**Remuneration Agreement**

**Dated this day of 20**

**Between:**

1. [*names of joint official liquidators*], the joint official liquidators (the “JOLs”) of [*name of company in official liquidation*] (in official liquidation) (the “Company”); and
2. The liquidation committee of the Company constituted in accordance with Order 9, rule 1 of the Companies Winding Up and Restructuring Rules 2018 (as amended) (“CWRR”) (the “Liquidation Committee”).

(each a “Party” and together the “Parties”)

**Whereas**:

1. By Order of the Grand Court of the Cayman Islands (“Grand Court”) dated [*date of winding up order*] the JOLs were appointed joint official liquidators of the Company.
2. Part IV of the Insolvency Practitioners’ Regulations 2018 (as amended) (the “Regulations”) requires the JOLs and the Liquidation Committee to negotiate and agree the basis upon which the JOLs and their staff are to be remunerated out of the assets of the Company.
3. Accordingly, the JOLs and the Liquidation Committee hereby record their agreement in accordance with Regulation 14 of the Regulations as to the applicable basis of remuneration for the JOLs and their staff (the “JOLs’ Remuneration”).
4. [*If this is a first agreement, delete line D*]. A Remuneration Agreement covering the JOLs remuneration for the period [*date*] to [*date*] was approved by the Liquidation Committee on [*date*].

**IT IS AGREED AS FOLLOWS:**

**Commencement**

1. This remuneration agreement (“Agreement”) shall constitute the Remuneration Agreement (as that term is defined by Regulation 14 of the Regulations) between the JOLs and the Liquidation Committee and shall be effective as of [*date of winding up order or other relevant date for subsequent agreements*].
2. The terms of this Agreement are at all times subject to the provisions of the Regulations, a copy of which is attached hereto at **Schedule A**. In the event of any conflict between the terms of this Agreement and the Regulations, the Regulations shall prevail.

*[Remuneration Option A – Hourly Rates – Delete as appropriate]*

**Basis of JOLs’ Remuneration – Hourly Rates**

1. The JOLs’ Remuneration shall be paid from the assets of Company on a time spent basis at the hourly rates specified in this Agreement.
2. For the period from [*date of winding up order*] to 31 December [*year of first appointment*], the hourly rates of the JOLs’ Remuneration shall be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Grade of Staff (as each grade is defined in Part A of the schedule to the Regulations)** | **Applicable Rate in functional currency of liquidation.** | **Minimum Allowable Rate (US$)** | **Maximum Allowable Rate (US$)** |
| Official Liquidator and any Partner |  |  |  |
| Consultant |  |  |  |
| Director or Principal |  |  |  |
| Senior Manager |  |  |  |
| Manager |  |  |  |
| Assistant Manager |  |  |  |
| Senior or Senior Accountant |  |  |  |
| Administrator |  |  |  |

1. The Parties shall annually review and renegotiate the hourly rates of the JOLs’ Remuneration (once agreed, the “Annual Hourly Rates”) provided that:
   * 1. The JOLs and their staff shall not be obliged to accept Annual Hourly Rates that are less than the minimum hourly rates prescribed in Part A of the schedule to the Regulations (as set out above);
     2. The Liquidation Committee shall not agree to Annual Hourly Rates that exceed the maximum hourly rates prescribed in Part A of the schedule to the Regulations (as set out above);
     3. The Annual Rates shall take effect on the 1st of January of the calendar year in which they are agreed unless some later date in that calendar year is agreed between the Parties (the “Effective Date”).
     4. The Parties’ agreement of the Annual Hourly Rates for each year subsequent to those set out in this Agreement shall be recorded by way resolution passed in accordance with CWRR Order 9, rule 5 which shall state the Annual Hourly Rates and the Effective Date; and
     5. Any failure by the Parties to agree the Annual Hourly Rates which are to apply in any calendar year shall be referred to the Grand Court for determination in accordance with regulation 15(4) of the Regulations.
2. Prior to receiving payment of the JOLs’ Remuneration from the assets of the Company the JOLs shall seek approval from the Grand Court in accordance with the procedure set out in Part III of the Regulations, provided always that in advance of obtaining the approval of the Liquidation Committee and the Grand Court the JOLs shall be entitled to receive a payment on account of up to 80% of the JOLs’ Remuneration in accordance with regulation 10(2) of the Regulations.
3. All liquidators’ reports and accounts provided to the Liquidation Committee in accordance with regulations 12(2) – 12(4) (inclusive) of the Regulations (the “Remuneration Report”) shall provide full particulars of the work done, the staff engaged, and the hourly rates applicable to each grade of staff, and shall contain a remuneration by task summary in substantially the same form as attached hereto at **Schedule B**.

