

# THE HARTFORD

## PRIVATE EQUITY FUND AND MANAGEMENT LIABILITY POLICY

In consideration of, and subject to, the payment of the premium, and in reliance upon the statements contained in and submitted with the Proposal, the Insurer and the **Insureds** agree as follows:

### I. INSURING AGREEMENTS

#### (A) MANAGEMENT LIABILITY

Except for **Loss** which the Insurer pays pursuant to Sections I.(B) or I.(C) of this Policy, the Insurer will pay on behalf of the **Insured Persons Loss** which the **Insured Persons** become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or Discovery Period, if applicable, for a **Wrongful Act** which takes place during or prior to the **Policy Period**.

#### (B) INSURED ORGANIZATION LIABILITY

The Insurer will pay on behalf of the **Insured Organization**:

- (1) **Loss** not otherwise covered under Section I. (C) which the **Insured Persons** become legally obligated to pay as a result of a **Claim**, and for which the **Insured Organization** has, to the extent permitted or required by law, indemnified such **Insured Persons**; or
- (2) **Loss** which the **Insured Organization** becomes legally obligated to pay as a result of a **Claim**, including any **Claim** arising from the rendering of or failure to render **Professional Services**;

provided that such **Claim** is first made during the **Policy Period** or Discovery Period, if applicable, for a **Wrongful Act** which takes place during or prior to the **Policy Period**.

#### (C) PORTFOLIO COMPANY OUTSIDE DIRECTORSHIP LIABILITY

Subject to all of this Policy's terms and conditions, the Insurer will pay on behalf of the **Insured Persons Loss** in excess of any **Portfolio Company Indemnification and Insurance** which the **Insured Persons** become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or Discovery Period, if applicable, for a **Wrongful Act** which takes place during or prior to the **Policy Period** and which arises from their capacity as a director of a **Portfolio Company**;

provided that as of the Inception Date of the first Private Equity Fund and Management Liability Policy issued by the Insurer to the **Insured Organization** or the date such **Insured Person** first begins serving such **Portfolio Company** in such capacity, whichever is later, such **Insured Person** was not aware of any facts or circumstances that reasonably could be expected to give rise to a **Claim** against such **Insured Person** in such capacity.

### II. EXTENSIONS

#### (A) DEATH, INCAPACITY OR BANKRUPTCY

In the event of the death, incapacity or bankruptcy of an **Insured Person**, this Policy shall provide insurance for **Loss** arising from any **Claim** made against the estate, legal representatives, heirs or the assigns of such **Insured Person** which, in the absence of such death, incapacity or bankruptcy would otherwise have been insured by this Policy.

## **(B) DISCOVERY PERIOD**

If the Insurer or **Insured Organization** shall cancel this Policy pursuant to Section IX. (B) or if the Insurer or the **Insured Organization** elects not to renew this Policy for any reason, the **Insured Organization** and the **Insured Persons** shall have the right, upon payment of the Discovery Period Premium set forth in Item F of the Declarations, to an extension of the coverage granted by this Policy for the period set forth in Item F of the Declarations following the effective date of such cancellation or non-renewal but only with respect to any **Wrongful Act** taking place before the date of such cancellation or non-renewal. A written request for this extension, together with payment of the Discovery Period Premium, must be made within thirty (30) days after the effective date of cancellation or non-renewal of this Policy. This extension shall not apply if this Policy is terminated by the Insurer for non-payment of premium.

## **(C) SPOUSAL EXTENSION**

If a **Claim** made against an **Insured Person** includes a **Claim** against the lawful spouse of such **Insured Person** solely by reason of (a) such spousal status, or (b) such spouse's ownership interest in property or assets that are sought as recovery for **Wrongful Acts**, any **Loss** for which such spouse becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss** which such **Insured Person** of the spouse becomes legally obligated to pay as a result of the **Claim**.

All terms and conditions of this Policy, including the Retention, applicable to **Loss** sustained by such **Insured Person** in the **Claim** shall also apply to loss sustained by such spouse. The extension of coverage afforded by this Section II.(C) shall not apply to the extent the **Claim** alleges any **Wrongful Act** or omission by such spouse.

## **(D) NON-PROFIT OUTSIDE POSITION LIABILITY EXTENSION**

Subject to all of its terms and conditions, this Policy covers any **Insured Person** serving in an **Outside Position**, but such coverage shall be specifically excess of any indemnity or insurance available from or provided by the entity in which the **Insured Person** serves in such **Outside Position**.

