

US SPAC Boom Spreads to Europe with Recent Amsterdam and Frankfurt SPAC Listings and Potential Reform in London

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The popularity of SPACs in the United States has extended to Europe, with three SPACs recently listing on the Euronext Amsterdam and one listing on the Frankfurt Stock Exchange. In London, Lord Hill's UK Listing Review has recommended changes to the London SPAC regime to improve its attractiveness for future SPAC listings. The most recent public listing of a SPAC on the Euronext Amsterdam is a €250m listing by ESG Core Investments B.V. in February 2021 sponsored by Infestos Nederland B.V., an investment firm focused on entrepreneurial sustainable investments. In addition, a Luxembourg-incorporated SPAC listed on the Frankfurt Stock Exchange in February 2021 when an affiliate of the venture capital firm Lakestar Advisors GmbH sponsored the €275m listing by Lakestar SPAC I SE.

We have assembled the attached table which outlines the basic features of SPACs that have listed in Amsterdam and Frankfurt, with a comparison to the typical SPAC structure in the United States. We have also included details of the structure commonly used for London SPAC listings historically, where the typical US terms can be mirrored, and where the recent Lord Hill review has proposed amendments to the existing regime. The FCA, the UK regulator, has said it will consult on the recommendations, with the consultation process taking place before the summer and with rule changes in place before the end of the year.

The basic structures in the US, Amsterdam and Frankfurt are very similar and will be familiar to anyone versed in the current SPAC phenomenon – investors buy units consisting of shares and a fraction of a warrant, the sponsor obtains a near-free promote and contributes some at-risk capital, the IPO proceeds go into trust, the SPAC has up to 24 months to find an acquisition target in a specified sector, SPAC shareholders must approve the business combination, and SPAC shareholders have the right to redeem their shares at the time of the business combination.

Among the four jurisdictions, Frankfurt and the US are the most similar. For a Frankfurt-listed SPAC, entities organized in Luxembourg or The Netherlands have recently been used to resemble the US SPAC structure. In addition, the Frankfurt Stock Exchange has introduced listing rules specifically for SPACs to make it easier for them to list in Frankfurt.

The Amsterdam SPACs follow the same basic outline as the US and Frankfurt SPACs, but with some differences described below. However, Dutch law allows greater flexibility than the terms adopted in the three recent Amsterdam listings. Dutch law does not have rules that apply specifically to SPACs only, and Dutch law allows further flexibility to entities formed as a BV.¹

We have compared key features of recent SPACs listed in Amsterdam, Frankfurt and the United States, together with the historical market practice and the potential new rules in London, below and in the attached table:

Shareholder Approval

- United States: In the United States, SPAC business combinations generally require the approval of a majority of the votes cast, and the sponsor may vote its shares.
- Frankfurt (assuming a Luxembourg-organized entity): In the recent SPAC listing in Frankfurt, the business combination requires the approval of a majority of the votes validly cast, and the sponsors/founders may vote

¹ Dutch companies can be formed as either NVs (which is typically used for listed companies) or BVs (which is typically used for privately held companies). BV law is even more flexible than NV law. SPACs are listed companies but can be formed as BVs. Two out of three Dutch SPACs are listed as BVs.

their shares. The listing rules of the Frankfurt Stock Exchange permit any structure where assets are held in trust and a 50% shareholder majority determines the use of such assets, and the sponsors/founders are permitted to vote their shares. In addition, for all matters submitted to a shareholder vote, including any vote in connection with the business combination, except as required by Luxembourg law, the holders of sponsor/founder shares and the holders of public shares may vote as a single class, with each share entitling the holder to one vote.

- **Amsterdam:** In contrast, in the three recent SPAC listings in Amsterdam, the business combination has required the approval of 70% of the votes cast, and the sponsor could not vote its founder shares.
- **Further Dutch Flexibility:** Dutch law could allow more flexibility than the three listed SPACs - for NVs the approval of the business combination only requires the approval of more than 50% of the votes cast, for BVs there is no explicit rule specifying a percentage vote requirement, and Dutch law does not restrict SPAC sponsors from voting their founder shares in connection with the business combination.
- **London:** Historically SPACs listed on London's standard listing segment have not required shareholder approval for an acquisition (rather they have required board approval, commonly with a majority of independent directors voting in favour), but there is no reason this cannot be included in the structure. The UK Listing Review has proposed a revision of the rules that can require the suspension of trading in the shares of a London SPAC when it announces a proposed acquisition – widely seen as unattractive to SPAC investors – and replacing them with other mandatory investor protections in line with the established practice in the United States. This would include shareholder approval for acquisitions and redemption rights being offered to investors.

