**Other Public Company Boards:** Hyatt Hotels Corporation (New York Stock Exchange)

Mr. Pritzker is Executive Chairman of Hyatt Hotels Corporation and Chairman and CEO of The Pritzker Organization, which provides investment and business advisory services to the Thomas J. Pritzker family enterprise. Over his career he has been involved in founding significant companies in a variety of fields including container leasing (Triton), biotech (Bay City Capital) and health care (Reliant Pharmaceuticals and First Health). He has also been engaged in building existing companies in a number of industries, including being a board member of TMS International Corp., which provides steel mill services. Outside of business, Mr. Pritzker is Director and Vice President of The Pritzker Foundation, a charitable foundation; Director and President of the Pritzker Family Philanthropic Fund, a charitable organization; and Director, Chairman and President of the Hyatt Foundation, which sponsors the Pritzker Architecture Prize. He is also Chairman of the Center for



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Strategic & International Studies in Washington DC. He is a member of the Board of Trustees of the University of Chicago and the Art Institute of Chicago. He also organized and founded the Pritzker Neuropsychiatric Disorders Research Consortium, which is a collaborative research effort into the genetic basis of psychiatric disorders.

**Specific Qualifications, Attributes, Skills and Experience:**

Mr. Pritzker brings to the Board a proven record of outstanding leadership and strategic skills, having been involved over the course of his career in acquiring and building mature companies in a number of different industries and founding significant companies in the fields of container leasing, biotech and health care. From his role as Executive Chairman of Hyatt Hotels Corp., Mr. Pritzker provides considerable and valuable experience in overseeing a globally focused hospitality business with operations in 20 of the 25 most populous urban centers around the world and strong brand presence in high growth markets for Royal Caribbean, such as China.

**William K. Reilly**

**Director since 1998**

**Age: 79**

**Board Committees:** Safety, Environment and Health Committee (Chairman)

**Other Public Company Boards:** Enviva Partners LP (New York Stock Exchange)

Mr. Reilly is the Founding Partner of Aqua International Partners L.P., a private equity fund established in 1997 and dedicated to investing in companies engaged in water. From 1989 to 1993, Mr. Reilly served as the Administrator of the U.S. Environmental Protection Agency. He has also previously served as the first Payne Visiting Professor at Stanford University, President of the World Wildlife Fund and President of The Conservation Foundation. He is Chairman Emeritus of the World Wildlife Fund and Chairman of the Advisory Committee to the Nicholas Institute for Environmental Policy Solutions at Duke University. He serves as a director of Enviva Partners LP, a publicly traded master limited partnership that aggregates wood fiber and processes it into a transportable form. From 1993 until April 2012, Mr. Reilly also served on the Board of Directors of E.I. duPont de Nemours and Company and from 1997 until May 2013, he served on the Board of Directors of ConocoPhillips. In May 2010, President Obama named Mr. Reilly to serve as co-chair of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, which released its report on January 11, 2011. In December 2012, the President named Mr. Reilly to the Council for Global Development. In 2017, Mr. Reilly became a director of the Center for Strategic and International Studies, a non-profit research and communication organization in Washington, DC. In 2018, Mr. Reilly became a director of the Union of Concerned Scientists, a non-profit research and communications organization based in Cambridge, MA.

**Specific Qualifications, Attributes, Skills and Experience:**

Mr. Reilly brings to the Board his wealth of environmental, safety and regulatory expertise gained through significant leadership roles within a number of distinguished environmental organizations, including the U.S. Environmental Protection Agency and the World Wildlife Fund, and on important environmental projects, including serving as co-chair of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling.

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## Vagn O. Sørensen

Director since 2011

Age: 59

**Board Committees:** Audit Committee; Safety, Environment and Health Committee; Talent and Compensation Committee

**Other Public Company Boards:** Air Canada (Toronto Stock Exchange); FLSmidth A/S (Copenhagen Stock Exchange); SSP Group plc (London Stock Exchange)

Mr. Sørensen brings to the Board over 20 years of experience in the aviation industry, having served as the President and CEO of Austrian Airlines Group from 2001 through 2006. Prior to that, he served in a variety of roles with Scandinavian Airlines Systems, including as Executive Vice President and Deputy CEO. He currently owns and is President of VS Consulting and serves as a board member and chairman for a number of corporations throughout Europe and Canada, including Air Canada, FLSmidth A/S, SSP Group plc and Nordic Aviation Capital. Mr. Sørensen also previously served on the board of Scandic Hotels AB.

### Specific Qualifications, Attributes, Skills and Experience:

Mr. Sørensen's breadth of experience in the aviation industry and, in addition, the insurance industry brings useful insight to the Board, especially with respect to matters impacting the travel industry and risk management. He also provides significant experience within the shipping industry gained through his prior service as Deputy Chairman of DFDS A/S, one of the largest short-seas operators in Europe. Through his service on a number of other boards in Europe and Canada, Mr. Sørensen also provides the Board with diverse perspectives.

## Donald Thompson

Director since May 2015

Age: 56

**Board Committees:** Safety, Environment and Health Committee; Talent and Compensation Committee

**Other Public Company Boards:** Northern Trust Corporation (Nasdaq Global Select Market)

Prior to his current role as Founder and Chief Executive Officer of Cleveland Avenue, LLC, a venture capital firm, Mr. Thompson served as President and Chief Executive Officer of McDonald's Corporation from 2012 until March 2015. Previously, Mr. Thompson served as President and Chief Operating Officer of McDonald's Corporation from 2010 to 2012 and President of McDonald's USA from 2006 to 2010. Prior to joining McDonald's, Mr. Thompson served six years as an Electrical Engineer for the Northrop Corporation, where he specialized in power supply design and manufacturing for high technology radar systems. Mr. Thompson also served as director of McDonald's Corporation from 2011 to March 2015 and as a director of Exelon Corporation from 2007 to 2013. Since March 2015, Mr. Thompson has served as a director of Northern Trust Corporation. He also serves on the board of Beyond Meat, as an Advisory Board member of Docusign, Inc. and on numerous civic and philanthropic boards. He is a member of the Executive Leadership Council, the Commercial and Economic Clubs of Chicago, Business Council, World Business Chicago and the Arthur M. Brazier Foundation. He serves as a Trustee on the boards of the Cleveland Avenue Foundation for Education, Northwestern Memorial Hospital and Purdue University.

### Specific Qualifications, Attributes, Skills and Experience:

Mr. Thompson brings to the Board significant strategic leadership and collaboration skills as well as valuable global business perspective. His 25-year career at McDonald's, the world's leading global foodservice retailer, culminated in leading the company from 2012 through 2015. In his role as President & CEO of McDonald's, Mr. Thompson directed strategy and operations for over 30,000 restaurants in over 100 countries, working closely with thousands of independent owner/operators, corporate staff and restaurant employees around the world.

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## **Arne Alexander Wilhelmsen**

**Director since** 2003

**Age:** 53

**Board Committees:** Nominating and Corporate Governance Committee

**Other Public Company Boards:** None

Mr. Wilhelmsen is Chairman of the board of directors of AWILHELMSSEN AS, the holding company for the AWILHELMSSEN group of companies, after having served as the Chairman of the board of directors of AWILHELMSSEN Management AS from 2008 through June 2013. Mr. Wilhelmsen was elected Chairman of the Board of AWECO AS in 2011 and Chairman of the Board of AWILHELMSSEN HOLDING AS in June 2016 and Aweco Cruise Holding AS in June 2017. He has held a variety of positions within the AWILHELMSSEN group of companies since 1995. In addition, Mr. Wilhelmsen serves as Chairman of the board of his wholly owned company Pan Sirius AS. From 1996 through 1997, Mr. Wilhelmsen was engaged as a marketing analyst for the Company and from 2001 through 2009 served as a member of the board of directors of Royal Caribbean Cruise Line AS, a wholly owned subsidiary of the Company that was responsible for the sales and marketing activities of the Company in Europe.

### **Specific Qualifications, Attributes, Skills and Experience:**

As the leader of an investment company with varied interests across a number of business segments, including shipping, cruise, real estate and retail, Mr. Wilhelmsen brings a diverse knowledge base and strategic insight to the Board. As the representative of the Company's largest shareholder and one of the Company's original founders, Mr. Wilhelmsen also provides a valuable historical perspective to the Board.

### **Board Recommendation**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR NAMED ABOVE.**

Table of Contents**Director Compensation for 2018**

Directors who are also Company employees do not receive any compensation for their services as directors.

For services in 2018, each non-employee director was entitled to receive an annual cash retainer of \$80,000 for a full year of service. In addition, our Lead Director received a further annual cash retainer of \$75,000 for 2018.

We also pay annual cash retainers for chairing and service on various Board committees. The amount of these retainers in 2018 for a full year of service was as follows:

<b>Committee Role</b>	<b>Audit Committee</b>	<b>Talent &amp; Compensation Committee</b>	<b>Nominating &amp; Corporate Governance Committee</b>	<b>Safety, Environment &amp; Health Committee</b>
Chairman	\$ 30,000	\$ 20,000	\$ 10,000	\$ 10,000
Member	\$ 20,000	\$ 10,000	\$ 7,500	\$ 7,500

Directors do not earn fees for each meeting attended; however, they are reimbursed for their travel expenses and, occasionally, for those of an accompanying guest.

In 2018, each non-employee director received restricted stock units with a fair market value of \$176,704 as of the grant date (except for Mr. Howe who first joined the Board in December of 2018 and did not receive a grant for 2018). These restricted stock units vested in full immediately upon grant and settled one year following the date of grant. Our stock ownership guidelines require directors to accumulate ownership of at least \$240,000 of our common stock (which is 3 times their annual cash retainer for Board service), including the value of restricted stock and restricted stock units, within three years of becoming a director. If the value of their stock holdings falls below this amount, directors cannot sell shares of our common stock until the value once again exceeds the required amount. In addition, non-employee directors may not be granted awards with a dollar value in excess of \$500,000 in any one calendar year.

In order to increase their knowledge and understanding of our business, we encourage our non-management Board members and their families to experience our cruises. As a result, we have adopted a Non-Management Director Cruise Policy. Under this policy, with certain limited exceptions, a Board member is entitled to up to two complimentary staterooms on two cruises per year for the Board member and any immediate family accompanying the Board member on the cruise. Additional guests traveling with a Board member will receive a 15% discount off the lowest available fare for up to five staterooms. The Chairman & CEO may grant exceptions to this policy in his discretion. In 2018, one exception was made for Mr. Reitan to receive the 15% discount off the lowest available fare for two additional staterooms.

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The table below summarizes the compensation of each person serving as a non-employee director in 2018.

**2018 Director Compensation Table**

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards<sup>(1),(2)</sup></b>	<b>All Other Compensation<sup>(3)</sup></b>	<b>Total</b>
John F. Brock	\$ 97,500	\$ 176,704	\$ 10,784 <sup>(4)</sup>	\$ 284,988
Stephen R. Howe, Jr.	\$ 6,087			\$ 6,087
William L. Kimsey	\$ 192,500	\$ 176,704	\$ 13,921 <sup>(5)</sup>	\$ 383,125
Maritza G. Montiel	\$ 100,000	\$ 176,704		\$ 276,704
Ann S. Moore	\$ 90,000	\$ 176,704		\$ 266,704
Eyal M. Ofer	\$ 95,004	\$ 176,704		\$ 271,708
Thomas J. Pritzker	\$ 90,000	\$ 176,704		\$ 266,704
William K. Reilly	\$ 90,000	\$ 176,704		\$ 266,704
Bernt Reitan	\$ 120,000	\$ 176,704		\$ 296,704
Vagn O. Sørensen	\$ 117,500	\$ 176,704		\$ 294,204
Donald Thompson	\$ 97,500	\$ 176,704	\$ 44,745 <sup>(6)</sup>	\$ 318,949
Arne Alexander Wilhelmsen	\$ 87,500	\$ 176,704		\$ 264,204

(1) The column titled "Stock Awards" reports the fair value of restricted stock unit awards at their grant date in 2018 calculated in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. For the assumptions used in valuing these awards for purposes of computing this expense, please see Note 12 of the consolidated financial statements in the Company's Annual Report for the year ended December 31, 2018.

