

EXHIBIT C

RETAINER AGREEMENT

Exhibit 1

SEA CONTAINERS LTD., ET AL.
OFFICIAL COMMITTEE OF UNSECURED CREDITORS

As of October 26, 2006

To: The Official Committee of Unsecured Creditors (the "Official Committee") of Sea Containers Ltd., et al. (collectively, the "Company" or the "Debtors"), in care of:

Official Committee Co-Chair:
Dune Capital Management
623 Fifth Avenue
30th Floor
New York, NY 10022

Attn: Andrew Cohen

Andrew:

Effective as of October 26, 2006, this letter confirms the terms of the agreement among Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey") and the Official Committee to provide financial advisory and related services to the Official Committee in connection with the Debtors' cases (the "Cases") filed pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and the rules promulgated thereunder (the "Bankruptcy Rules") which are pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

1. **Scope of Engagement.** Houlihan Lokey's representation of the Official Committee in connection with the Cases will include:

- (a) evaluating the assets and liabilities of the Company and its subsidiaries (the "Group");
- (b) analyzing and reviewing the financial and operating statements of the Group;
- (c) analyzing the business plans and forecasts of the Group;
- (d) evaluating all aspects of the Group's near-term liquidity, including various financing alternatives available to the Group and, if required, any exit financing in connection with any plan of reorganization filed by the Debtors or any other plan(s) (a "Plan") and any budgets relating thereto;
- (e) providing such specific valuation or other financial analyses as the Official Committee may require;

Los Angeles • 1920 Century Park West • Los Angeles, California 90067 • tel.310.553.8871 • fax.310.553.2173
New York Minneapolis Chicago San Francisco Washington, D.C. Dallas Atlanta London Hong Kong
Broker/Dealer services through Houlihan Lokey Howard & Zukin Capital.

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 2

- (f) assisting the Official Committee in negotiations with the Company, its advisors, and other interested third parties;
- (g) helping with the claim resolution process and distributions relating thereto;
- (h) developing, evaluating, and assessing the financial issues and options concerning any proposed Transaction (as defined below);
- (i) preparation, analysis and explanation of the Plan and the Transaction to various constituencies;
- (j) providing testimony in court on behalf of the Official Committee if necessary or as reasonably requested by the Official Committee; and
- (k) undertaking any other analysis and advisory work as may be requested from time to time by the Official Committee and/or Counsel to the Official Committee, Bingham McCutchen LLP ("Bingham") or Morris, Nichols, Arsht & Tunnell LLP ("MNAT") and which are consistent with Houlihan Lokey's capabilities.

Houlihan Lokey may use the assistance of its Affiliates in providing such Services, in particular, those of Houlihan Lokey Howard & Zukin Capital to the extent that regulatory rules cause this to be appropriate.

As used herein, the term "Transaction" shall include the consummation of any agreement or series of agreements, or transaction or series of transactions which in each case may include, but is not limited to, the following:

- (i) Any merger, consolidation, reorganization, recapitalization, business combination or other transaction pursuant to which all of the Debtors are acquired by, or combined with, any person, group of persons, partnership, corporation or other entity (including, without limitation, existing creditors, employees, affiliates, and/or shareholders) (collectively, a "Purchaser");
- (ii) The acquisition, directly or indirectly, by a Purchaser (or by one or more persons acting together with a Purchaser pursuant to a written agreement or otherwise) in a single transaction or a series of transactions, of (x) all or substantially all of the assets or operations of the Company; or (y) all or substantially all of the capital stock of the Company (or any securities convertible into, or options, warrants or other rights to acquire such capital stock);
- (iii) Any other sale, transfer or assumption of all or substantially all of the assets or liabilities of the Debtors;
- (iv) The confirmation of a Chapter 11 plan of reorganization or liquidation; or

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 3

- (v) Absent any of the foregoing, any other transaction as agreed in good faith by the Official Committee and Houlihan Lokey (collectively, a "Transaction").

2. **Representation.** Neither the Official Committee, its constituents, nor any of their respective advisors or professionals (including, but not limited to Bingham or MNAT), shall be liable for the fees, expenses or other amounts payable to Houlihan Lokey hereunder or otherwise. Notwithstanding such arrangement, Houlihan Lokey's duties hereunder run solely to the Official Committee, and Houlihan Lokey is not authorized to be, and will not purport to be, acting on behalf of, or at the direction of the Debtors for any purpose unless otherwise agreed to by the Official Committee. All financial advice, written or oral, provided by Houlihan Lokey to the Official Committee pursuant to this Agreement is intended solely for the use and benefit of the Official Committee, which agrees that such advice may not be disclosed publicly or made available to third-parties without the prior consent of Houlihan Lokey, which consent shall not be unreasonably withheld. Certain communications and correspondence between Houlihan Lokey and the Official Committee, and work product and analyses prepared by Houlihan Lokey for the Official Committee in connection with this agreement, will be considered in preparation for litigation over the restructuring of the Debtors, and accordingly will be subject to the attorney-client, work-product and all other applicable privileges.