Voting/Redeeming

- **United States:** In the United States, shareholders can redeem whether or not they vote for or against the business combination (and whether or not they vote at all).
- **Frankfurt:** As in the United States, shareholders can redeem their shares irrespective of their participation and vote at a shareholders' meeting for the purpose of approving the business combination (and whether or not they vote at all).
- **Amsterdam:** In contrast, in the three recent SPAC listings in Amsterdam, a shareholder of a SPAC was permitted to redeem its shares only if the shareholder voted against the business combination.
- **Further Dutch Flexibility:** Dutch law could allow more flexibility than the three listed SPACs - there are no rules prohibiting a SPAC structure in which shareholders are also allocated a redemption right if they vote "for" a business combination.
- **London:** As in the United States, there is flexibility to allow for shareholders to have a complete redemption right subject to the SPAC having sufficient distributable reserves to fund redemptions. English company law provides a straightforward process to generate such reserves through a reduction of capital. This has not been typically included in historical London SPACs but it is recommended in the UK Listing Review as a protection for SPAC shareholders in place of the suspension of trading of its shares on announcement of an acquisition.

Shareholder Redemptions

- **United States:** In the United States, up to 100% of the SPAC's shares can be redeemed by shareholders in connection with the business combination (so long as the SPAC at all times has minimum net tangible assets of at least \$5 million).
- **Frankfurt:** Similar to the United States, in the recent SPAC listing in Frankfurt, up to 100% of the SPAC's public shares can be redeemed by shareholders upon the completion of the business combination (subject to the availability of amounts on deposit in the escrow account and sufficient distributable reserves).
- **Amsterdam:** In contrast, in the three recent SPAC listings in Amsterdam, because the business combination typically requires the approval of 70% of the votes cast, effectively no more than 30% of the shares issued by the SPAC can be redeemed, as only shareholders voting against the business combination are eligible to have their shares redeemed.

- Further Dutch Flexibility: Under Netherlands law, a listed NV cannot redeem more than 50% of its shares. However, if a SPAC is listed as a BV, the 50% cap on redemptions does not apply under Dutch law and the company can redeem an amount of shares up to the amount of its statutory reserves.
- London: As above, there is flexibility to follow the typical US structure in this regard, which may become a regulatory requirement.

Sponsor Promote

- United States: In the United States, the sponsor promote is typically equal to 20% of the SPAC's shares outstanding, although some sponsors have taken a lower percentage.
- Frankfurt: In the recent SPAC listing in Frankfurt, the sponsor promote was equal to 20% of the SPAC's shares outstanding.
- Amsterdam: In two of the SPAC listings in Amsterdam, the promote was approximately 8-10% of the SPAC's shares outstanding in one and approximately 21% in the other. In the most recent Amsterdam SPAC, where the SPAC sponsor acquired additional shares through an additional cornerstone investment in the IPO, the founder shares converted into 20% of the shares outstanding, but the sponsor actually held shares equal to up to approximately 35% of the SPAC's shares outstanding at closing.
- Further Dutch Flexibility: Pursuant to Dutch/EU law, any shareholder who directly or indirectly obtains 30% of the shares in a Dutch listed NV is required to make a public offer for the remaining outstanding shares (unless waived by a shareholders' resolution with 90% approval of the votes cast by shareholders other than the acquiror). If the SPAC is listed as a BV, however, this 30% cap does not apply.
- London: Sponsors in the past have commonly subscribed for a class of founder preferred shares, entitling them to an annual dividend amount (payable in shares or cash) subject to a share value hurdle being met. The economics of these terms can be flexible.