(2) As of December 31, 2018, each non-employee director listed in the table held 1,396 vested restricted stock units, with the exception of Mr. Howe who did not hold any vested restricted stock units. As of December 31, 2018, certain non-employee directors listed in the table held vested options to purchase the following aggregate number of shares of common stock: Mr. Ofer, 11,164; and Mr. Pritzker, 11,164.

(3) These amounts relate to discounts on Company cruises provided to directors and reimbursements for travel expenses for spouses accompanying the director on business. The aggregate value of other compensation that would be reportable in this column made available to non-employee directors other than Messrs. Brock, Kimsey and Thompson is less than \$10,000 per person.

(4) Represents reimbursement for travel expenses for Mr. Brock's spouse when accompanying him on business.

(5) Represents reimbursement for travel expenses for Mr. Kimsey's spouse when accompanying him on business.

(6)

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Includes \$36,999 of discounts on Company cruises, with the remainder related to reimbursement for travel expenses for Mr. Thompson's spouse when accompanying him on business.

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**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

**Related Person Transaction Policy and Procedures**

We have a written Related Person Transaction Policy that requires review of all relationships and transactions in which the Company is a participant and a "related person" which includes any director, executive officer or greater than 5% beneficial owner of the Company or any immediate family member of the foregoing has a direct or indirect material interest. Under this policy, each director, director nominee and executive officer is required to promptly notify the Corporate Secretary of any such transaction. The Corporate Secretary then presents such transactions to the Audit Committee, which is responsible for reviewing and determining whether to approve or ratify the transactions. The following types of transactions are deemed not to create or involve a material interest on the part of the related person and do not require approval or ratification under the policy, unless the Audit Committee determines that the facts and circumstances of the transaction warrant its review:

transactions involving the purchase or sale of products or services in the ordinary course of business, not exceeding \$120,000;

transactions in which the related person's interest derives solely from his or her service as a director of another corporation or organization that is a party to the transaction;

transactions in which the related person's interest derives solely from his or her ownership of less than 10% of the equity interest in another person (other than a general partnership interest) which is a party to the transaction;

transactions in which the related person's interest derives solely from his or her ownership of a class of equity shares of the Company and all holders of that class of equity securities received the same benefit on a pro rata basis;

compensation arrangements of any executive officer, other than an individual who is an immediate family member of a related person; and

non-executive director compensation arrangements.

In reviewing transactions submitted to them, the Audit Committee reviews and considers all relevant facts and circumstances to determine whether the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders, including, without limitation:

the commercial reasonableness of the terms;

the benefit and perceived benefit, or lack thereof, to the Company;

opportunity costs of alternative transactions;

the character of the related person's interest; and

the actual or apparent conflict of interest of the related person.

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If after the review described above, the Audit Committee determines not to approve or ratify the transaction, it will be cancelled or unwound as the Audit Committee considers appropriate and practicable.

### **Related Person Transactions**

Mr. Thomas J. Pritzker, one of our directors, is Executive Chairman of the Hyatt Hotels Corporation ("Hyatt"). During the year ended December 31, 2018, we paid Hyatt approximately \$683,872 for hotel stays of our guests and employees traveling on business and for use of Hyatt's facilities for business purposes. The amount represents less than 0.02% of Hyatt's revenues for 2018 and approximately 1.8% of our transportation and lodging expense for the same period. As in prior years, there are no specific arrangements or understandings between us and Hyatt in this regard. Hyatt is a major hotel chain and it would be imprudent for us to exclude them. The Audit



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Committee reviewed and approved or ratified the foregoing transactions with Hyatt Hotels Corporation in accordance with our Related Person Transaction Policy.

Mr. Stephen R. Howe, Jr. joined our board on December 4, 2018. Mr. Howe was with Ernst & Young ("EY") for over 35 years prior to his retirement on December 1, 2018. EY provides consulting services to the Company, primarily related to its Excalibur program. The fees related to such services totaled approximately \$52,000,000 from January 1, 2018 to December 1, 2018, the date Mr. Howe retired from EY, and approximately \$18,000,000 during the year ended December 31, 2017. The Board considered these transactions and the fact that Mr. Howe is retired from EY in determining that Mr. Howe is independent.

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## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

2018 was another record year, as we grew US GAAP Net Income to \$1.8 billion, or \$8.56 per diluted share, and Adjusted Net Income\* to \$1.9 billion, or \$8.86 per diluted share, representing a 13.7% and 17.7% year-over-year growth in US GAAP EPS and Adjusted EPS\*, respectively, despite the unfavorable impact from currency and fuel. We again turned the year at a record booked position at higher rates than the prior year, as well as brand preference and guest satisfaction scores at an all-time high. Our compensation programs responded to these outcomes as outlined below.

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We place significant focus on the design of our executive compensation programs as we believe their effectiveness is crucial to our success as a company. We assess our programs regularly and strive to continuously make improvements as well as incorporate shareholder feedback. Our 2018 executive compensation program was generally consistent with the prior year's program.

In furtherance of our compensation program objectives, we maintain a high level of corporate governance standards within our executive compensation programs as follows:

**What We Do**

**What We Do Not Do**

Establish a mix of compensation components, including fixed and variable pay and short- and long-term incentives, that encourages focus on both the short- and long-term interests of the Company and its shareholders

No repricing of underwater stock options

Set challenging short- and long-term performance objectives

No cash buyouts of underwater stock options

Hold our executives to meaningful stock ownership guidelines to further align executives' motivations with those of shareholders

No tax-gross up provisions on any change-of-control severance benefits

Provide severance benefits in the event of a change-of-control only if there is an accompanying termination

No excessive perquisites or other executive-only benefits

Design our programs so as not to encourage unnecessary and excessive risk taking

No hedging of the Company's stock by employees or directors

Include "clawback" provisions for our cash and equity incentive awards

Hold an annual "say-on-pay" advisory vote

Utilize an independent compensation consultant to advise the Talent and Compensation Committee

At our 2018 annual meeting, shareholders approved our 2017 NEO compensation with almost 95% of the votes cast in favor of our practices. Given the high level of support, the Talent and Compensation Committee did not make any significant changes to its approach to executive compensation specifically as a result of this "say-on-pay" vote. The Talent and Compensation Committee considers the outcome of

our annual say-on-pay votes when making future compensation decisions for NEOs. The next "say-on-pay" vote will occur at our 2020 annual meeting.

We discuss our compensation plans, policies and objectives in detail below.

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*Named Executive Officers*

Our NEOs for the fiscal year ended December 31, 2018 are set forth below.

<b>Name</b>	<b>Title</b>
Richard D. Fain	Chairman & Chief Executive Officer
Jason T. Liberty	Executive Vice President, Chief Financial Officer
Michael W. Bayley	President and Chief Executive Officer, Royal Caribbean International
Lisa Lutoff-Perlo	President and Chief Executive Officer, Celebrity Cruises
Harri U. Kulovaara	Executive Vice President, Maritime

Each of the foregoing officers was an NEO for 2017 other than Mr. Kulovaara.

*Executive Compensation Philosophy*

We adhere to a pay-for-performance philosophy. In line with this philosophy, we have designed our compensation programs to support three main goals:

align the interests of our executives with the interests of our shareholders;

recruit, retain, and motivate an elite management team; and

reward positive contributions to both short-term and long-term corporate performance.

We provide compensation to our executives consisting of three principal elements: base salary, performance-based annual incentive bonus and equity awards. The objectives and key features of each pay element are described below.

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Our commitment to performance-based compensation is illustrated by the following pie charts, which show the mix of each compensation component at target levels for our Chairman & CEO and for our other NEOs for 2018.

**Royal Caribbean Cruises LTD.**  
2018 Target Compensation Chairman & CEO  
90% Variable Compensation

**Royal Caribbean Cruises LTD.**  
2018 Target Compensation Other Named Executives  
79% Variable Compensation

The percentages in the foregoing chart for the other NEOs represent a weighted average of each element of compensation for such officers.

***Market Comparison Group***

The process of making compensation decisions begins with establishing a Market Comparison Group. Our Market Comparison Group is the foundation of our annual compensation review and is used to help guide the Talent and Compensation Committee's decisions regarding competitive pay levels and design architecture.

Although we strive for consistency, the list of companies that comprise our Market Comparison Group are developed by our independent compensation consultant and reviewed and approved annually by the Talent and Compensation Committee using the following criteria:

Availability of public information company is publicly-traded and compensation data is available in public filings

Relevant industry group company included in at least one of ten leisure and tourism industry groups

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Equivalent revenue company is within approximately 0.5 to 2 times our revenue

Similar business strategy company falls under hotels and motels, leisure time, leisure products and resort industry categories

Global Footprint company has significant operations outside of the United States

Historical precedent company included in the prior year's Market Comparison Group

The below Market Comparison Group, which was approved by our Talent and Compensation Committee in May 2017, was used to inform 2018 compensation decisions.

**Market Comparison Group Selection Criteria**

*Elements of the 2018 Executive Compensation Program*

**Base Salary**

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Base salaries comprise, on average, less than 20% of the total target compensation for our NEOs (10% for our Chairman & CEO and 21% for our other NEOs). However, base salaries are an important and customary element of pay for attracting and retaining executives. The Talent and Compensation Committee seeks to pay each NEO a level of fixed compensation that competitively reflects their scope of responsibility.

The primary considerations used in adjusting base salary levels include each NEO's:

market positioning;

scope of responsibilities;

expertise and experience;

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tenure with the organization; and

performance and potential to further our business objectives.

The Talent and Compensation Committee generally reviews salaries in the early part of each year and, if appropriate, adjusts them to reflect changes in such considerations and to respond to market conditions and competitive pressures. The table below reflects the extent of increases in 2018 to the base salaries for our NEOs, made to better align their pay with the market and to recognize positive performance and Company results.

Name	Base Salary		Percent Change
	2017	2018	
Richard D. Fain	\$ 1,100,000	\$ 1,100,000	0.0%
Jason T. Liberty	\$ 700,000	\$ 800,000	14.3%
Michael W. Bayley	\$ 800,000	\$ 880,000	10.0%
Lisa Lutoff-Perlo	\$ 600,000	\$ 700,000	16.7%
Harri U. Kulovaara	\$ 600,000	\$ 700,000	16.7%

**Performance Based Annual Incentive**

Our Chairman & CEO receives two-thirds of his target annual cash compensation in performance-based pay from our "Executive Bonus Plan," and performance-based pay accounts for more than half of target annual cash compensation for each of our other NEOs. The Executive Bonus Plan is designed to reward our executives for the achievement of the Company's annual financial and strategic goals and, for the NEOs other than the CEO, to recognize individual contributions.

Prior to the beginning of each year, our operating plan for that year, which takes into account our anticipated performance, our growth and profitability objectives as well as the economic climate, is prepared by management and approved by the Board. Based on this plan, we set pre-established goals for the year that will determine bonus payout levels once our financial and operational performance is evaluated and confirmed following the end of the year.