3. **Advisor.** Houlihan Lokey's services are limited to those specifically provided in this Agreement or subsequently agreed-upon in writing by the parties hereto, and Houlihan Lokey shall have no obligation or responsibility for any other services. Houlihan Lokey is providing its services hereunder as an independent contractor, and the parties agree that this Agreement does not create an agency or fiduciary relationship between Houlihan Lokey and the parties to this Agreement.

4. **Consideration.** As consideration for the services being provided by Houlihan Lokey, the Company shall pay Houlihan Lokey a fee of \$150,000 per month (the "Monthly Fee") beginning October 26, 2006 and thereafter on the 26th day of each subsequent month until termination or expiration of this Agreement. The first payment(s) of the Monthly Fee(s) shall be due immediately upon entry by the Bankruptcy Court of an order approving the retention of Houlihan Lokey. In addition, the Company agrees to promptly reimburse Houlihan Lokey, upon request from time to time, but not more often than once a month, for all out-of-pocket expenses reasonably incurred by Houlihan Lokey before termination (or related to Houlihan Lokey's pre-termination services) in connection with the matters contemplated by this Agreement. Out-of-pocket expenses shall include, but not be limited to, all reasonable travel expenses, accommodation expenses, duplicating charges, on-line service charges, messenger services, delivery services, meeting services, long distance telephone and facsimile charges incurred by Houlihan Lokey. Payment of all fees and reimbursed out-of-pocket expenses shall be made in care of Houlihan Lokey at 1930 Century Park West, Los Angeles, CA 90067, Attention: Christopher Di Mauro. Notwithstanding anything herein to the contrary, the terms hereof are subject to any orders entered or procedures instituted by the Bankruptcy Court.

NYDOCs/1279443.3/3604860-0300322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 4

In addition, subject to the credits provided below, upon consummation of any Transaction, Houlihan Lokey shall be paid in cash an additional fee of \$2,100,000 (the "Deferred Fee"). Starting with any Monthly Fee due on or after March 26, 2007, \$50,000 of each Monthly fee earned and actually paid pursuant to this Agreement shall be credited against the Deferred Fee (the "Monthly Offset"), earned pursuant to this Agreement, provided, however, that in no event shall the Deferred Fee be reduced to less than zero. There shall be no credit against the Deferred Fee for any fees earned pursuant to this Agreement prior to March 26, 2007. The Deferred Fee shall be paid as soon as practicable after the consummation of any Transaction, as applicable, during the term of this Agreement or within a period of twelve months after the effective date of termination of this Agreement (such twelve-month period being referred to herein as the "Tail Period").

The parties acknowledge that a substantial professional commitment of time and effort will be required by Houlihan Lokey and its professionals hereunder, and that such commitment may foreclose other opportunities for Houlihan Lokey. Moreover, the actual time and commitment required for the engagement may vary substantially, creating "peak load" issues for Houlihan Lokey. Given the numerous issues which may arise in these Cases, Houlihan Lokey's commitment to the variable level of time and effort necessary to address such issues, the expertise and capabilities of Houlihan Lokey that will be required in this engagement, and the market rate for Houlihan Lokey's services of this nature whether in, or out of court, the parties agree that the fee arrangement hereunder is reasonable, fairly compensates Houlihan Lokey and provides certainty to the Debtors and the Official Committee.

All consideration contemplated to be paid hereunder, and pursuant to any order of the Bankruptcy Court approving the retention and employment of Houlihan Lokey (including, without limitation, any Deferred Fee), will be paid by the Debtors as an administrative expense to be paid from the general funds of the Debtors' chapter 11 estates.