Warrants

- United States: In the United States, all of the warrants are issued to shareholders when the IPO closes as part of the unit sold in the IPO.
- Frankfurt: Mirroring the US practice, in the recent SPAC listing in Frankfurt, all of the warrants were issued to shareholders at closing of the IPO.
- Amsterdam: In contrast, in the three recent SPAC listings in Amsterdam, half of the warrants were issued to shareholders when the IPO closed, and the other half will be issued when the de-SPAC business combination closes (to whomever then owns the shares sold in the IPO).
- Dutch Flexibility: Dutch law could allow more flexibility than the three listed SPACs have provided. Under Dutch law, it is possible to mirror the customary US practice.
- London: Historically ordinary shares were issued with 1/3 matching warrants to all shareholders to purchase shares at \$11.50 each.

Underwriting Fee

- United States: The typical underwriting fee for a SPAC in the US is 5.5% of the IPO proceeds, with 2% paid in cash at the closing of the IPO and 3.5% paid when the business combination closes.
- Frankfurt: In the recent SPAC listing in Frankfurt, the underwriting fee for the SPAC amounted to 4% of the IPO proceeds, with 2% paid in cash at the closing of the IPO and 2% paid when the business combination closes. Furthermore, a deferred discretionary fee of up to 1.5% upon closing of the business combination was agreed.
- Amsterdam: In Amsterdam, in the most recent SPAC listing the underwriting fee was 3.25%, with 1.5% payable in cash at the closing of the IPO and 1.75% payable when the business combination closes.
- London: A typical underwriting fee is around 2-3% on the proceeds from shares in the IPO, excluding those subscribed for by the sponsor, payable on completion of the IPO. There is flexibility to include separate fees on completion of the de-SPAC transaction.

Target Size

- United States: In the United States, the target or targets must have an aggregate fair market value equal to at least 80% of the value of the assets held in the trust account at the time of signing a definitive agreement. SPACs may acquire more than one target.
- Frankfurt: Frankfurt does not have such an 80% rule. Frankfurt listed SPACs are generally free in their choice of target and can also choose to acquire multiple targets. For the purpose of providing guidance to investors, the recently listed Frankfurt SPAC has provided a non-exhaustive list of guidelines which apply to the SPAC's expected selection and evaluation of prospective target companies.
- Amsterdam: Similar to Frankfurt, in Amsterdam there is no 80% rule. Dutch SPACs are free in their choice of target and can choose to acquire multiple targets. For the purpose of providing guidance to investors, the recently listed Dutch SPACs have provided a non-exhaustive list of guidelines which apply to the SPAC's expected selection and evaluation of prospective target companies.
- London: There is no target size restriction.

It is important to consider whether local regulations, other than securities laws, apply to any proposed SPAC listing, particularly since a breach of some of these regulations can carry criminal sanctions. In Europe this will include the Alternative Investment Fund Managers Directive. Factors in the structuring of the transaction will be relevant to that regulatory analysis, including whether the SPAC has a defined investment policy, whether the SPAC pursues a general commercial or industrial purpose but also, absent a harmonized approach in Europe, how regulators ultimately qualify SPACs.

It is still an open question which jurisdiction will become the European centre for SPAC listings in 2021 and beyond for sponsors who would prefer for their vehicles to be publicly traded in Europe. There are a number of reasons why SPACs may prefer to be listed in Europe, including tax structuring considerations, the attractiveness of certain sponsors to European investors, more flexibility on Sarbanes-Oxley and certain corporate governance requirements imposed by the US stock exchanges, and the attractiveness of the areas of focus of certain SPACs to European investors. Euronext Amsterdam, the Frankfurt Stock Exchange and the London Stock Exchange are among Europe's largest share trading centres and therefore provide significant liquidity to investors. The Frankfurt Stock Exchange has adopted SPAC-specific listing rules to enable flexible listing in Frankfurt; in contrast, Dutch law does not have any rules or regulations that are targeted at SPACs specifically. As stated above, London is looking at potential revisions to its rules later in 2021 to make it easier for SPACs to list in London. We expect that deal terms will continue to evolve as more deals come to the market and business combinations are closed. In particular, Dutch and UK law as well as Frankfurt listing rules are flexible and sponsors may look to navigate the network of company law and stock exchange rules in these and other European listing venues to design structures that are more attractive to both sponsors and investors than those contained in the most recent listed deals as more deals come to market.