For 2018, the Talent and Compensation Committee established the following framework for the Executive Bonus Plan, which is generally consistent with prior years:

*Target Annual Incentives:*

The annual target performance-based incentive for each NEO is expressed as a percentage of base salary. In establishing the target percentage, the Talent and Compensation Committee takes into account the role and level of each executive and competitiveness with our Market Comparison Group.



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In 2018, the target annual incentive was increased for Mr. Liberty, Mr. Bayley and Ms. Lutoff-Perlo to make the target cash compensation more competitive with the market and to incentivize positive performance. The following table shows the 2017 and 2018 bonus targets of each NEO.

<b>Name</b>	<b>2017 Bonus Target (% of base salary)</b>	<b>2018 Bonus Target (% of base salary)</b>
Richard D. Fain	200%	200%
Jason T. Liberty	120%	135%
Michael W. Bayley	125%	130%
Lisa Lutoff-Perlo	110%	125%
Harri U. Kulovaara	70%	70%

*Metrics and Weighting:*

The performance-based annual incentive for each NEO consists of up to three award components, as applicable to each NEO: Corporate, Brand and Individual performance. The Talent and Compensation Committee assigns a specific weight to each of these components based on the executive's role and his or her ability to influence the outcomes.

For 2018, both the Corporate and Brand bonus components were further divided into two subcomponents: financial (Adjusted EPS for Corporate and adjusted brand-specific operating income for Brand) and key performance indicators (KPIs). There were five KPIs for 2018, with equal weighting assigned to each, as follows:

<b>KPI</b>	<b>Description</b>
Net Revenue Yield	Represents net revenues per available passenger cruise day, which we believe to be the most relevant measure of our pricing performance*
Net Cruise Costs excluding fuel	Represents gross cruise costs excluding commission, transportation and other expenses and onboard and other expenses and fuel expenses, which we believe to be the most relevant indicator of our ability to control costs in a manner that positively impacts income*
Guest Satisfaction	Represents results of surveys measuring customer satisfaction with their most recent cruise, his or her intent to cruise again with us and his or her willingness to recommend that others cruise with us
Employee Engagement	Represents results of shoreside and shipboard employee surveys measuring both employee satisfaction and employee engagement, which is defined as the tendency of employees to exert discretionary effort for the benefit of the Company
Safety, Security, Health and Environmental Stewardship	Represents various metrics of safety, security, environment and health performance, which we believe are key to our extremely high safety and security standards and our goal of being a good steward of the environmental resources we manage

\*

When determining KPI results for Net Revenue Yield and Net Cruise Costs excluding fuel, the Talent and Compensation Committee may, in certain circumstances, exclude from the calculation certain items that it believes were clearly outside the bounds of Management's ability to control.

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As in prior years, financial results continued to be the predominant measure of both Corporate and Brand performance, comprising 70% of the annual bonus opportunity within each component. The following table shows the applicable measures and weights for each NEO.

Name	Award Components				
	Corporate		Brand		Individual
	Financial	KPIs	Financial	KPIs	
Richard D. Fain	70.0%	30%			
Jason T. Liberty	46.7%	20%			33.3%
Michael W. Bayley <sup>(1)</sup>	23.3%	10%	23.3%	10%	33.3%
Lisa Lutoff-Perlo <sup>(2)</sup>	23.3%	10%	23.3%	10%	33.3%
Harri U. Kulovaara	46.7%	20.0%			33.3%

(1) Brand performance for Mr. Bayley was based on Royal Caribbean International.

(2) Brand performance for Ms. Lutoff-Perlo was based on Celebrity Cruises.

In February of each year, the Talent and Compensation Committee approves the Corporate and Brand performance targets for the upcoming year. For Corporate and Brand financial and KPI performance, performance level funding ranges from 0% to 300% at maximum. Performance level funding for the Individual component ranges from 0% to 200% at maximum.

### *2018 Financial Performance*

We set our corporate Target Adjusted EPS for 2018 at \$8.65, the mid-point of the earnings guidance we announced in January 2018. The Talent and Compensation Committee believed that this target, which was approximately 14% higher than actual Adjusted EPS we achieved in 2017, represented a challenging performance goal and was meaningfully higher than our actual 2017 financial results. See Annex A for more detail regarding the reconciliation of non-GAAP and GAAP measures presented regarding Adjusted EPS.

In accordance with the terms of the Executive Bonus Plan, the Talent and Compensation Committee adjusted this number for purposes of 2018 annual bonuses to account for price variances in all fuel types from prices used in the January 2018 earnings guidance, net of the effects of fuel derivatives. This adjustment avoids penalizing or benefiting Management for fluctuations in fuel prices, but still takes into account Management's performance on energy consumption. Since fuel prices in 2018 were higher than planned, the Talent and Compensation Committee increased EPS by \$0.15 to eliminate this detriment. In addition, and consistent with the Talent and Compensation Committee's discretion under the Executive Bonus Plan, the financial results and non-controlling interest of Silversea Cruises were excluded from the results, and interest expense related to the Silversea acquisition was added back, as approved targets were established in January 2018 before Silversea was acquired on July 31, 2018. These adjustments increased net income by \$10.8 million, or \$0.05 per share. In January 2019, we announced US GAAP and Adjusted EPS of \$8.56 and \$8.86, respectively, for 2018. Adjusted EPS, after adjusting for fuel rates and Silversea as discussed above, was \$9.06.

The Company's 2018 financial performance and the adjustments noted above resulted in a funding level of 181% for the Adjusted EPS component of the annual bonus which, when aggregated with 2018 performance across our five Corporate KPIs, yielded a funding level of 159% for Corporate performance.

Consistent with the Talent and Compensation Committee's discretion to adjust its calculations to account for events that it believes are clearly outside the bounds of Management's ability to control, it adjusted the Brand-specific financial component for Royal Caribbean International by increasing operating income by 0.7% to account for the impact of unanticipated mechanical problems on its ships. The Talent and Compensation Committee also used its discretion to adjust the Brand-specific financial component for Celebrity Cruises by increasing operating





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income by 1.3% to account for the delayed delivery of *Edge* and the impact from the typhoon in Asia, which impacted the sailings of *Millennium*.

*Individual Measurement:*

The Individual performance component of our Executive Bonus Plan awards is intended to reward managerial decision-making, behavioral interaction and overall contribution. With the exception of Mr. Fain, the NEOs have an Individual performance component. In determining the funding level of this component, the Talent and Compensation Committee considered the recommendation of Mr. Fain, including each NEO's achievement of his or her individual goals and overall contribution to our successful growth, how each one directed their area of responsibility to meet challenges in the market and the results of specific projects they were responsible for during the year.

*Actual 2018 Performance-Based Annual Incentive Payout*

Based on the above KPIs and financial performance results, the following table shows the 2018 performance-based annual incentive payout as a percentage of target for each award component:

Name	2018 Actual Funding Levels by Component (as a % of target)			Total Funding Level (as a % of target)
	Corporate	Brand	Individual	
Richard D. Fain	159.1%	n/a	n/a	159.1%
Jason T. Liberty	159.1%	n/a	150.0%	156.1%
Michael W. Bayley	159.1%	104.5%	150.0%	137.9%
Lisa Lutoff-Perlo	159.1%	112.1%	150.0%	140.4%
Harri U. Kulovaara	159.1%	n/a	150.0%	156.1%

The following table shows each NEO's target and actual annual bonus award for 2018. The 2018 actual awards for all of our NEOs were above target, reflecting the Company's strong results and our pay-for-performance philosophy.

Name	2018 Target Payout	Actual 2018 Annual Incentive Plan Payout by Component			Actual Total 2018 Payout	Actual Total 2017 Payout
		Corporate	Brand	Individual		
Richard D. Fain	\$ 2,200,000	\$ 3,500,200	n/a	n/a	\$ 3,500,200	\$ 4,327,400
Jason T. Liberty	\$ 1,080,000	\$ 1,145,577	n/a	\$ 539,946	\$ 1,685,523	\$ 1,521,533
Michael W. Bayley	\$ 1,144,000	\$ 606,823	\$398,377	\$ 571,943	\$ 1,577,143	\$ 1,519,461
Lisa Lutoff-Perlo	\$ 875,000	\$ 464,134	\$326,867	\$ 437,456	\$ 1,228,458	\$ 1,072,083
Harri U. Kulovaara	\$ 490,000	\$ 519,753	n/a	\$ 244,976	\$ 1,214,728 <sup>(1)</sup>	\$ 910,767 <sup>(1)</sup>

(1)

Includes bonuses of \$450,000 and \$150,000 received by Mr. Kulovaara in 2018 and 2017, respectively, in recognition of his efforts in connection with the delivery of three newbuild ships in 2018 and one newbuild ship in 2017.

Awards under our Executive Bonus Plan, including awards to our NEOs, may be subject to clawback if the Company is required to restate its financial results for the bonus plan year and it is determined that the applicable executive's fraud, negligence or intentional misconduct was a significant contributing factor to the restatement.



Table of Contents**Discretionary Cash Award – Delivery of Newbuild Ships**

In recognition of Mr. Kulovaara's efforts in connection with our newbuild program, and specifically in recognition of his efforts in connection with the delivery of three newbuild ships in 2018 (*Symphony of the Seas*, *Celebrity Edge* and TUI Cruises' new *Mein Schiff 1*), Mr. Kulovaara was granted a discretionary cash award of \$450,000.

**Long-Term Incentive Awards**

Our long-term incentive award program is the most significant element of our overall compensation program and comprises on average approximately 62% of target total compensation for our NEOs (70% for our Chairman & CEO and 55% for our other NEOs). We structure our long-term program to align with shareholder interests, reward the achievement of long-term goals and promote stability and corporate loyalty among the executives. We use a combination of performance shares and time-based restricted stock units (RSUs) in our long-term incentive program to effectively and efficiently balance performance and retention objectives.

At the first regularly scheduled meeting of each year (which generally occurs in February), the Talent and Compensation Committee determines the target equity award value to be delivered to each NEO. As in prior years and consistent with competitive market practice, in 2018, our long-term incentive awards for our NEOs consisted of a mix of performance shares and RSUs as follows:

Name	2017 Allocation	2018 Allocation
Richard D. Fain	75% performance shares, 25% RSUs	75% performance shares, 25% RSUs
Jason T. Liberty	60% performance shares, 40% RSUs	60% performance shares, 40% RSUs
Michael W. Bayley	60% performance shares, 40% RSUs	60% performance shares, 40% RSUs
Lisa Lutoff-Perlo	60% performance shares, 40% RSUs	60% performance shares, 40% RSUs
Harri U. Kulovaara	60% performance shares, 40% RSUs	60% performance shares, 40% RSUs

In determining the appropriate long-term incentive award value, the Talent and Compensation Committee considers:

the compensation paid to comparable executives in the Market Comparison Group;

a review of each of the elements of total direct compensation; and

the NEO's contribution to the overall results of the Company.

Ensuring that NEO compensation continues to motivate senior leadership to act consistent with long-term shareholder interests and fostering the retention of our senior leadership remain two key priorities of our executive compensation program. Long-term incentive compensation traditionally lagged the market for many of our NEOs and despite targeted increases in recent years, certain NEOs' long-term incentive award values remained below the market. Coming off of another strong performance year and recognizing each of Mr. Liberty's, Mr. Bayley's, Ms. Lutoff-Perlo's and Mr. Kulovaara's total target compensation positioning as compared to market compensation, the Talent and Compensation Committee felt it appropriate to take more aggressive steps in 2018 to better position these leaders toward the market in terms of target pay opportunity. Accordingly, to achieve the desired level of

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market competitiveness and reflect performance, the Talent and Compensation Committee approved the following increases in the target award values for each of our NEOs in 2018.

