

- Reimbursement for any out-of-pocket expenses related to identifying, investigating and completing an initial business combination;
- Repayment of loans which may be made by our sponsor or an affiliate of our sponsor or certain of our officers, directors and director nominees to finance transaction costs in connection with an intended initial business combination, the terms of which have not been determined nor have any written agreements been executed with respect thereto. Up to \$1,500,000 of such loans may be convertible into warrants of the past business combination entity at a price of \$0.50 per warrant at the option of the lender, and
- We may pay a member of our combined team (or an entity affiliated with a member of our combined team) a fee for financial advisory services rendered in connection with our identification, negotiation and consummation of our initial business combination. The fee will only be payable upon closing of our initial business combination, and may be paid out of the offering proceeds deposited in the trust account. The per-share amount distributed to any redeeming stockholders upon the completion of our initial business combination will not be reduced as a result of such fee. A majority of disinterested directors will determine the nature and amount of such fee, which will be based upon the prevailing market rate for similar services negotiated at arms' length for such transactions at such time, but will in no event exceed \$3,000,000 in the aggregate. Any such fee will also be subject to the review of our audit committee pursuant to the audit committee's policies and procedures relating to transactions that may present conflicts of interest. No such fee will be payable to our Chief Executive Officer.

Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers or directors, or our or their affiliates.

Audit Committee

Prior to the effectiveness of this registration statement, we will have established and will maintain an audit committee which, among other things, will monitor compliance with the terms described above and the other terms relating to this offering. If any noncompliance is identified, then the audit committee will be charged with the responsibility to immediately take all action necessary to rectify such noncompliance or otherwise to cause compliance with the terms of this offering. For more information, see the section entitled "Management—Committees of the Board of Directors—Audit Committee."

Indemnification of Trust Account

Paul Zepf, our Chief Executive Officer, has agreed to be liable to us if and to the extent any claims by a vendor for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the trust account to below (i) \$10.00 per public share or (ii) such lesser amount per public share held in the trust account as of the date of the liquidation of the trust account due to reductions in the value of the trust assets, in each case net of the