Comparison of SPAC Terms in the United States, Amsterdam, Frankfurt and London

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
1	Listing venue	Nasdaq or New York Stock Exchange	Euronext Amsterdam	Frankfurt Stock Exchange	London Stock Exchange, standard segment
2	Securities offered	Units, most typically consisting of 1 share of Class A common stock and a fraction of a warrant (most often 1/2 or 1/3 of a warrant to purchase one share at \$11.50).	Units, varying from 1 share of Class A common stock and 1/4 of a warrant to 6 shares of Class A common stock and 6 warrants to purchase one share each at prices ranging from €9.00 to €13.00.	Units, consisting of 1 share of Class A common stock and 1/3 of a warrant to purchase one share at €11.50.	Ordinary shares with 1/3 matching warrant to purchase one share at c. £11.50 or \$11.50.
3	Price per unit in the SPAC IPO	\$10.00	Varies from €10.00 to €60.00	€10.00	£10.00 or \$10.00
4	Sponsor promote	<p>The SPAC sponsor holds shares of Class B common stock equal to 20% of the SPAC's shares outstanding at the closing.</p> <p>The SPAC Sponsor pays \$25,000 for these founder shares.</p>	<p>The SPAC sponsor holds shares of Class B common stock varying from approximately 10% to 20% of the SPAC's shares outstanding at the closing.</p> <p>The SPAC sponsor pays between approximately €15,000.00 and €80,000.00 for these founder shares.</p> <p>In one of the three recently closed deals, the SPAC sponsor made a cornerstone investment in addition to acquiring the usual sponsor promote. In this deal the SPAC sponsor holds shares of Class A and B common stock equal to up to approximately 35% of the SPAC's shares outstanding at the closing of the IPO (the founder shares alone are convertible into 20% of the SPAC's shares outstanding).</p>	<p>The SPAC sponsor holds shares of Class B common stock equal to 20% of the SPAC's shares outstanding at the closing.</p> <p>The SPAC sponsor pays approximately €136,000.00 for these founder shares.</p>	<p>The SPAC sponsor holds B shares that convert to ordinary shares at closing.</p> <p>The SPAC sponsor holds C shares carrying an annual dividend amount payable in shares or cash, subject to a value hurdle, equal to a proportion (e.g. 15-20%) of the increase in the SPAC's market capitalisation. At the end of the seventh financial year from acquisition, C shares will convert to ordinary shares (on a one-for-one basis).</p>

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
5	Sponsor at-risk capital	The SPAC sponsor pays cash equal to approximately 2-3% of the size of the IPO for warrants or units in a private placement at the time of the SPAC IPO.	<p>In two of the three recent closed deals, the SPAC Sponsor paid cash equal to approximately 3% of the size of the IPO for warrants or units in a private placement at the time of the SPAC IPO.</p> <p>In one of the three recently closed deals, the SPAC sponsor made a cornerstone investment and paid cash equal to 10% of the size of the IPO for units in a public placement and warrants in a private placement at the time of the SPAC IPO.</p>	The SPAC Sponsor paid cash equal to approximately 3% of the size of the IPO for warrants in a private placement at the time of the SPAC IPO.	<p>The SPAC sponsor pays cash equal to approximately 2-5% of the size of the IPO for ordinary shares and matching warrants at the time of the SPAC IPO.</p> <p>In addition, the sponsor subscribes for (B and) C shares.</p>
6	Trust account	An amount equal to 100% of the IPO proceeds are placed into a trust account at the closing of the SPAC IPO. In general, proceeds can be used only to fund the SPAC's business combination or redemption requests by holders of Class A shares.	Either 100% or 99% of the IPO proceeds are placed into an escrow account at the closing of the SPAC IPO.	An amount > 100% of the IPO proceeds are placed into a trust account at the closing of the SPAC IPO. In general, proceeds can be used only to fund the SPAC's business combination or redemption requests by holders of Class A shares.	There is no trust account. Instead, monies are invested (for example, in US Treasury bonds) prior to completion of the acquisition and used for general corporate purposes.
7	Interest on trust account	Positive interest – interest accrues at approximately 0.1% based on current rates.	Negative interest – the SPAC is required to pay negative interest at a rate of 0.4% - 0.5% based on current rates.	Negative interest – which will be covered by the proceeds from an additional sponsor subscription of up to €2.6m.	Not applicable.