Name	Long-Term Incentive Awards		
	2017 Grant Values	2018 Grant Values	% Change
Richard D. Fain	\$ 7,700,000	\$ 7,700,000	0%
Jason T. Liberty	\$ 1,800,000	\$ 2,250,000	25.0%
Michael W. Bayley	\$ 3,000,000	\$ 3,250,000	8.0%
Lisa Lutoff-Perlo	\$ 1,650,000	\$ 1,800,000	9.0%
Harri U. Kulovaara <i>RSU Vesting Schedule</i>	\$ 750,000	\$ 900,000	20.0%

To promote retention (and except as provided in connection with our Vesting into Retirement Policy to the extent applicable), the RSUs vest in equal annual installments over a four-year period commencing on the first anniversary date of the grant. As the RSU awards are inherently tied to the performance of our common stock, we consider a vesting schedule based on continued service appropriate to provide both retention and performance incentives.

*Performance Share Plan Mechanics*

As outlined above, at least 60% of each NEO's target equity award for 2018 consisted of performance shares. For this portion of the award, the NEO receives an award on the grant date expressed as a target number of performance shares. The actual number of shares ultimately delivered to the executive in settlement of the award ranges from 0% to 200% of target based on our performance results with regards to the predetermined metric or metrics across the measurement period. To receive the shares in settlement of this award, the executive must, with certain exceptions (including as provided in connection with our Vesting into Retirement Policy to the extent applicable), remain employed through the settlement date of the award, which is three years after the grant date.

Payouts for performance share grants made in 2018 will be based on 2020 Adjusted EPS and 2020 ROIC. These metrics are equally weighted so that 50% of the total payout will be based on Adjusted EPS and 50% of the total payout will be based on ROIC. The payout level for the grants made in 2018 will be determined by our Talent and Compensation Committee in early 2021.

*Payout under 2016 Performance-Based Equity Awards*

In February 2019, the Talent and Compensation Committee determined the payout for the performance share grants issued to the NEOs in February 2016. The target payouts for such grants were based on 2018 Adjusted EPS and 2018 ROIC, which were established at the time of grant. For these payouts, ROIC was calculated by the Company as "Operating Profit" divided by "Invested Capital," whereby (i) "Operating Profit" is adjusted operating income (including income from equity pick-ups and related items) minus taxes, and (ii) "Invested Capital" is the most recent five-quarter average of total debt (i.e., current portion of long-term debt plus long-term debt) plus shareholders equity. In addition, for determining the payouts of these awards, and consistent with the Talent and Compensation Committee's discretion, the financial results and non-controlling interest of Silversea Cruises were excluded from, and interest expense related to the Silversea acquisition was added back to, the calculations of Adjusted EPS and ROIC, as approved targets were established in January 2018 before Silversea was acquired on July 31, 2018. These adjustments increased net income by \$10.8 million, or \$0.05 per share, and increased ROIC by 0.35%. In January 2019, we announced US GAAP and Adjusted EPS of \$8.56 and \$8.86, respectively, for 2018. Adjusted EPS and ROIC, after adjusting for Silversea, as discussed above, was \$8.91 and

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11.33%, respectively, both exceeding the target payouts, resulting in a payout level of 182% on the performance shares.

***Retention Equity Award***

In September 2018, the Talent and Compensation Committee awarded Mr. Kulovaara a retention equity award in the form of restricted stock units with a grant date fair market value of \$934,236, which will vest as follows: 10% on the second anniversary of the grant date, 25% on each of the third and fourth anniversaries of the grant date, and 40% on the fifth anniversary of the grant date. This award was granted to foster retention as we recognize the important contribution this executive will make to our Company in the future, and the importance of continuity.

***Equity Grant Practices***

*Timing of Equity Awards:* The Talent and Compensation Committee generally grants annual equity awards to NEOs and other members of management at the first regularly scheduled Talent and Compensation Committee meeting of the calendar year, usually held in February. Equity awards may be granted outside of the annual grant cycle in connection with events such as hiring, promotion or extraordinary performance or as part of a special retention effort.

*Calculation of Equity Awards:* To determine the number of RSUs or performance shares awarded, the total grant value is multiplied by the RSU or performance share target allocation and then divided by the fair market value of our common stock as of the grant date. Our equity plan defines fair market value of a share of our common stock as the average of the high and low sale prices of our common stock on the NYSE on the grant date.

*Share Limits:* The maximum number of shares underlying awards that may be granted to an employee in any calendar year is 500,000 shares.

*Clawback Policy:* For awards of performance shares, the Company has adopted a "clawback" policy applicable to the award recipients, including the NEOs. If, for the two year period following the end of the three-year performance period of each award, the Company is required to restate its financial results for the award performance period in a manner that would have adversely affected the number of performance shares subject to the award, the Talent and Compensation Committee may (regardless of any fault on the part of the participant) adjust the number of performance shares subject to the award to reflect the number of performance shares that would have been payable under the restated financial statements, as determined by the Talent and Compensation Committee. For example, for the grants made in February 2016, the compensation recoupment period would extend to December 31, 2020.

*Vesting into Retirement Policy:* Starting with grants made in 2014, certain of our executives may be eligible for accelerated or continued vesting of applicable long-term equity awards under our "Vesting into Retirement" policy. In recognition that different motivations and considerations prevail for officers approaching retirement, awards granted to senior executives who are at least 62 years of age and who have been employed by the Company for at least 15 years are generally not subject to forfeiture upon termination of employment after the later of the first anniversary of the grant date and the first anniversary of the date that the officer meets both the age and service criteria. In order to maintain an alignment of interest with our shareholders, these awards continue to be subject to restrictions on transfer that will lift over a four-year period for the RSUs and over a three-year period for the performance shares (mirroring the typical vesting schedule for these awards).

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***2019 Executive Compensation Program***

Our 2019 program remains generally consistent with our 2018 program in its design. Recognizing that:

the Company has delivered exceptional results over the last several years due to the significant experience and competence of our high performing management team;

recent compensation review from Willis Towers Watson shows that the market has improved in terms of variable pay targets and actual payouts over the last several years;

competition for talent continues to increase;

each of the NEOs have played and continues to play a critical role in our success; and

we expect, and have experienced, greater than market median performance,

our Talent and Compensation Committee felt it appropriate to take steps to position compensation for our NEOs closer to market in terms of target pay opportunity. The Talent and Compensation Committee thus approved compensation adjustments for Mr. Fain, Mr. Liberty, Mr. Bayley, Ms. Lutoff-Perlo and Mr. Kulovaara increasing their total target compensation for 2019 by 18%, 19%, 20%, 21% and 18%, respectively, as compared to 2018 total target compensation. These adjustments are intended to help maintain stability among our leaders and continue to enhance their focus on long-term Company performance and results.

***Stock Ownership Guidelines***

We recognize the importance of aligning our management's interests with those of our shareholders. As a result, the Board, at the recommendation of the Talent and Compensation Committee, has established stock ownership guidelines for all of our officers. Under these guidelines, the NEOs are expected to accumulate over an applicable compliance period Company stock having a fair market value equal to the multiples of their base salaries as shown in the table below.

Name	<b>Stock Ownership Guideline (as a multiple of base salary)</b>
Richard D. Fain	8 times
Jason T. Liberty	5 times
Michael W. Bayley	5 times
Lisa Lutoff-Perlo	5 times
Harri U. Kulovaara	5 times

For purposes of determining compliance with the guidelines, officers are permitted to include derivative forms of Company equity, such as unvested and vested stock options, unvested restricted stock units and unvested performance shares following completion of the performance period. Officers who have not reached their target equity ownership during the applicable compliance period are required to retain at least 50% of the net after-tax shares received upon the vesting and exercise of equity incentive awards until their target equity ownership is reached. Once an officer's target equity ownership is achieved, if such officer's equity ownership thereafter falls below the target equity ownership, such officer will not be permitted to sell any Company stock until he or she again becomes fully compliant with his or her target equity ownership under these guidelines.

***Other Elements of Compensation***

In an effort to offer our employees a competitive remuneration package, we provide them with certain retirement, medical and welfare benefits, including a qualified non-contributory profit-sharing retirement plan.



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The NEOs are eligible to participate and/or receive such benefits on a basis commensurate with that of other employees.

Since January 1, 2009, as a result of Section 457A of the U.S. Internal Revenue Code, in lieu of contributions to the Royal Caribbean Cruises Ltd. Supplemental Executive Retirement Plan (the "SERP"), each NEO receives, on an annual basis, a lump-sum cash payment of the benefits that would have been accrued under the SERP for services in a given year but for a change in tax laws. Amounts earned in 2018 in lieu of the SERP benefit are disclosed in the Summary Compensation Table - All Other Compensation column, as further detailed in the "2018 All Other Compensation Table."

We also offer the NEOs certain perquisites which include: Company paid automobile leases, discounts on Company cruises, annual executive physicals and travel expenses for guests accompanying executives on business travel. Our executives who have been on international assignment are also eligible to receive tax equalization and preparation assistance. Our NEOs also receive life insurance coverage equal to five times their annual base salary.

**Severance**

We have entered into Employment Agreements with each of the NEOs. These agreements provide for severance benefits in connection with various termination of employment scenarios, which are discussed in this proxy statement under the heading "Employment Agreements."

We currently do not specifically provide for enhanced severance benefits if termination should follow a change-of-control of the Company. However, the Talent and Compensation Committee may, in its discretion, accelerate the vesting of long-term incentive awards in connection with a change-of-control, and the vesting of long-term incentive awards will occur automatically in the event of a qualifying termination within 18 months following a change-of-control.

**Governance and Process**

Our executive compensation program is overseen by the Talent and Compensation Committee. Talent and Compensation Committee members are appointed by our Board and meet the independence and other requirements of the NYSE and other applicable laws and regulations. Talent and Compensation Committee members are selected based on a variety of factors, including their knowledge and experience in compensation matters.

As provided for in its charter, the Talent and Compensation Committee has sole discretion to retain a compensation consultant and is directly responsible for the appointment, compensation and oversight for such consultant's work. The Talent and Compensation Committee has retained Willis Towers Watson as its independent compensation consultant and has asked Willis Towers Watson to regularly provide independent advice on the following:

the composition of our Market Comparison Group;

our compensation plan risk;

current trends in executive and director compensation design; and

the overall levels of compensation and types and blend of various compensation elements.

Willis Towers Watson has direct access to the Talent and Compensation Committee's members and advises them regarding matters for which the Talent and Compensation Committee is responsible. Within this framework, Willis Towers Watson has been instructed to work collaboratively with management, including our Chairman & CEO and our Senior Vice President, Chief Human Resources Officer and her staff to gain an understanding of our business and compensation programs to help Willis Towers Watson advise the Talent and Compensation Committee. In addition, Willis Towers Watson also regularly confers with our senior management and human resources department to collect, analyze and present data requested by the Talent and Compensation Committee. The total annual expense for the executive and director compensation advising services provided to us by Willis





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Towers Watson during 2018 was approximately \$204,536. In 2018, we also purchased industry surveys from Willis Towers Watson for approximately \$29,499.

In 2018, Willis Towers Watson also assisted the Talent and Compensation Committee with the CEO Pay Ratio calculation and disclosure. Aggregate fees incurred during 2018 for these services were approximately \$75,242.

