

# ROYAL CARIBBEAN CRUISES LTD. CORPORATE GOVERNANCE PRINCIPLES

## Governance Principles

The following principles have been approved by the Board of Directors (the “Board”) and, along with the charters and key practices of the Board committees, provide the framework for the governance of Royal Caribbean Cruises Ltd. (“Royal Caribbean” or the “Company”). The Board will review these principles and other aspects of Royal Caribbean governance annually or more often if deemed necessary.

**1. Role of Board and Management.** Royal Caribbean's business is conducted by its employees, managers and officers, under the direction of the chief executive officer (“CEO”) and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board of Directors is elected by the shareholders to oversee management and to exercise its business judgment in furtherance of the long-term best interests of the Company and the shareholders. Both the Board of Directors and management recognize that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including our employees, guests, suppliers, Royal Caribbean communities, government officials and the public at large.

**2. Functions of Board.** The Board of Directors has regularly scheduled meetings during the year (normally four meetings) at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. The Board also has special meetings called in accordance with the Bylaws as necessary or desirable. Directors are expected to attend all scheduled Board and relevant committee meetings. In addition to its general oversight of management, the Board also performs a number of specific functions (directly and through committees), including:

- selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- providing counsel and oversight on the selection, evaluation, development and compensation of senior executives;
- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

- satisfying itself that management has a process in place to assess and manage the Company's exposure to risk, it being understood that senior management is responsible for assessing and managing the Company's exposure to risk and its response to such risk;
- reviewing the processes in place for maintaining the integrity of the Company, including the integrity of the financial statements, compliance with law and ethics, relationships with guests and suppliers and the integrity of relationships with other stakeholders;
- reviewing with management the Company's corporate citizenship practices, including sustainability, environmental and corporate social responsibility initiatives; and
- evaluating the Board and its committees' structure, processes and performance.

**3. Qualifications.** Directors should possess the highest personal and professional ethics, integrity and values, demonstrate the ability to act candidly, show a willingness and ability to evaluate, challenge and stimulate, have demonstrated leadership ability and a proven record of accomplishment as well as expertise in business, professional, academic, political or community affairs, and be committed to representing the long-term interests of the shareholders. The Board recognizes the value of diversity and endeavors to have a Board comprised of individuals with varying backgrounds (including diversity of race, gender and ethnicity) and experience in business and in other areas that may be relevant to the Company's activities. Whenever the Board conducts a search for a new director, the Board will consider at least one woman and one underrepresented minority in the slate of potential candidates.

The Board will periodically review the appropriate skills and expertise required of the Board in order to successfully carry out its responsibilities. This assessment should include issues of diversity (including diversity of race, gender and ethnicity), business experience and expertise – all in the context of an assessment of the perceived needs of the Board at that time. In addition, the Board self-evaluation process described below will be an important determinant for Board tenure.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serve on

the Board for an extended period of time. Directors should offer their resignation in the event any significant change in their personal circumstances makes them unable to devote sufficient time to their responsibilities as a Board member.

The Board does not believe that arbitrary restrictions on other activities of the Board members, arbitrary term limits on directors' service or mandatory retirement age are appropriate, nor does it believe that directors should expect to be re-nominated annually until they resign. However, every director must notify the Nominating and Corporate Governance Committee of any material change in professional roles and responsibilities which would impact the Company's disclosures as well as his or her acceptance of any invitation to serve on the board of (i) any other public company or (ii) any private enterprise involved in the cruise business. The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and shall make a recommendation to the Board as to any action to be taken with respect to continued Board membership. No member of the Audit Committee shall simultaneously serve on the audit committee of more than three public companies unless the Board determines that such simultaneous service would not impair the ability of such member to serve on the Audit Committee.

**4. Independence of Directors.** At least two-thirds of the directors of the Company shall be independent directors under the corporate governance rules of the New York Stock Exchange (the "NYSE Rules"). Directors who do not meet the independence standards under the NYSE Rules 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 independence standards under the NYSE Rules.

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

- a. A director will not be independent if:
  - (i) 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;

- (ii) 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;
- (iii) the director is a current partner or employee of Royal Caribbean's internal or external independent principal 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;
- (iv) 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;
- (v) 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
- (vi) 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 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).