[*Remuneration* *Option B –Percentage of Distributions – Delete as appropriate*]

**Basis of JOLs’ Remuneration – Percentage of Distributions**

1. The JOLs’ Remuneration shall be paid from the assets of Company on the basis of a percentage of distributions as follows:

*[where Company is insolvent complete and add the following table]*

|  |  |  |
| --- | --- | --- |
| **Net amount available for distribution to unsecured creditors after payment of the expenses of the liquidation (excluding the JOLs’ Remuneration)** | **Remuneration Percentage Rate** | **Maximum Allowable Percentage Rate Per Regulations** |
| US0.01 - *[net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *etc* |  |  |

*[where Company is solvent complete and add following table*]

|  |  |  |
| --- | --- | --- |
| **Net amount available for distribution to members after payment of the expenses of the liquidation (excluding the JOLs’ Remuneration)** | **Remuneration Percentage Rate** | **Maximum Allowable Percentage Rate Per Regulations** |
| *[US$]*0.01 - *[net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net distribution amount]* | *[percentage rate]* | *[percentage rate]* |
| *etc* |  |  |

1. The Parties acknowledge that the agreed percentage rate(s) shall not exceed the maximum percentage rates prescribed in Part B of the Schedule to the Regulations (as set out above).
2. Prior to receiving payment of the JOLs’ Remuneration from the assets of the Company the JOLs shall seek approval from the Grand Court in accordance with the procedure set out in Part III of the Regulations, provided always that in advance of obtaining the approval of the Liquidation Committee and the Grand Court the JOLs shall be entitled to receive a payment on account of up to 80% of the JOLs’ Remuneration in accordance with Regulation 10(2) of the Regulations.

[*Remuneration* *Option C –Percentage of Realisations – Delete as appropriate*]

**Basis of Remuneration – Percentage of Realisations**

1. The JOLs’ Remuneration shall be paid from the assets of Company on the basis of a percentage of realisations as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Net amount realised on sale of assets after the deduction of costs of sale** | **Remuneration Percentage** | **Total amount recovered from Company’s debtors and contingent debtors** | **Remuneration Percentage** | **Maximum Allowable Percentage Rate** |
| US$0.01 - *[net sale amount]* | *[percentage rate]* | US$0.01 - *[recovered amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net sale amount]* | *[percentage rate]* | *[further recovered amount]* | *[percentage rate]* | *[percentage rate]* |
| *[further net sale amount]* | *[percentage rate]* | *[further recovered amount]* | *[percentage rate]* | *[percentage rate]* |
| *etc* |  |  |  |  |

1. The Parties acknowledge that the agreed percentage rate(s) shall not exceed the maximum percentage rates prescribed in Part C of the Schedule to the Regulations (as set out above).
2. Prior to receiving payment of the JOLs’ Remuneration from the assets of the Company the JOLs shall seek approval from the Grand Court in accordance with the procedure set out in Part III of the Regulations, provided always that in advance of obtaining the approval of the Liquidation Committee and the Grand Court the JOLs shall be entitled to receive a payment on account of up to 80% of the JOLs’ Remuneration in accordance with Regulation 10(2) of the Regulations.

**General**

This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands.

The Grand Court shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement and the parties hereby submit to the exclusive jurisdiction of the Grand Court.

**SIGNED** by

*[provide signature blocks for JOLs and all Members of the Liquidation Committee]*

**Schedule A**

[insert Regulations in final document]

**Schedule B**

Particulars of work done by the JOLs and their staff for the period from [DATE] to [DATE]

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Administration** | **Appointment** | **Assets** | **Collection & review of information** | **Creditors** | **Investigations & legal** | **Investors** | **Liquidation Committee** | **Liquidators’ reports** | **Total** | |
| Hours | Cost |
| Liquidator / Partner | Hours |  |  |  |  |  |  |  |  |  |  |  |
| Consultant |  |  |  |  |  |  |  |  |  |  |  |
| Director / Principal |  |  |  |  |  |  |  |  |  |  |  |
| Senior Manager |  |  |  |  |  |  |  |  |  |  |  |
| Manager |  |  |  |  |  |  |  |  |  |  |  |
| Assistant Manager |  |  |  |  |  |  |  |  |  |  |  |
| Senior / Senior Accountant |  |  |  |  |  |  |  |  |  |  |  |
| Administrator |  |  |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |  |  |
| Cost |  |  |  |  |  |  |  |  |  |  |  |
| Average hourly rate |  |  |  |  |  |  |  |  |  |  |  |  |