During 2018, our management separately engaged Willis Towers Watson to provide insurance brokerage services. Aggregate fees billed during 2018 for these services were approximately \$176,950. The personnel who performed these services for us operated separately and independently of the Willis Towers Watson personnel who performed executive and director compensation-related services for the Talent and Compensation Committee. While the decision to engage Willis Towers Watson for such other services was made by management, the Talent and Compensation Committee assessed whether the services provided by Willis Towers Watson raised any conflicts of interest pursuant to applicable SEC and NYSE rules and concluded that no such conflicts of interest existed that would prevent Willis Towers Watson from independently advising the Talent and Compensation Committee. We do anticipate that, given the wide scope of services provided by Willis Towers Watson, we may continue to use them to provide insurance services outside of executive compensation from time to time. Willis Towers Watson has advised the Talent and Compensation Committee of a number of policies in place to ensure that their executive compensation advice is not influenced by this other work, including that:

individuals who are not part of the executive compensation consulting team (other than designated quality reviewers) are precluded from involvement in the development of recommendations regarding the compensation of our executives and directors;

executive compensation consultants who advise us on director and executive compensation may not serve in broader relationship-management roles for us; and

the compensation paid to Willis Towers Watson executive compensation consultants is not tied to the fees paid, or to the expansion of fees paid, by us.

For each NEO other than the Chairman & CEO, the Talent and Compensation Committee consults with and receives the recommendation of the Chairman & CEO, but the Talent and Compensation Committee is ultimately responsible for determining whether to accept such recommendations. For the compensation related to the Chairman & CEO, the Talent and Compensation Committee meets in an executive session and considers the opinion of Willis Towers Watson as well as other criteria identified in this Compensation Discussion & Analysis.

**Report of the Talent and Compensation Committee**

The Talent and Compensation Committee of the Board of Royal Caribbean Cruises Ltd. has reviewed and discussed with management the Compensation Discussion & Analysis and, based on such review and discussion, has recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement and incorporated by reference into our Annual Report on Form 10-K for 2018.

**THE TALENT AND COMPENSATION COMMITTEE**

Bernt Reitan, Chairman  
John F. Brock  
Ann S. Moore  
Vagn O. Sørensen  
Donald Thompson

Table of Contents**Executive Compensation Tables****Summary Compensation Table**

The following table sets forth information regarding the compensation to our NEOs for the year ended December 31, 2018.

**2018 Summary Compensation Table**

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus <sup>(5)</sup>	Stock Awards <sup>(2)</sup>		Non-Equity Incentive Plan Compensation <sup>(3)</sup>	Change in Pension Value and NQDC Earnings <sup>(4)</sup>	All Other Compensation <sup>(6)</sup>	Total
				On-Cycle Stock Awards	One-Time Stock Awards				
Richard D. Fain <i>Chairman &amp; Chief Executive Officer</i>	2018	\$ 1,100,000		\$ 7,664,567		\$ 3,500,200		\$ 157,948	\$ 12,422,715
	2017	\$ 1,100,000		\$ 7,661,433		\$ 4,327,400	\$ 99,493	\$ 155,087	\$ 13,343,413
	2016	\$ 1,092,308		\$ 6,441,770		\$ 2,740,222		\$ 131,384	\$ 10,405,684
Jason T. Liberty <i>EVP, Chief Financial Officer</i>	2018	\$ 788,462		\$ 2,136,947		\$ 1,685,523		\$ 140,932	\$ 4,751,864
	2017	\$ 692,308		\$ 1,700,547	\$ 2,792,203	\$ 1,521,533	\$ 57,849	\$ 125,806	\$ 6,890,246
	2016	\$ 592,308		\$ 1,127,080		\$ 798,217	\$ 21,980	\$ 88,478	\$ 2,628,063
Michael W. Bayley <i>President and CEO, RCI</i>	2018	\$ 870,769		\$ 3,086,742		\$ 1,577,143		\$ 187,432	\$ 5,722,086
	2017	\$ 792,308		\$ 2,834,275	\$ 2,792,203	\$ 1,519,461	\$ 121,223	\$ 135,123	\$ 8,194,593
	2016	\$ 696,154		\$ 2,113,227		\$ 938,428	\$ 11,630	\$ 107,334	\$ 3,866,773
Lisa Lutoff-Perlo <i>President and CEO, Celebrity Cruises</i>	2018	\$ 688,462		\$ 1,786,762		\$ 1,228,458		\$ 136,520	\$ 3,840,202
	2017	\$ 596,154		\$ 1,558,865	\$ 1,861,505	\$ 1,072,083	\$ 64,609	\$ 123,701	\$ 5,276,917
	2016	\$ 546,154		\$ 1,033,167		\$ 639,532		\$ 92,045	\$ 2,310,898
Harri U. Kulovaara <i>EVP, Maritime</i>	2018	\$ 692,308	\$ 450,000	\$ 893,480	\$ 934,236	\$ 764,728		\$ 109,262	\$ 3,844,014

- (1) Amounts reflect base salary paid during the applicable calendar year in accordance with our bi-weekly payroll cycle. Although there are generally 26 pay periods in each calendar year, depending on the start and end dates of each cycle, there could be a higher (27) or lower (25) number of pay periods (or portions thereof) in any given year.
- (2) The columns titled "Stock Awards" report the fair value of restricted stock unit awards at their grant date in 2018, 2017 and 2016, as applicable, calculated in accordance with the provisions of FASB ASC Topic 718. The columns titled "Stock Awards" also include the value of the performance shares. This amount represents the fair value of the performance shares award at the service inception date (i.e. the date the Talent and Compensation Committee authorized the award) based upon the then-probable outcome of the performance conditions (i.e. the target value of the awards). The value of the 2018 performance shares on the service inception date assuming that the highest level of performance conditions will be achieved for Messrs. Fain, Liberty, Bayley, Kulovaara and Ms. Lutoff-Perlo is \$11,550,052, \$2,554,687, \$3,690,131, \$1,080,083, \$2,159,913, respectively. For the assumptions used in valuing these awards for purposes of computing this expense, please see Note 12 of the consolidated financial statements in the Company's Annual Report for the year ended December 31, 2018.
- (3) Amounts reflect cash bonus amounts earned pursuant to the Executive Bonus Plan.
- (4) Each of the NEOs participated in the Royal Caribbean Cruises Ltd. Retirement Savings Plan as of December 31, 2018. Prior to January 1, 2009, each of the NEOs participated in the Royal Caribbean Cruises Ltd. SERP. In 2018, 2017 and 2016, certain of the NEOs continued to maintain a balance in the SERP of amounts accrued prior to January 1, 2009. The aggregate above-market earnings on these NEO's holdings in the SERP are listed under the column titled "Change in Pension Value Earnings." The above-market portion of earnings is calculated as the total earnings in the plan, less the earnings that would have been achieved under an annual growth rate equal to 120% of the applicable federal long-term rate at the end of each year.

- (5) We report annual Executive Bonus Plan awards in the column titled "Non-Equity Incentive Plan Compensation". For Mr. Kulovaara, the amount reported in the "Bonus" column reflects a discretionary bonus awarded to Mr. Kulovaara in recognition of his efforts in connection with our newbuild program.
- (6) Please see the following table entitled "2018 All Other Compensation" for an itemized disclosure of this element of compensation.

Table of Contents**2018 All Other Compensation**

Name	Perquisites			Benefits Company Contributions to Qualified Deferred			Total
	Auto Lease <sup>(1)</sup>	Other Perquisites <sup>(2)</sup>	Life Insurance Policies	Compensation Plans <sup>(3)</sup>	Benefit Payouts <sup>(4)</sup>		
Richard D. Fain	\$ 24,298	\$ 0	\$ 23,650	\$ 27,500	\$ 82,500	\$ 157,948	
Jason T. Liberty	\$ 18,317	\$ 41,947	\$ 1,821	\$ 27,500	\$ 51,346	\$ 140,932	
Michael W. Bayley	\$ 14,400	\$ 79,935	\$ 6,020	\$ 27,500	\$ 59,577	\$ 187,432	
Lisa Lutoff-Perlo	\$ 25,875	\$ 36,669	\$ 5,130	\$ 27,500	\$ 41,346	\$ 136,520	
Harri U. Kulovaara	\$ 14,400	\$ 17,127	\$ 8,505	\$ 27,500	\$ 41,731	\$ 109,262	

(1) These amounts include payments or allowance for auto lease, maintenance and repairs, registration and insurance.

(2) Other perquisites include the incremental cost of airline expense for spouse travel, discounts on Company cruises, personal tax consulting services and executive physicals. The value of discounts on Company cruises for Messrs. Liberty and Bayley are \$41,947 and \$44,518, respectively, and the value of personal tax consulting services for Mr. Bayley is \$35,417.

(3) Represents Company contributions to the Royal Caribbean Cruises Ltd. Retirement Savings Plan.

(4) Since January 1, 2009, in lieu of contributions to the SERP, each NEO receives, on an annual basis, a lump-sum cash payment of the benefits that would have been accrued under the SERP for services in a given year but for the adoption of Section 457A of the Internal Revenue Code effective as of January 1, 2009. The amounts included in this column represent amounts payable to the NEOs for service in 2018, all of which are taxable as ordinary income.

Table of Contents**Grants of Plan-Based Awards in 2018**

The following table provides information for each of the NEOs regarding the range of awards potentially available for service in 2018 under our Executive Bonus Plan and equity awards granted in 2018.

**2018 Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stocks or Units	Grant Date Fair Value of Stock Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum		
Richard D. Fain	2018	\$ 2,200,000	\$ 6,600,000						
	2/13/18				44,785	89,570		\$ 5,775,026 <sup>(3)</sup>	
	2/13/18						14,928	\$ 1,889,541 <sup>(4)</sup>	
Jason T. Liberty	2018	\$ 1,080,000	\$ 2,880,000						
	2/13/18				10,469	20,938		\$ 1,277,344 <sup>(3)</sup>	
	2/13/18						6,979	\$ 859,603 <sup>(4)</sup>	
Michael W. Bayley	2018	\$ 1,144,000	\$ 3,050,667						
	2/13/18				15,122	30,244		\$ 1,845,065 <sup>(3)</sup>	
	2/13/18						10,081	\$ 1,241,677 <sup>(4)</sup>	
Lisa Lutoff-Perlo	2018	\$ 875,000	\$ 2,333,333						
	2/13/18				8,375	16,750		\$ 1,079,956 <sup>(3)</sup>	
	2/13/18						5,584	\$ 706,806 <sup>(4)</sup>	
Harri U. Kulovaara	2018	\$ 490,000	\$ 1,306,667						
	1/25/18				4,111	8,222		\$ 540,042 <sup>(3)</sup>	
	1/25/18						2,740	\$ 353,438 <sup>(4)</sup>	
	9/5/18						8,279	\$ 934,236 <sup>(4)</sup>	

(1) These values represent the target and maximum payouts under the Executive Bonus Plan.

(2) These amounts represent the target and maximum number of shares underlying the performance shares authorized by the Talent and Compensation Committee on the service inception date of February 13, 2018 for the grants to Messrs. Fain, Liberty, Bayley and Ms. Lutoff-Perlo and January 25, 2018 for the grant to Mr. Kulovaara. The actual payout levels for the grants authorized on February 13, 2018 and January 25, 2018 will be set by the Talent and Compensation Committee in early 2021 following the end of the three-year performance period. The performance shares vest in one installment on the later of the third anniversary of the service inception date and the date on which the actual payout levels are set by the Talent and Compensation Committee.