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8	Underwriting fee	2% payable in cash at the closing of the IPO. 3.5% payable at the closing of the business combination.	1.5% payable at the closing of the IPO (in the most recent SPAC). 1.75% payable at the closing of the business combination (in the most recent SPAC).	2% payable in cash at the closing of the IPO. 2% payable at the closing of the business combination. A discretionary fee of up to 1.5% may be paid upon the closing of the business combination.	2% payable in cash at the closing of the IPO.
9	Warrants	All of the warrants are issued to shareholders as part of the unit in the SPAC IPO.	Three Recently Closed Deals: Half of the warrants are issued to shareholders as part of the unit in the SPAC IPO, and half are issued to the then-current holders of the ordinary shares upon and subject to the consummation of the SPAC's business combination. Flexibility: Under Dutch law, all warrants could be issued to the shareholders as part of the units in the SPAC IPO.	All of the warrants are issued to shareholders as part of the unit in the SPAC IPO.	All of the warrants are issued to shareholders as part of the unit in the SPAC IPO.
10	Exercise price of warrant	\$11.50	Between approximately €9.00 and €13.00.	€11.50	£11.50 or \$11.50
11	Exercisability date of warrant	The warrants become exercisable at the later of (i) 12 months after the closing of the SPAC IPO and (ii) 30 days after the consummation of the business combination.	The warrants become exercisable upon the closing of the business combination.	The warrants become exercisable 30 days after the consummation of the business combination.	Warrants become exercisable on closing of the IPO.
12	Warrant term	5 years after the business combination.	Same.	Same	3 years after the business combination

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13	Warrant redemption	Once the public warrants become exercisable, they can be redeemed by the combined company for \$0.01 per warrant when the company's stock price reaches \$18 per share for 20 out of 30 trading days.	Once the public warrants become exercisable, they can be redeemed by the combined company for €0.01 per warrant when the company's stock price reaches €13-18 per share for 15-20 out of 30 trading days.	Once the public warrants become exercisable, they can be redeemed by the combined company for €0.01 per warrant (i) when the company's stock price equals or exceeds €18 per share for 20 out of 30 trading days or (ii) when the company's stock price is below €18 but equals or exceeds €10 per share for 20 out of 30 trading days	Warrants are subject to mandatory redemption at US\$0.01 per warrant if the average price per ordinary share equals or exceeds US\$18 for ten consecutive trading days.
14	Duration of SPAC	Most typically 24 months; sometimes 12 or 18 months. Some deals provide for an automatic extension to 27 or 30 months if an agreement for a business combination is in place within 24 months.	Most typically 24 months. Some deals provide for an extension to 30 months subject to receipt of shareholder approval.	Most typically 24 months. Automatic extension to 27 months if an agreement for a business combination is in place within 24 months.	Most typically 24 months. If no acquisition has been announced by that time, the Board will recommend either winding up or a 12-month extension. This board recommendation will be put to a shareholder vote (at which typically founder(s) and directors will abstain).

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
15	SPAC Board	The SPAC Sponsor selects all of the directors, and only the SPAC Sponsor can vote for directors.	<p>Under Dutch law, the management of the SPAC can be structured in various ways and there is not yet an established market practice. The board is either a one-tier board structure (consisting of executive directors and non-executive directors) or a two-tier board structure (consisting of a management board and a supervisory board).</p> <p>Three Recently Closed Deals: Board members are elected by shareholders at the general meeting. The board nominates one or more candidates for each vacancy. The shareholders can overrule a binding nomination by the board by a vote of at least 66% of the votes cast, so long as such amount represents at least 33% or in some deals 50% of the SPAC's issued share capital.</p> <p>Flexibility: Under Dutch law, a SPAC can be structured so that the Sponsor can elect all but one director.</p>	<p>Under Luxembourg law, the management of the SPAC can be structured in various ways and there is not yet an established market practice. The board is either a one-tier board structure (consisting of executive directors and non-executive directors) or a two-tier board structure (consisting of a management board and a supervisory board).</p> <p>If a two-tier board structure is chosen, the members of the management board are generally appointed by the supervisory board, with the exception of the members of the first management board who are appointed by an extraordinary shareholder's meeting.</p>	<p>Typically, a wholly non-executive board.</p> <p>For as long as the sponsor holds 20% or more of the C shares, the sponsor is entitled to nominate one director.</p> <p>No director is required to submit for re-election until the first annual general meeting following the acquisition.</p>