5. Bankruptcy Court. Subject to the prompt receipt of documents and approvals required to be received from Houlihan Lokey (e.g., declarations), the Official Committee shall, as soon as practicable, seek an order from the Bankruptcy Court authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement, as professional persons pursuant to (and subject to the standard of review of) sections 328(a) and 1103 of the Bankruptcy Code, the Bankruptcy Rules, applicable local rules and orders of the Bankruptcy Court, and shall use its reasonable efforts to cause such application to be considered as soon as possible. The employment application and the order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey sufficiently in advance of their filing, and must be acceptable to Houlihan Lokey in its sole discretion. If the Order authorizing the employment of Houlihan Lokey is obtained, the Company shall pay all fees and expenses as promptly as possible in accordance with the terms of this Agreement, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and the Official Committee will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses with the Bankruptcy Court. The terms of this paragraph are solely for the benefit of Houlihan Lokey and may be waived, in whole or in part, only by Houlihan Lokey.

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 5

6. **Termination.** This Agreement is terminable upon thirty (30) days written notice by the Official Committee or Houlihan Lokey, provided, however, that if this Agreement is terminated, the Debtors shall pay Houlihan Lokey all previously unpaid and earned Monthly Fees, including the Monthly Fee for the month in which the effective date of the termination occurs. Notwithstanding any termination of this Agreement, the Debtors agree to pay Houlihan Lokey the Monthly Fee for a minimum of three months. The termination of this Agreement will not affect (i) the Debtors' obligations pursuant to Sections 7 through 13 of this Agreement, which shall survive such termination and (ii) Houlihan Lokey's right to receive, and the Debtors' obligation to pay pursuant to Section 4 of this Agreement which shall survive such termination (a) any and all fees and expenses earned as of the effective date of termination of this Agreement and (b) the Deferred Fee payable in respect of any Transaction occurring during the Tail Period, to the extent they are due to Houlihan Lokey pursuant to this Agreement.

7. **Information.** The Debtors will promptly provide or procure the provision to Houlihan Lokey of all information concerning the Debtors' business and affairs which is relevant to Houlihan Lokey for the proper provision of the services, as set out in this Agreement, and all such further information as Houlihan Lokey may reasonably request, all of which will be, to the Debtor's best knowledge, accurate and complete in all material respects at the time it is provided. In addition, the Debtors will promptly correct any material information so provided to Houlihan Lokey if it subsequently appears that any such information was or has become materially inaccurate or misleading in any respect. The Official Committee acknowledges and agrees that, in rendering its services hereunder, Houlihan Lokey will be using and relying on information made available to it by the Debtors and their advisors (the "Information") (and information available from public sources and other sources deemed reliable by Houlihan Lokey) without independent verification thereof by Houlihan Lokey or independent appraisal by Houlihan Lokey. Houlihan Lokey does not assume responsibility for the accuracy or completeness of the Information or any other information regarding the Company.

8. **CHOICE OF LAW.** THIS AGREEMENT HAS BEEN NEGOTIATED, EXECUTED AND DELIVERED AT AND SHALL BE DEEMED TO HAVE BEEN MADE IN NEW YORK, NEW YORK. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE PARTIES TO THIS AGREEMENT WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT.

9. **Counterparts.** For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto. Each such counterpart shall be, and shall be deemed to be, an original instrument, but all such counterparts taken together shall constitute one and the same Agreement.

10. **Severability.** If it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that any term or provision hereof is invalid or unenforceable, (i) the

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 6

remaining terms and provisions hereof shall be unimpaired and shall remain in full force and effect and (ii) the invalid or unenforceable provision or term shall be replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term or provision.

11. **Publicity.** Upon consummation of any Transaction, Houlihan Lokey may, at its own expense, place announcements in financial and other newspapers and periodicals (such as is customary) describing their services in connection with such Transaction. Where reasonably practical, Houlihan Lokey will seek the consent of the Company and the Official Committee as to the form and content of the proposed announcement prior to publication.

12. **Entire Agreement.** This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understanding relating to the matters provided for herein. No alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each party.

Houlihan Lokey acknowledges that that certain Engagement Letter by and between the Company and Houlihan Lokey Howard & Zukin (Europe) Limited dated August 25, 2006 with respect to representation of the Ad-Hoc Noteholder Committee is hereby terminated.

13. **Indemnification.** As a material part of the consideration for Houlihan Lokey to furnish its services under this Agreement, the Debtors shall indemnify Houlihan Lokey and shall hold harmless Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, shareholders, employees, agents and controlling persons within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "**Indemnified Parties**"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to this Agreement, any actions taken or omitted to be taken by an Indemnified Party in connection with Houlihan Lokey's provision of services pursuant hereto, or any Transaction (as defined herein) or proposed Transaction contemplated hereby. In addition, the Debtors shall reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by them in respect thereof as promptly as possible after request for payment of such expenses; provided, however, that there shall be no liability under the foregoing indemnity and reimbursement agreement for any loss, claim, damage or liability which is finally judicially determined (and from which there is no further right of appeal) to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of any Indemnified Party.