(3) Under the applicable FASB ASC Topic 718 rules, the "grant date" for accounting purposes will not be determined until the performance period has been completed because of the discretion provided to the Talent and Compensation Committee to make adjustments to the payout levels. Therefore, the amount reported in the table represents the fair value of the award at the service inception date (i.e. the date the Talent and Compensation Committee authorized the award) based upon the then-probable outcome of the performance conditions (i.e. the target value of the awards). See Note 12 of the consolidated financial statements in the Company's Annual Report for the year ended December 31, 2018, regarding assumptions underlying the valuation of these awards.

(4)

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The grant date fair values of the equity awards are calculated in accordance with FASB ASC Topic 718. See Note 12 of the consolidated financial statements in the Company's Annual Report for the year ended December 31, 2018, regarding assumptions underlying the valuation of these awards.

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***Employment Agreements***

We have employment agreements with each of our NEOs. These agreements are intended to enhance the retention and motivation of these key employees and include provisions protecting the Company such as non-competition and non-solicitation clauses. The terms of the employment agreements are summarized below and apply uniformly to all of our NEOs, except that Ms. Lutoff-Perlo's agreement is with Celebrity Cruises Inc.

Pursuant to each employment agreement, each NEO is entitled to receive an annual base salary, which may be increased, but not decreased, at any time during the term at our sole discretion. Each NEO is also eligible to participate in and receive awards, in our discretion, pursuant to any cash incentive compensation programs and any equity or long-term incentive plans on terms available to similarly situated executives of the Company.

Each NEO's employment can be terminated by us or by them at any time. If we terminate a NEO's employment without "cause" or if the NEO resigns for "good reason" (as both terms are defined in the applicable employment agreement), he or she is entitled to (i) two times his or her then-current base salary payable over the two-year period following termination, (ii) two times his or her "target" bonus under the annual Executive Bonus Plan for the year in which the termination of employment occurs, generally payable in accordance with our normal bonus payment practices, (iii) continued payment of health and medical benefits for a period of two years commencing on the date of termination, or until such time that he or she commences employment with a new employer, whichever occurs first, and (iv) payment of reasonable professional search fees relating to outplacement. At our sole discretion, each NEO is also eligible to receive a one-time lump-sum termination bonus to be paid two years after the date of termination in an amount not to exceed 50% of his or her base salary as of the date of termination. All of these payments are conditioned on the NEO executing a general release of claims for the benefit of the Company.

If the NEO's employment is terminated as a result of the NEO's death or disability, the NEO, or his or her legal representative, is entitled to, within 60 days of the NEO's death or disability (i) payment in a lump sum of compensation equal to two times his or her base salary in effect at the time of termination of employment, (ii) payment of the "target" bonus he or she would have been entitled to receive in each year during the two year period commencing on the date of termination under the annual Executive Bonus Plan and (iii) any death or disability benefit, as applicable, provided in accordance with the terms of the Company's employee benefit plans then in effect. If the NEO's employment is terminated for cause, we have no obligation to provide severance payments, except for certain amounts that were earned and unpaid as of the date of termination or as required by law.

Any outstanding equity grants held by the NEO at the time of termination will be treated in the manner provided for in each equity grant. Please see further information regarding treatment of equity grants under the heading "Payment Upon Termination of Employment."

Each NEO has agreed not to compete with the Company or its affiliates during the term of employment and for two years following termination of employment and to refrain from (i) employing the Company's or its affiliates' employees during this period or (ii) soliciting employees, consultants, lenders, suppliers or customers from discontinuing, modifying or reducing the extent of their relationship with the Company during such period. During the term of the agreements and subsequent thereto, the NEOs have agreed not to disclose or use any confidential information.



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The following table provides information on the holdings of stock options, RSUs and performance shares by the NEOs at December 31, 2018.

**Outstanding Equity Awards at 2018 Fiscal Year-End**

Name	Option Awards			Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested <sup>(1)</sup>
	Number of Securities Underlying Unexercised Options Exercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock Held That Have Not Vested	Market Value of Shares or Units of Stock Held that Have Not Yet Vested <sup>(1)</sup>	Awards: Number of Unearned Shares That Have Not Vested	
Richard D. Fain	35,012	\$ 25.16	2/8/20				
	37,513	\$ 46.18	2/8/21	120,980 <sup>(2)</sup>	\$ 11,830,634	211,104 <sup>(7)</sup>	\$ 20,643,860
Jason T. Liberty				60,405 <sup>(3)</sup>	\$ 5,907,005	43,666 <sup>(8)</sup>	\$ 4,270,098
Michael W. Bayley				86,642 <sup>(4)</sup>	\$ 8,472,721	68,124 <sup>(9)</sup>	\$ 6,661,846
Lisa Lutoff-Perlo				48,258 <sup>(5)</sup>	\$ 4,719,150	37,584 <sup>(10)</sup>	\$ 3,675,339
Harri U. Kulovaara				27,042 <sup>(6)</sup>	\$ 2,644,437	17,692 <sup>(11)</sup>	\$ 1,730,101

(1) The market value of unvested and unearned stock awards is calculated as of December 31, 2018, as the aggregate number of shares underlying outstanding unvested RSUs and performance shares multiplied by the year end closing stock price of \$97.79.

(2) Includes (i) 14,928 RSUs which vested on February 13, 2019 and (ii) 106,052 performance shares which vested on February 12, 2019.

(3) Includes (i) 1,312 RSUs which vested on February 6, 2019, (ii) 4,482 RSUs, one-half of which vested on February 9, 2019 and the remainder of which is scheduled to vest on February 9, 2020, (iii) 5,682 RSUs, one-third of which vested on February 7, 2019 and the remainder of which is scheduled to vest in equal installments on February 7, 2020 and February 7, 2021, (iv) 6,979 RSUs, one-fourth of which vested on February 13, 2019 and the remainder of which is scheduled to vest in equal installments on February 13, 2020, February 13, 2021 and February 13, 2022, (v) 25,633 RSUs, 10% of which is scheduled to vest on September 27, 2019, 25% of which are scheduled to vest on each of September 27, 2020 and September 27, 2021, and 40% of which are scheduled to vest on September 27, 2022, and (vi) 16,317 performance shares which vested on February 12, 2019.

(4) Includes (i) 2,461 RSUs, which vested on February 6, 2019, (ii) 8,404 RSUs, half of which vested on February 9, 2019 and the remainder of which is scheduled to vest on February 9, 2020, (iii) 9,470 RSUs, one-third of which vested on February 7, 2019 and the remainder of which is scheduled to vest in equal installments on February 7, 2020 and February 7, 2021, (iv) 10,081 RSUs, one-fourth of which vested on February 13, 2019 and the remainder of which is scheduled to vest in equal installments on February 13, 2020, February 13, 2021 and August 2, 2021, (v) 25,633 RSUs, 10% of which is scheduled to vest on September 27, 2019, 25% of which are scheduled to vest on each of September 27, 2020 and September 27, 2021, and 40% of which are scheduled to vest on September 27, 2022, and (vi) 30,593 performance shares, which vested on February 12, 2019.

(5) Includes (i) 1,312 RSUs which vested on February 6, 2019, (ii) 4,108 RSUs, one-half of which vested on February 9, 2019 and the remainder of which is scheduled to vest on February 9, 2020, (iii) 5,208 RSUs, one-third of which vested on February 7, 2019 and the remainder of which is scheduled to vest in equal installments on February 7, 2020 and April 19, 2020, (iv) 5,584 RSUs, one-fourth of which vested on February 13, 2019, one-fourth of which is scheduled to vest on February 13, 2020 and the remainder of which is scheduled to vest on April 19, 2020, (v) 17,089 RSUs, 10% of which is scheduled to vest on September 27, 2019, 25% of which are scheduled to vest on each of September 27, 2020 and September 27, 2021, and 40% of which are scheduled to vest on September 27, 2022, and (vi) 14,957 performance shares which vested on February 12, 2019.

(6)

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Includes (i) 2,740 RSUs, which vested on January 25, 2019, (ii) 8,544 RSUs, 10% of which is scheduled to vest on September 27, 2019, 25% of which are scheduled to vest on each of September 27, 2020 and September 27, 2021, and 40% of which are scheduled to vest on September 27, 2022, (iii) 8,279 RSUs, 10% of which is scheduled to vest on September 5, 2020, 25% of which is scheduled to vest on each of September 5, 2021 and September 5, 2022 and 40% of which is scheduled to vest on September 5, 2023, and (iv) 7,479 performance shares which vested on February 12, 2019.

(7)

Includes (i) 121,534 performance shares scheduled to vest on the date in 2020 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant and (ii) 89,570 performance shares scheduled to vest on the date in 2021 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant. The performance shares scheduled to vest in 2020

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and 2021 included in the table represent the maximum number of performance shares authorized by the Talent and Compensation Committee in February 2017 and February 2018, respectively.

- (8) Includes (i) 22,728 performance shares scheduled to vest on the date in 2020 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant and (ii) 20,938 performance shares scheduled to vest on the date in 2021 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant. The performance shares scheduled to vest in 2020 and 2021 included in the table represent the maximum number of performance shares authorized by the Talent and Compensation Committee in February 2017 and February 2018, respectively.
- (9) Includes (i) 37,880 performance shares scheduled to vest on the date in 2020 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant and (ii) 30,244 performance shares scheduled to vest on the date in 2021 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant. The performance shares scheduled to vest in 2020 and 2021 included in the table represent the maximum number of performance shares authorized by the Talent and Compensation Committee in February 2017 and February 2018, respectively.
- (10) Includes (i) 20,834 performance shares scheduled to vest on the date in 2020 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant and (ii) 16,750 performance shares scheduled to vest on the date in 2021 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant. The performance shares scheduled to vest in 2020 and 2021 included in the table represent the maximum number of performance shares authorized by the Talent and Compensation Committee in February 2017 and February 2018, respectively.
- (11) Includes (i) 9,470 performance shares scheduled to vest on the date in 2020 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant and (ii) 8,222 performance shares scheduled to vest on the date in 2021 when the Talent and Compensation Committee sets the actual payout level for purposes of such grant. The performance shares scheduled to vest in 2020 and 2021 included in the table represent the maximum number of performance shares authorized by the Talent and Compensation Committee in February 2017 and January 2018, respectively.

**Option Exercises and Stock Vested in 2018**

The following table provides information for the NEOs on stock option exercises and RSU and performance share vestings during 2018, including the number of shares acquired upon exercise or vesting and the value realized, before payment of any applicable withholding tax and broker commissions.

**Option Exercises and Stock Vested in 2018**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Richard D. Fain	81,587	\$ 7,804,204	96,514	\$ 12,159,793
Jason T. Liberty			16,050	\$ 2,014,150
Michael W. Bayley			29,619	\$ 3,715,575
Lisa Lutoff-Perlo			15,449	\$ 1,938,307
Harri U. Kulovaara			9,473	\$ 1,197,401

**Payments Upon Termination of Employment**

The following table represents payments and benefits to which the NEOs would be entitled upon termination of their employment in accordance with their employment agreements and our equity plans and agreements. Termination of employment is assumed to occur, for purposes of this table, on December 31, 2018. The table does not include amounts a NEO would be entitled to receive without regard to the circumstances of termination, such as vested equity awards or accrued retirement benefits (if retirement eligible) and deferred compensation. Please see the "Outstanding Equity Awards at 2018 Fiscal Year End" table for more information. In most cases, the NEOs' entitlements upon termination of employment are governed by their employment agreement with the Company. These arrangements are described under the heading "Employment Agreements." In addition, the treatment of outstanding equity awards, which are unvested as of the time of termination, are treated in accordance with the agreement and plan applicable to the particular award, as described below. We do not provide any cash payments in the event of a change of control absent an employment termination nor do we increase the amount of cash severance that would be due to a NEO in the event of his termination of employment in connection with a change of control.