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16	Director independence	The board must have a majority of independent directors and an all-independent audit committee.	<p>Similar. The majority of non-executive or supervisory board members must be independent, and all members of the audit committee must also be independent.</p> <p>Flexibility: Because the director independence requirements derive from the Dutch Corporate Governance Code, the SPAC can deviate from such requirements so long as the deviation is explained in the SPAC's IPO prospectus. In addition, with respect to the audit committee, Dutch law only requires that a majority of the audit committee members be independent.</p>	The independence requirements follow Luxembourg law.	<p>There is no requirement for a majority independent board.</p> <p>Compliance with the UK Corporate Governance Code (including as to independence of the Board) is voluntary if the SPAC is listed on the standard segment.</p>
17	Size of target	The target or targets must have an aggregate fair market value equal to at least 80% of the value of the assets held in the trust account at the time of signing a definitive agreement	No similar requirement	No similar requirement	No similar requirement

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18	Shareholder redemptions	<p>SPAC shareholders have the right to redeem their shares for a pro rata portion of the SPAC's trust account at the time of the business combination (at a price of \$10 per share plus accumulated interest). Shareholders may keep their warrants even if they redeem their shares.</p>	<p>Three Recently Closed Deals: Only shareholders who vote against a business combination have a right to sell their ordinary shares back to the Company (at a gross repurchase price of €10.00 minus negative interest). Shareholders may keep their warrants even if they redeem their shares.</p> <p>Flexibility: Under Dutch law, it would be possible to have a SPAC structure in which shareholders are entitled to redeem their shares whether or not they have voted in favour of the business combination.</p>	<p>SPAC shareholders have the right to redeem their shares for a pro rata portion of the SPAC's trust account at the time of the business combination (at a price of €10 per share plus accumulated interest, subject to the availability of amounts on deposit in the escrow account and sufficient distributable reserves). Shareholders may keep their warrants even if they redeem their shares.</p>	<p>Historically there are no redemption rights.</p> <p><i>(UK Listing Review recommends, in place of trading suspension protection, a shareholder redemption right.)</i></p>
19	Shareholder approval	<p>Shareholder approval is customarily sought in connection with the business combination – generally requiring approval of a majority of the votes cast. The Sponsor may vote all of its shares at the shareholder meeting.</p>	<p>Three Recently Closed Deals: Shareholder approval is required in connection with the business combination – typically requiring approval of 70% of the votes cast, provided a quorum of at least 50% of the shares outstanding is present. The Sponsor does not vote its founder shares.</p> <p>Flexibility: Under Dutch law, for SPACs set up as NVs rather than BVs, a 50% plus one majority of votes cast would be sufficient for shareholder approval (as opposed to 70%). In addition, under Dutch law, the SPAC sponsor could vote all of its shares at the shareholder meeting.</p>	<p>Shareholder approval is customarily sought in connection with the business combination – generally requiring approval of a majority of the votes cast. The Sponsor/founders may vote all of their shares at the shareholder meeting.</p>	<p>Historically shareholder approval is not required, unless it is otherwise required because of the specific features of the transaction (for example, shareholder approval may be required as a result of the issuance of new shares in the SPAC as consideration to the target shareholders).</p> <p><i>(UK Listing Review recommends, in place of trading suspension protection, a shareholder approval requirement in relation to the acquisition.)</i></p>