- b. The following commercial relationships will not be considered to be material relationships that would impair a director's independence: (i) if a Royal Caribbean 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 gross revenues of the company he or she serves as an employee (whichever is greater); (ii) if a Royal Caribbean 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 \$1,000,000 or two percent of the total consolidated assets of the company he or she serves as an employee (whichever is greater); and (iii) 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 gross revenues of the company the immediate family member serves as an executive officer (whichever is greater).

Each director will regularly disclose to the Board whether his or her relationships satisfy these independence tests. The Board will review these disclosures and make its independence determinations. These determinations will be made public annually prior to Board elections.

In accordance with the Securities Exchange Act of 1934, as amended, the Company will not make any personal loans or extensions of credit to directors or executive officers.

**5. Size of Board and Selection Process.** The directors are elected each year by the majority vote of the Company's shareholders at the annual meeting of shareholders.

Prior to each annual meeting, the Board, upon considering the recommendation of the Nominating and Corporate Governance Committee, proposes a slate of nominees to the shareholders for election.

The Board shall consist of ten to thirteen persons, and the Board believes that this is an appropriate size for Royal Caribbean. The Board will

periodically review and decide upon whether the number of directors on the Board should be modified based upon the size, breadth, diversity and needs of Royal Caribbean.

## **6. Role of Lead Director**

The Nominating and Corporate Governance Committee will recommend and the non-management directors will elect a Lead Director from among the independent directors serving on the Board.

The Lead Director will serve at the pleasure of the non-management directors and may be replaced at any time by a majority of the non-management directors. The Lead Director will have the duties assigned by the Board from time to time, which will include at a minimum:

- presiding at all meetings of the Board at which the Chairman is not present, including meetings of the non-management directors;
- serving as a liaison between the Chairman and the non-management directors;
- advising the Chairman on and approving Board meeting agendas, taking into account requests of other Board members;
- advising the Chairman on and approving the information sent to the Board, taking into account requests of the other Board members;
- advising the Chairman on and approving the schedule of Board meetings to assure that there is sufficient time for discussion of all agenda items;
- calling meetings of the non-management directors; and
- if requested by major shareholders, ensuring that he or she is available for consultation and direct communication.

**7. Board Committees.** The Board has established the following committees to assist the Board in discharging its responsibilities: (i) Audit, (ii) Talent and Compensation, (iii) Safety, Environment and Health and (iv) Nominating and Corporate Governance. The current charters of these committees are posted on the Royal Caribbean website, and will be mailed to shareholders on written request. The committees regularly report highlights of their meetings to the full Board. The committees may hold

meetings in conjunction with the full Board. The Board may also establish from time to time one or more ad hoc committees with limited durations and for special or immediate purposes.

**8. Independence of Committee Members.** In addition to the requirement that all of the members of the Audit, Talent and Compensation and Nominating and Corporate Governance Committees satisfy the independence standards discussed in section 4 above, members of the Audit Committee and Talent and Compensation Committee must also satisfy all additional independence requirements imposed on members of such committees by the NYSE Rules and/or the rules of the Securities and Exchange Commission.

**9. Meetings of Non-Management Directors and Independent Directors.** The non-management directors will regularly meet in executive sessions as and when needed. In addition, if any non-management director does not qualify as independent, the independent directors will meet in executive session at least once per year. The Lead Director will preside at such meetings. These sessions will provide the opportunity for discussion of topics as the non-management or independent directors, as applicable, may find appropriate. The non-management directors and/or the independent directors may meet without management present at such other times as determined by the Lead Director.

**10. Self-Evaluation.** The Board and each of the committees will perform an annual self-evaluation. These evaluations will be discussed annually with the Board.

**11. Setting Board Agenda.** The Chairman shall determine the agenda for each scheduled Board meeting. In setting the agenda, the Chairman shall consult with and obtain the approval of the Lead Director. The applicable committee chair shall determine the agenda for each committee meeting. Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Chairman, the Lead Director or appropriate committee chair at any time.