Table of Contents**2018 Payments Upon Termination of Employment**

Name	Benefit	Voluntary Quit	Death or Disability	Termination Type		"Change of Control Termination"	Retirement	
				w/o Cause or Reason for Good Cause	Involuntary Termination for Cause			
Richard D. Fain	Severance Payment		\$ 2,200,000	\$ 2,200,000		\$ 2,200,000		
	Settlement of Outstanding Annual Bonus Award		\$ 4,400,000	\$ 4,400,000		\$ 4,400,000		
	Settlement of Outstanding Equity Awards (Restricted Stock Units and Performance Shares)		\$ 17,479,963			\$ 17,479,963		
	Medical and Dental Benefits Continuation			\$ 16,345		\$ 16,345		
	Outplacement Services			\$ 25,000		\$ 25,000		
	<b>Total</b>		<b>\$ 0</b>	<b>\$ 24,079,963</b>	<b>\$ 6,641,345</b>	<b>\$ 0</b>	<b>\$ 24,121,308</b>	<b>\$ 0</b>
Jason T. Liberty	Severance Payment		\$ 1,600,000	\$ 1,600,000		\$ 1,600,000		
	Settlement of Outstanding Annual Bonus Award		\$ 2,160,000	\$ 2,160,000		\$ 2,160,000		
	Settlement of Outstanding Equity Awards (Restricted Stock Units and Performance Shares)		\$ 7,323,102			\$ 7,323,102		
	Medical and Dental Benefits Continuation			\$ 23,793		\$ 23,793		
	Outplacement Services			\$ 25,000		\$ 25,000		
	<b>Total</b>		<b>\$ 0</b>	<b>\$ 11,083,102</b>	<b>\$ 3,808,793</b>	<b>\$ 0</b>	<b>\$ 11,131,895</b>	<b>\$ 0</b>
Michael W. Bayley	Severance Payment		\$ 1,760,000	\$ 1,760,000		\$ 1,760,000		
	Settlement of Outstanding Annual Bonus Award		\$ 2,288,000	\$ 2,288,000		\$ 2,288,000		
	Settlement of Outstanding Equity Awards (Restricted Stock Units and Performance Shares)		\$ 10,455,707			\$ 10,455,707		
	Medical and Dental Benefits Continuation			\$ 23,793		\$ 23,793		
	Outplacement Services			\$ 25,000		\$ 25,000		
	<b>Total</b>		<b>\$ 0</b>	<b>\$ 14,503,707</b>	<b>\$ 4,096,793</b>	<b>\$ 0</b>	<b>\$ 14,552,500</b>	<b>\$ 0</b>
Lisa Lutoff-Perlo	Severance Payment		\$ 1,400,000	\$ 1,400,000		\$ 1,400,000		
	Settlement of Outstanding Annual Bonus Award		\$ 1,750,000	\$ 1,750,000		\$ 1,750,000		
	Settlement of Outstanding Equity Awards (Restricted Stock Units and Performance Shares)		\$ 5,897,813			\$ 5,897,813		
	Medical and Dental Benefits Continuation			\$ 16,345		\$ 16,345		

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	Outplacement Services		\$	25,000		\$	25,000		
	<b>Total</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>9,047,813</b>	<b>\$</b>	<b>3,191,345</b>	<b>\$</b>	<b>0</b>
Harri U. Kulovaara	Severance Payment	\$	1,400,000	\$	1,400,000	\$	1,400,000		
	Settlement of Outstanding Annual Bonus Award	\$	980,000	\$	980,000	\$	980,000		
	Settlement of Outstanding LTIP Equity Awards (Restricted Stock Units and Performance Shares)	\$	3,179,935			\$	3,179,935		
	Medical and Dental Benefits Continuation			\$	15,498	\$	15,498		
	Outplacement Services			\$	25,000	\$	25,000		
	<b>Total</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>5,559,935</b>	<b>\$</b>	<b>2,420,498</b>	<b>\$</b>	<b>0</b>

With respect to the treatment of outstanding equity awards, generally, for each NEO, unvested stock options, restricted stock units and performance shares will vest and be exercisable, or settled, as applicable, in the event of the executive's death or disability, as well as in the event of termination of the executive's employment by the Company without "cause" or by the executive for "good reason" within 18 months following a "change of

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control" (as such terms are defined in the applicable equity incentive plan). With respect to the performance shares, if death or disability occurs during the performance period, the performance shares will vest based on the target number of shares underlying the award. If the NEO's employment is terminated without "cause" or by the executive for "good reason" within 18 months following a "change of control," the performance shares will vest based upon the Talent and Compensation Committee's then best estimate of the shares that will be awardable at the end of the performance period.

**Compensation Risk**

In order to assess the risk inherent in the design of our compensation plans, policies and programs, management regularly undertakes a comprehensive inventory of all plans and programs. In accordance with screening methodology approved by the Talent and Compensation Committee, in late 2018, management reviewed each plan and program for risk features and presented its findings to the Talent and Compensation Committee. Based on this review, management and the Talent and Compensation Committee believe that the nature of our business, and the material risks we face, are such that the compensation plans, policies and programs we have put in place are not reasonably likely to give rise to risks that would have a material adverse effect on our business. We believe our compensation programs and decisions include qualitative factors which restrain the influence that an overly formulaic approach may have on excessive risk-taking by management.

**CEO Pay Ratio**

In August 2015 pursuant to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring annual disclosure of the ratio of the median employee's annual total compensation to the total annual compensation of the principal executive officer ("PEO"). The Company's PEO is our CEO. The Company is presenting the required disclosure as follows:

We had approximately 77,000 employees as of December 31, 2018. For our pay ratio disclosure with respect to 2017 compensation, we calculated median gross wages for our employee population and identified our median employee, who we determined to be a crew member. There has been no change in our employee population or employee compensation arrangements that we believe would significantly impact our pay ratio disclosure. We have therefore used the same median employee for our pay ratio disclosure with respect to 2018 compensation, as permitted by Item 402(u) of Regulation S-K. The median employee's total compensation for 2018, calculated consistent with Item 402(c) of Regulation S-K, was \$19,396. This figure includes gratuities directly billed to our guests, but excludes any cash gratuities paid directly to the employee by guests. It also excludes room and board, which is provided to our crew members without charge. Based upon this methodology and the CEO's total compensation, as set forth in the Summary Compensation Table, we estimate the ratio of our CEO pay to the median employee's pay is 640:1.

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**PROPOSAL 2 ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, our shareholders have the opportunity to cast an annual advisory vote to approve the compensation of our named executive officers.

As described in detail under the heading "Compensation Discussion and Analysis," we adhere to a pay-for-performance philosophy and, to this end, our executive compensation programs are designed to align the interests of our executives with the interests of our shareholders, recruit, retain and motivate a talented and high-performing management team and reward our NEOs for their positive contributions to both short-term and long-term corporate performance. Shareholders are urged to read the Compensation Discussion and Analysis, which discusses in detail how our compensation policies and procedures implement our compensation philosophy.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of our NEOs. The vote is advisory, which means that the vote is not binding on the Company, our Board or the Talent and Compensation Committee. To the extent there is any significant vote against our NEO compensation as disclosed in this proxy statement, the Talent and Compensation Committee will evaluate whether any actions are necessary to address the concerns of shareholders.

Accordingly, we ask our shareholders to vote on the following resolution:

*RESOLVED*, that the shareholders of the Company approve, on an advisory basis, the overall compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosures set forth in the proxy statement for this Annual Meeting.

**Board Recommendation**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" ADVISORY APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.**



Table of Contents**PROPOSAL 3 RATIFICATION OF PRINCIPAL INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed PricewaterhouseCoopers LLP as our principal independent auditor for the fiscal year ending December 31, 2019. PricewaterhouseCoopers LLP has served in this capacity since 1989. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting to respond to questions from the shareholders and to make a statement if the representative desires to do so.

Although ratification by the shareholders of the appointment of our principal independent auditor is not legally required, the Board believes that such action is desirable. If the shareholders do not approve this proposal, the Audit Committee will consider selecting another independent registered public accounting firm for fiscal year 2019 and future fiscal years.

Aggregate fees for professional services rendered by PricewaterhouseCoopers LLP for the fiscal years ended December 31, 2018 and 2017 were:

	<b>2018</b>		<b>2017</b>
Audit fees	\$ 4,768,002	\$	2,866,658
Audit-related fees	\$ 184,645	\$	160,192
Tax fees	\$ 1,928,702	\$	388,318
All other fees	\$ 9,900	\$	9,000
<b>Total</b>	<b>\$ 6,891,249</b>	<b>\$</b>	<b>3,424,168</b>

Pursuant to the terms of its charter, the Audit Committee approves all audit and audit-related engagement fees and terms and all non-audit engagements with the principal independent auditor. The Chairman of the Audit Committee also has the authority to approve any non-audit engagements with the independent registered public accounting firm but must report any such approvals to the Audit Committee at its next meeting. Our Audit Committee was not called upon in the fiscal year ended December 31, 2018, to approve, after the fact, any non-audit, review or attest services pursuant to the pre-approval waiver provisions of the auditor independence rules of the SEC and the Audit Committee charter. As permitted under such SEC provisions, the Audit Committee approved, after the fact, certain services in the amount equivalent to less than 1% of the non-audit services during the fiscal year ended December 31, 2017.

The audit fees for the fiscal years ended December 31, 2018 and 2017 were for professional services rendered for the integrated audits of the Company's consolidated financial statements and system of internal control over financial reporting, quarterly reviews, statutory audits required by foreign jurisdictions, consents and review of documents filed with the SEC.

The audit-related fees for the fiscal years ended December 31, 2018 and 2017 were for the audits of the Company's retirement savings plan and other attest services.

Tax fees for the fiscal years ended December 31, 2018 and 2017 were for services performed in connection with international tax compliance, transfer pricing and organizational tax structure feasibility services.

All other fees for the fiscal years ended December 31, 2018 and 2017 were for subscription fees for accounting and auditing research software.

The Audit Committee has considered and determined that the services provided by PricewaterhouseCoopers LLP are compatible with maintaining PricewaterhouseCoopers LLP's independence.

**Board Recommendation**

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR PRINCIPAL INDEPENDENT AUDITOR FOR THE 2019 FISCAL YEAR.**



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**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee is composed of four non-management directors, each of whom meets the independence and financial literacy requirements of the New York Stock Exchange. In addition, three of the four members qualify as "audit committee financial experts" as defined by the SEC.

The Audit Committee operates under a written charter adopted by the Board of Directors, which may be accessed on our website at [rclcorporate.com/investors](http://rclcorporate.com/investors). The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. In accordance with the charter, the Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the integrity of the Company's financial statements; the qualifications, independence and performance of the Company's principal independent auditor; the performance of the Company's internal audit function; and the Company's compliance with legal and regulatory requirements in connection with the foregoing.

It is the responsibility of the Company's management to prepare the Company's financial statements and to develop and maintain adequate systems of internal control over financial reporting. The internal auditor's responsibility is to review and, when appropriate, audit the internal control over financial reporting. The Company's principal independent auditor has the responsibility to express an opinion on the financial statements and internal control over financial reporting based on an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (the "PCAOB").