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
20	Effect of shareholder voting on the ability of shareholders to redeem shares	Shareholders may redeem their shares whether or not they vote for or against the business combination (and whether or not they vote at all).	<p>Three Recently Closed Deals: Generally a shareholder may only redeem its shares if (i) the shareholders have approved the proposed business combination with the required majority; (ii) the shareholder notifies the Company of its intention to vote against the proposed business combination; and (iii) the shareholder votes against the proposed business combination.</p> <p>Flexibility: Under Dutch law, it would be possible to have a SPAC structure in which shareholders are entitled to redeem their shares whether or not they have voted in favor of the business combination.</p>	Shareholders may redeem their shares irrespective of their participation and voting in a shareholders' meeting.	Not currently applicable.
21	Maximum Amount of Redemptions	Almost 100% of the shares can be redeemed (so long as net assets of at least \$5 million remain). No single shareholder can redeem more than 15% of the shares issued in the SPAC's IPO.	<p>Three Recently Closed Deals: No more than 30% of the shares issued by the SPAC can be redeemed (because the business combination requires the approval of 70% of the votes cast and only dissenting shareholders are eligible for redemption).</p> <p>Flexibility: Dutch law does not prohibit a SPAC structure in which almost all of the shares can be redeemed, provided that the SPAC is listed as a BV instead of an NV.</p>	100% of the shares can be redeemed (subject to the availability of amounts on deposit in the escrow account and sufficient distributable reserves).	Not currently applicable.

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
22	Sponsor lockup (shares)	<p>Most typically, sponsors agree not to sell their shares for 1 year after the business combination.</p> <p>Subject to early release if the stock price reaches \$12.00 for 20 out of 30 trading days beginning 150 days after closing.</p>	<p>The sponsor lockup varies between 6 months and 1 year after the business combination. Of the three recently closed deals, one had a 6-month lockup, one had a 1-year lockup, and in one founder shares were subject to a 12-month lockup and the sponsor's cornerstone investment was subject to a 6-month lockup.</p> <p>Subject to early release if the stock price reaches €11.00-€12.00 for 15-20 out of 30 trading days beginning 150 days after closing.</p>	<p>1-year sponsor/founder lockup</p> <p>Subject to early release if the stock price equals or exceeds €12.00 for any 20 trading days within any 30-trading day period.</p>	<p>Typically, the sponsors agree not to sell their shares for 1 year after the business combination.</p>
23	Sponsor lockup (warrants)	<p>30 days after the closing of the business combination.</p>	<p>In one deal, founder warrants were locked up for 30 days after the business combination, whereas the warrants that were included as part of the Sponsor's cornerstone investment were locked up for 180 days.</p>	<p>Lock-up until closing of the business combination.</p>	<p>The lock-up applies to warrants.</p>

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24	Affiliate transactions	The SPAC may acquire a business owned by or related to the SPAC Sponsor. Typically, the SPAC will require the transaction to be approved by its disinterested directors and supported by a fairness opinion from an independent investment bank.	Similar. The SPAC may acquire all or a portion of a target business affiliated with members of the board or the Sponsor. The SPAC may typically only propose an affiliate transaction to shareholders for approval if (i) the company obtains a fairness opinion from an independent expert and (ii) the transaction has been unanimously approved by the board (and the supervisory board, if any).	Similar. The SPAC may enter into a business combination with a target business affiliated with the Sponsor. If the Sponsor or any affiliate, solely or jointly, hold 20% or more of the target's shares, the SPAC may only enter into a business combination if (i) it obtains a fairness opinion from an independent expert and (ii) the transaction has been unanimously approved by the members of the management board.	Related party rules will apply to UK-incorporated SPACs listed on the standard segment. Transactions with related parties involving an amount of 5% or more of the market value of the SPAC must be announced and require the approval of the SPAC's directors (excluding any director that is, or is an associate of, the related party).
25	Multiple SPACs	The officers and directors of the SPAC may sponsor multiple SPACs at the same time.	Same. However, there are certain limitations on the number of positions directors can hold on the (supervisory) boards of qualifying Dutch companies.	Same. Limitations on number of board positions according to Luxembourg law.	Sponsor(s) and directors of the SPAC may be involved in multiple SPACs at the same time, subject to their ability to fulfil directors' statutory duties.