**12. Ethics and Conflicts of Interest.** The Board expects Royal Caribbean directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the guidelines in Royal

Caribbean's corporate Code of Business Conduct and Ethics (the "Code") posted on the Company website. All employees, officers and directors should act in the best interest of the Company and must ethically handle situations that present a conflict between their respective interests and the interests of the Company. If a conflict of interest arises for a director, the director shall promptly inform the Chairman. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

**13. Reporting of Accounting or Auditing Concerns.** Anyone who has a concern about Royal Caribbean's accounting, internal accounting controls or auditing matters may communicate that concern directly to a Compliance and Ethics Contact identified in the Code or the Company's Compliance and Ethics AWARE Hotline. Such communications may be reported on a confidential, anonymous basis, and may be e-mailed, submitted in writing, or reported by phone as provided in the Code. Substantive concerns relating to accounting, internal controls, auditing or officer conduct shall be regularly reported to the Audit Committee or, if significant, shall be sent immediately to the Chairman and to the chair of the Audit Committee who, in turn, may direct that certain matters be presented to the full Board. The Audit Committee and the full Board may each direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Code prohibits any employee from retaliating or taking adverse action against anyone for raising in good faith a compliance or ethics concern.

**14. Compensation of Board.** The Talent and Compensation Committee shall have the responsibility for recommending to the Board compensation and benefits for non-management directors. In discharging this duty, the committee shall be guided by three goals: compensation should fairly pay directors for performing their responsibilities in a company of Royal Caribbean's size and scope; compensation should align directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent and easy for shareholders to understand. At least annually, the Talent and Compensation Committee shall review non-management director compensation and benefits.

**15. Stock Ownership.** Each director is required to accumulate \$\$300,000 worth of Royal Caribbean common stock, including restricted stock and restricted stock units, within three years of becoming a director of Royal Caribbean. If the value of a director's stock should fall below this



amount, the director shall not be permitted to sell any Royal Caribbean stock until the value once again exceeds this amount.

**16. Talent Development and Succession Plan.** The Talent and Compensation Committee shall have responsibility for reviewing the Company's talent development programs and initiatives for senior executives and for periodically reviewing the Company's programs and practices for overseeing the continuity of capable management. The Talent and Compensation Committee, in consultation with the Chairman and CEO, will make an annual report to the Board on CEO succession planning. As part of this report, the Committee will identify the skills, experiences and attributes that it believes are required and/or desirable for the CEO in light of the Company's then current business strategy, prospects and challenges. The entire Board will work with the Committee and the Chairman and CEO to evaluate potential successors to the CEO position. Through this process, the Board will receive presentations that include qualitative evaluations of any potential internal successors. The Chairman and Chief Executive Officer will at all times make available his recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. Additionally, the Board will at least annually review and revise as necessary the Company's emergency management succession plan, which details the actions to be taken by specific individuals in the event a member of executive management suddenly dies or becomes incapacitated. The Company will include in its proxy materials for its annual meeting of shareholders information regarding the Company's succession planning process.

**17. Annual Compensation Review of Senior Executives.** The Talent and Compensation Committee shall annually approve the goals and objectives for compensating the CEO. That Committee shall evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. The committee shall also annually approve the compensation structure and shall evaluate the performance of the Company's senior executives before approving their salary, bonus and other incentive and equity compensation. No less than triennially nor more than annually (as determined by the Talent and Compensation Committee taking in account shareholder vote from time to time), Royal Caribbean shall submit the compensation of the persons named as "named executive officers" in the proxy statement to a non-binding

shareholder vote in accordance with rules promulgated by the Securities and Exchange Commission.

**18. Access to Senior Management.** Non-management directors are encouraged to contact members of senior management of the Company as they deem necessary.

**19. Access to Independent Advisors.** The Board, the Lead Director and its committees shall have the right at any time to retain independent outside financial, legal or other advisors.

**20. Director Orientation.** The Chairman shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties.

**21. Interested Party Communications.** Shareholders and other interested parties who wish to communicate with non-management directors, including to make recommendations of potential director candidates, can address their communications to the attention of Royal Caribbean's Corporate Secretary. The Corporate Secretary will maintain a record of all such other communications and promptly forward to the Lead Director those that the Corporate Secretary believes require immediate attention. The Corporate Secretary shall periodically provide the Lead Director with a summary of all such communications. The Lead Director shall notify the Board of Directors or the chairs of the relevant committees of the Board of those matters that he or she believes are appropriate for further action or discussion.

*Approved February 23, 2021*