If the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless, the Debtors shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative aggregate benefits received (or anticipated to be received) by the unsecured creditors of the Company who are represented on the Official Committee and the Debtors, on the one hand, and Houlihan Lokey, on the other hand, in connection with the proposed Transaction and/or the services rendered by Houlihan Lokey. If, however, the

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al.
As of October 26, 2006
Page 7

allocation provided by the immediately preceding sentence is not permitted by applicable law or otherwise, then the Debtors shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Official Committee and the Debtors, on the one hand, and Houlihan Lokey, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, the aggregate contribution of all Indemnified Parties to any such losses, claims, damages, liabilities and expenses shall not exceed the amount of fees actually received by Houlihan Lokey pursuant to this Agreement.

The Official Committee and the Debtors shall not affect any settlement or release from liability in connection with any matter for which an Indemnified Party would be entitled to indemnification from the Debtors unless such settlement or release contains a release of the Indemnified Parties reasonably satisfactory in form and substance to Houlihan Lokey. The Debtors shall not be required to indemnify any Indemnified Party for any amount paid or payable by such party in the settlement or compromise of any claim or action without the prior written consent of the Official Committee and the Debtors.

Prior to entering into any agreement or arrangement with respect to, or effecting, any (i) merger, statutory exchange or other business combination or proposed sale, exchange, dividend or other distribution or liquidation of all or a significant proportion of its assets, or (ii) significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Debtors set forth in this Agreement, the Debtors will notify Houlihan Lokey in writing thereof (if not previously so notified) and, if requested by Houlihan Lokey, shall arrange in connection therewith alternative means of providing for the obligations of the Debtors set forth herein, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case in an amount and upon terms and conditions reasonably satisfactory to Houlihan Lokey.

The Official Committee and the Debtors further agree that neither Houlihan Lokey nor any other Indemnified Party shall have any liability, regardless of the legal theory advanced, to the Official Committee, the Debtors or any other person or entity (including the Debtors' equity holders and creditors) related to or arising out of or related to this Agreement, any actions taken or omitted to be taken by an Indemnified Party in connection with Houlihan Lokey's provision of services to the Official Committee, or any Transaction (as defined herein) or proposed Transaction contemplated hereby, except for any liability for losses, claims, damages, liabilities or expenses incurred by the Official Committee and/or the Debtors which are finally judicially determined (and from which there is no further right of appeal) to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of any Indemnified Party. The indemnity, reimbursement, contribution and other obligations and agreements of the Debtors set forth herein shall apply to any modifications of this Agreement, shall be in addition to any liability which these parties may otherwise have, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of these parties and each Indemnified Party. The foregoing indemnification provisions shall survive the consummation of any Transaction and/or any termination of the relationship established by this Agreement.

NYDOCS/1279443.3/3004860-0000322732

Official Committee of Unsecured Creditors of Sea Containers Ltd., et al
As of October 24, 2006
Page 8

The obligations of Houlihan Lokey are solely corporate obligations, and no officer, director, employee, agent, shareholder or controlling person of Houlihan Lokey shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this Agreement or any person relying on the services provided hereunder. The Debtors' obligations with respect to any and all payments owing to Houlihan Lokey and the indemnification, reimbursement, contribution and other similar obligations of the Debtors under this Agreement shall survive any termination of this Agreement.

All indemnification costs and expenses contemplated to be paid hereunder, and pursuant to any order of the Bankruptcy Court approving the retention and employment of Houlihan Lokey hereunder, will be paid by the Debtors as an administrative expense to be paid from the general funds of the Debtors' chapter 11 estates.

If Houlihan Lokey believes that it is entitled to the payment of any amounts by the Debtors pursuant to the indemnification obligations contained in Section 13 of this Agreement, including without limitation, the advancement of defense costs, Houlihan Lokey must file an application therefore in this Court, and the Debtors may not pay any such amount to Houlihan Lokey before the entry of an order by this Court approving payment.

OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF SEA CONTAINERS
LTD., et al.

By: Its Co-Chair



By: Andrew Cohen
Done Capital LLC

HOULIHAN LOKEY HOWARD & ZUCKER CAPITAL



By: Christopher Di Mauro
Managing Director

NYDOC3/1279441 3/3004860-800032772