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
26	Corporate opportunities	The officers and directors of the SPAC may have fiduciary duties to other entities and may bring corporate opportunities first to such other entities rather than to the SPAC, if the charter so provides or the board adopts resolutions to such effect.	<p>Three Recently Closed Deals: The sponsor agrees that the SPAC has a right of first review of business opportunities. The right of first review provides that if a sponsor contemplates for its own account a business combination opportunity that meets a specific set of conditions, the sponsor will first present such opportunity to the directors of the SPAC and may only pursue the opportunity if the directors resolve that the SPAC will not pursue the opportunity.</p> <p>Flexibility: Under Dutch law, this right of first review does not have to be included.</p>	In the course of their business activities, members of the management board or supervisory board may become aware of investment and business opportunities, which may be appropriate for presentation to the SPAC as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented. As a result of these other positions, they may have conflicts of interest to the extent that any business combination opportunity would fall within the scope of the business of these entities.	Sponsor(s) and directors of the SPAC may have fiduciary duties to other entities and may bring corporate opportunities first to such other entities rather than to the SPAC. Where a founder or director becomes involved with a new company prior to completion of the acquisition, any potential opportunities would first be presented to the SPAC.

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
27	Forecasts	De-SPAC transactions are marketed using the target company's projections (often 3 years). The projections are included in documents publicly filed with the SEC. Under a safe harbor provision in the US securities laws, projections would be protected from liability in private litigation if they are accompanied by meaningful cautionary statements or the speaker lacks actual knowledge that the projections are false or misleading.	There is not yet an established market practice. Depending on the deal structure, if the Dutch regulator (the AFM) is not involved because there is no prospectus to approve as part of the de-SPAC transaction (for instance in case of a statutory merger), then projections could be used subject only to liability concerns. Under Dutch law, such liability may also arise on the basis of tort claims (e.g. misleading advertisement or unfair trade practices). If the AFM is involved in the de-SPAC transaction because there is a prospectus to approve, then the projections will be subject to regulatory review.	There is not yet an established market practice. Depending on the deal structure, if the Luxembourg regulator (the CSSF) is not involved because there is no prospectus to approve as part of the de-SPAC transaction (for instance in the case of a statutory merger), then projections could be used subject only to liability concerns. If the CSSF is involved in the de-SPAC transaction because there is a prospectus to approve, then the projections will be subject to regulatory review (i.e., they will qualify as a "profit-forecast" for regulatory purposes) and will have to meet usual requirements regarding due diligence and prospectus liability considerations.	Assuming a prospectus is published and approved by the FCA, as is currently required, on the completion of the acquisition, the projections will be subject to regulatory review (i.e., they will qualify as a "profit-forecast" for regulatory purposes) and will have to meet usual requirements regarding due diligence and prospectus liability considerations. <i>(UK Listing Review has recommended consideration of a separate liability regime for forward-looking information, including a defence if directors could demonstrate that they had exercised due care, skill and diligence in putting the information together and that they honestly believed it to be true when published.)</i>
28	PIPEs	De-SPAC transactions are customarily accompanied by a PIPE transaction in which institutional investors commit at signing of the de-SPAC transaction to purchase equity in the SPAC at the closing of the business combination.	Same.	Same.	Not historically common but flexibility to include, subject to selective disclosure restrictions.

#	Topic	United States 	Amsterdam 	Frankfurt 	London 
29	Jurisdiction of organization	Most US SPACs are organized in Delaware, though some are also organized in the Cayman Islands or British Virgin Islands.	Each of the three recently listed Dutch SPACs was organized under Dutch company law. It is not necessary to be organized under Dutch company law to be listed on Euronext Amsterdam but given the flexibility of Dutch company law generally it is widely used.	The SPAC listed on the Frankfurt Stock Exchange was organized under Luxembourg company law. It is not necessary to be organized under German company law to be listed on the Frankfurt Stock Exchange and the flexibility of Luxembourg company law is attractive for SPACs listed in Frankfurt.	Historically common for SPACs to be incorporated offshore, but flexibility to incorporate as a UK plc.

Note: The discussion of Amsterdam-listed SPACs is based on the three Dutch SPACs that have been listed (two of which are related to each other). However, as discussed in the chart above, the sponsor of an Amsterdam-listed SPAC can potentially seek more flexibility in many instances. The discussion of the Frankfurt-listed SPAC is based on the Luxembourg-organized SPAC listed on Frankfurt Stock Exchange in February 2021.

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