As part of its oversight of the Company's financial statements, the Audit Committee reviews and discusses with both management and the Company's principal independent auditor all annual and quarterly financial statements prior to their issuance. During 2018, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and management reviewed significant accounting and disclosure issues with the Audit Committee. These reviews included discussion with the principal independent auditor of matters required to be discussed pursuant to the PCAOB's Auditing Standard No. 1301 (Communication with Audit Committees), including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with the principal independent auditor matters relating to its independence, including the written disclosures and letter from the principal independent auditor to the Audit Committee pursuant to applicable PCAOB requirements regarding the independent accountants' communications with the Audit Committee concerning independence. The Audit Committee has also considered whether the provision of non-audit services is compatible with maintaining the independence of the principal independent auditor.

The Audit Committee also has reviewed and discussed with management, the internal auditor and the principal independent auditor the Company's internal controls report and the auditor's attestation of the report.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

THE AUDIT COMMITTEE

William L. Kimsey, Chairman  
Maritza G. Montiel  
Bernt Reitan  
Vagn O. Sørensen

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**PROPOSAL 4 SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS DISCLOSURE**

The Comptroller of the State of New York, Thomas P. DiNapoli, 59 Maiden Lane, 30th Floor, New York, New York 10038, is the trustee of the New York State Common Retirement Fund (the "Fund") and has advised the Company that he intends to present a proposal at this year's Annual Meeting on behalf of the Fund. The Fund represented that it held a total of 409,105 shares of the Company's common stock as of the date the proposal was submitted. In accordance with applicable proxy regulations, the proposal and the supporting statement, for which the Board and the Company accept no responsibility, are reproduced below.

\*\*\*\*\*

**Resolved**, that the shareholders of **Royal Caribbean Cruises Ltd.** ("Company") hereby request that the Company provide a public report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
  - a. The identity of the recipient as well as the amount paid to each; and
  - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

**Supporting Statement**

As long-term shareholders of Royal Caribbean Cruises Ltd., we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations; independent expenditures; or electioneering communications on behalf of federal, state, or local candidates.

Disclosure is in the best interest of the company and its shareholders. Moreover, the Supreme Court's Citizens United decision recognized the importance of political spending disclosure for shareholders when it said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

Relying on publicly available data does not provide a complete picture of the Company's political spending. For example, the Company's payments to trade associations used for political activities are undisclosed and unknown. In some cases, even management does not know how trade associations use their company's money politically. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies that support political disclosure and accountability and present this information on their websites.

The Company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.



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**Board of Directors' Response**

After careful consideration, and for the following reasons, the Board believes that the proposal is not in the best interests of the Company or its shareholders, and the Board recommends voting "**AGAINST**" this proposal.

The Company has historically made a limited number of political contributions, where such contributions are permitted by law, and such political contributions are not financially material to the Company. Therefore, we do not believe that additional disclosure of such amounts on a semiannual basis would be beneficial to our shareholders, and the cost of doing so would far exceed any perceived advantage.

2019 marks the Company's fourth straight year being recognized by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as one of the World's Most Ethical Companies. We have a long-standing tradition of being a responsible corporate citizen and are committed to maintaining the highest ethical standards. The Company may choose to use funds to advance matters of public policy that are consistent with sustaining the Company's business and core values. The Company maintains a compliance process to ensure that the Company's political contributions are aligned with its Code of Business Conduct and Ethics and consistent with the laws and regulations that govern such practices in the United States and internationally. Accordingly, the Company has adopted the Political Contributions Policy (the "Policy"), which is available on our investor relations website at <https://www.rclinvestor.com/leadership-governance/corp-gov/political-contributions-policy/>. In addition to the Company's Code of Business Conduct and Ethics, the Policy governs the Company's consideration of and approval requirements with respect to political activities, including political contributions at the federal, state, and local levels. Under the Policy, the Company's political contributions are subject to extensive internal review and oversight to confirm their compliance with applicable laws and regulations and to ensure they are consistent with the Company's Code of Business Conduct and Ethics and its values.

The proposed resolution would require the Company to disclose "indirect" political contributions. The term "indirect" is vague and unclear, but the Company does not believe it has made any significant political contributions "indirectly". From time to time, the Company pays annual membership dues to industry trade associations which may lobby and advocate on behalf of their members. Any such decisions are governed by those associations' respective bylaws and the Company does not control how they use membership dues. While we do not always share or agree with all views espoused by such trade associations, we believe that they are often helpful for the purpose of building a consensus among organizations with similar interests and advocating in favor of those interests. Requiring disclosure of political contributions made indirectly through industry trade associations may risk misrepresenting our political activities. Further, the Company believes that these trade associations comply with applicable laws with respect to their political activities. Thus, the Board believes that additional disclosures regarding the specific payments made to these trade associations would not benefit shareholders.

We agree that transparency and accountability with respect to political activity are important. The Company believes that our current disclosure standards, compliance policies and mandatory public disclosure requirements already required under law appropriately address the concerns cited in the shareholder proposal. In sum, the Company already has an appropriate system of oversight in place, including the Policy, to confirm that the Company's political contributions comply with applicable law and are in the best, long-term interests of the Company and our shareholders. Accordingly, the Board believes that preparing an additional report as requested by the proposal would be an unnecessary and imprudent use of the Company's time and resources.

**Board Recommendation**

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "AGAINST" THE SHAREHOLDER PROPOSAL REGARDING POLITICAL CONTRIBUTIONS DISCLOSURE.**

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**PROPOSALS OF SHAREHOLDERS FOR NEXT YEAR**

Proposals of shareholders intended to be considered for inclusion in our proxy statement for our 2019 Annual Meeting of Shareholders must be received by our Corporate Secretary no later than December 20, 2019 at our executive offices: 1050 Caribbean Way, Miami, Florida 33132. Such proposals will need to comply with SEC regulations regarding the inclusion of shareholder proposals in company sponsored proxy statements. Any proposals for consideration at our next annual meeting of shareholders, but not included in our proxy statement, must be received by the Corporate Secretary of the Company no later than January 31, 2020.

**SOLICITATION OF PROXIES**

This proxy statement is furnished in connection with the solicitation of proxies by the Company on behalf of the Board. We will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, we expect that a number of our employees will solicit shareholders for the same type of proxy, personally and by telephone or other electronic means. None of these employees will receive any additional or special compensation for assisting us in soliciting proxies. Okapi Partners has been retained to assist in soliciting proxies at a fee of approximately \$10,000, plus distribution costs and other expenses. We will, on request, reimburse banks, brokerage firms and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners of our common stock and obtaining their voting instructions.

**IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY HOLDER DOCUMENTS**

Under the SEC rules, delivery of one proxy statement and annual report to two or more investors sharing the same mailing address is permitted, under certain conditions. This procedure, called "householding," applies to you if all of the following criteria are met:

- (1) You have the same address as other security holders registered on our books;
- (2) You have the same last name as the other security holders; and
- (3) Your address is a residential address or post office box.

If you meet these criteria, you are eligible for householding and the following terms apply. If you are not eligible, please disregard this notice.

**For Registered Shareholders**

Only one proxy statement and annual report will be delivered to the shared mailing address. You will, however, still receive separate mailings of important and personal information, as well as a separate proxy card.

***What do I need to do to receive just one set of annual disclosure materials?***

You do not have to do anything. Unless Broadridge is notified otherwise within 60 days of the mailing of this notice, your consent is implied and only one set of materials will be sent to your household. This consent is considered perpetual, which means you will continue to receive a single proxy statement/annual report in the future unless you notify us otherwise.

***What if I want to receive multiple sets of materials?***

If you would like to receive multiple sets of materials, call or write Broadridge at 800-542-1061 or 51 Mercedes Way, Edgewood, NY 11717. A separate set of materials will be sent to you promptly.

***What if I consent to have one set of materials mailed now, but change my mind later?***

Call or write Broadridge to turn off the householding instructions for yourself. You will then be sent a separate proxy statement and annual report within 30 days of receipt of your instruction.





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*The reason I receive multiple sets of materials is that some of the stock belongs to my children. What happens when they move out and no longer live in my household?*

When there is an address change for one of the members of the household, materials will be sent directly to the shareholder at his or her new address.

**ANNUAL REPORT ON FORM 10-K**

WE WILL PROVIDE WITHOUT CHARGE TO EACH PERSON SOLICITED BY THIS PROXY STATEMENT, UPON THE WRITTEN REQUEST OF SUCH PERSON, A COPY OF OUR ANNUAL REPORT ON FORM 10-K, AS FILED WITH THE SEC FOR OUR MOST RECENT FISCAL YEAR. SUCH WRITTEN REQUESTS SHOULD BE DIRECTED TO INVESTOR RELATIONS, ROYAL CARIBBEAN CRUISES LTD., 1050 CARIBBEAN WAY, MIAMI, FLORIDA 33132.

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## ANNEX A TO PROXY STATEMENT

**Reconciliation of non-GAAP and GAAP financial measures**

In the proxy statement, Adjusted Net Income and Adjusted EPS for 2018 and 2017 were calculated as follows (in thousands, except per share data):

	<b>Year Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Net Income attributable to Royal Caribbean Cruises Ltd.</b>	\$ 1,811,042	\$ 1,625,133
<b>Adjusted Net Income attributable to Royal Caribbean Cruises Ltd.</b>	1,873,363	1,625,133
<b>Net Adjustments to Net Income attributable to Royal Caribbean Cruises Ltd. Increase</b>	\$ 62,321	\$
<b>Adjustments to Net Income attributable to Royal Caribbean Cruises Ltd.:</b>		
Impairment loss related to Skysea Holding	\$ 23,343	\$
Impairment and other costs related to exit of tour operations business <sup>(1)</sup>	11,255	
Transaction costs related to the Silversea Cruises acquisition	31,759	
Amortization of Silversea Cruises intangible assets resulting from the acquisition	2,046	
Noncontrolling interest adjustment <sup>(2)</sup>	3,156	
Impact of change in accounting principle <sup>(3)</sup>	(9,238)	
<b>Net Adjustments to Net Income attributable to Royal Caribbean Cruises Ltd. Increase</b>	\$ 62,321	\$
<b>Earnings per Share Diluted</b>	\$ 8.56	\$ 7.53
<b>Adjusted Earnings per Share Diluted</b>	8.86	7.53
<b>Net Adjustments to Earnings per Share Increase</b>	\$ 0.30	\$
<b>Adjustments to Earnings per Share:</b>		
Impairment loss related to Skysea Holding	\$ 0.11	\$
Impairment and other costs related to exit of tour operations business <sup>(1)</sup>	0.05	
Transaction costs related to Silversea Cruises acquisition	0.15	
Amortization of Silversea Cruises intangible assets resulting from the acquisition	0.01	
Noncontrolling interest adjustment <sup>(2)</sup>	0.02	
Impact of change in accounting principle <sup>(3)</sup>	(0.04)	
<b>Net Adjustments to Earnings per Share Increase</b>	\$ 0.30	\$
<b>Weighted-Average Shares Outstanding Diluted</b>	211,554	215,694

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- (1) In 2014, we created a tour operations business that focused on developing, marketing and selling land based tours around the world through an e-commerce platform. During the second quarter of 2018, we decided to cease operations and exit this business. As a result, we incurred exit costs, primarily consisting of fixed asset impairment charges and severance expense.
- (2) Adjustment made to exclude the impact of the contractual accretion requirements associated with Silversea Cruises Group Ltd.'s noncontrolling interest.
- (3) In January 2018, we elected to change our accounting policy for recognizing stock-based compensation expense from the graded attribution method to the straight-line attribution method for time-based stock awards.

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