Payment by the Insurer or any member company of The Hartford Group of Insurance Companies under another policy as a result of a **Claim** against an **Insured Person** in an **Outside Position** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

"**Outside Position**" means the position of director, officer, trustee, or other equivalent executive position held by an **Insured Person** in:

- (i) any **Non-Profit Entity**, or
- (ii) any entity other than a **Non-Profit Entity** or a **Portfolio Company**, provided such coverage is specifically granted by endorsement to this Policy,

if service in such position is with the knowledge and consent or at the request of the Company.

"**Non-Profit Entity**" means any non-profit corporation, community chest, fund or foundation that (i) is not included in the definition of Company, and (ii) is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

## **III. CLAIMS EXPENSES, SETTLEMENTS AND COOPERATION**

- (A)** No **Claims Expenses** shall be incurred or settlements made, contractual obligations assumed or liability admitted with respect to any **Claim** without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any **Claims Expenses**, settlement, assumed obligation or admission to which it has not consented.

- (B) The Insurer shall have the right to associate itself in the defense and settlement of any **Claim** that appears reasonably likely to involve this Policy. The Insurer may make any investigation it deems appropriate. However, it shall be the duty of the **Insureds**, not the Insurer, to defend any **Claim**.
- (C) Subject to Section VII. of this Policy, the Insurer shall advance on behalf of the **Insureds Claims Expenses** which the **Insureds** have incurred in connection with **Claims** made against them, prior to disposition of such **Claims**, provided always that to the extent it is finally established that any such **Claims Expenses** are not covered under this Policy, the **Insureds**, as appropriate, agree to repay the Insurer such non-covered **Claims Expenses**.
- (D) The **Insureds** shall as a condition precedent to their rights under this Policy, give to the Insurer all information and cooperation as the Insurer may reasonably require and shall do nothing that may prejudice the Insurer's position or its potential or actual rights of recovery.

#### IV. DEFINITIONS

(A) "**Claim**" means:

- (1) a written demand or notice for monetary or non-monetary relief against an **Insured** commenced by such **Insured's** receipt of such demand or notice;
- (2) an arbitration or civil proceeding against an **Insured** commenced by the service of a demand for arbitration, complaint or similar pleading;
- (3) a formal administrative or regulatory proceeding, against an **Insured Person(s)**, commenced by the filing of a notice of charges, formal investigative order or similar document; or
- (4) a formal proceeding brought by the Securities and Exchange Commission or similar state agency against the **Insured Organization**, provided that coverage with respect to such **Claim** shall be limited to the amount set forth at Item E of the Declarations, which shall be part of and not in addition to the Policy's Limit of Liability.

(B) "**Claims Expenses**" means reasonable and necessary costs, charges, fees (including attorney's fees and experts' fees) and expenses incurred in the defense of a **Claim** and the premium for appeal, attachment or similar bonds, but shall not include the wages, salaries or expense of any **Insured Person** of any **Insured Organization**.

(C) "**Financial Insolvency**" means the status of the **Insured Organization** or a **Portfolio Company** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Insured Organization** or **Portfolio Company**, or the **Insured Organization** or a **Portfolio Company** becoming a debtor in possession.

(D) "**Insured Organization**" means the **Parent Company**, any organization scheduled as such in Endorsement No. 1, and any **Subsidiary** thereof. **Insured Organization** shall not include any **Portfolio Company**.

(E) "**Insured Persons**" means any natural person who was, is, or shall become a duly appointed or elected director, officer, general partner, or equivalent executive of an **Insured Organization**.

(F) "**Insured(s)**" means the **Insured Persons** and the **Insured Organization**.

(G) "**Interrelated Wrongful Acts**" means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.

(H) "**Investment Fund**" means an entity which is created or established by an **Insured Organization** consisting of a sum of money whose principal is invested pursuant to the objectives set forth in such entity's private placement, prospectus, or similar document.

- (I) **“Loss”** means sums which the **Insured Persons** or, with respect to Insuring Agreement (B)(2), the **Insured Organization**, are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including **Claims Expenses**, compensatory damages, settlement amounts, and legal fees and costs awarded pursuant to judgments. **Loss** shall also include punitive and exemplary damages and the multiple portion of any multiplied damage award unless such damages are uninsurable pursuant to applicable law.

With respect to the insurability of punitive, exemplary, or multiple damages, the Insurer will not contend for any reason, unless appropriate to do so as a matter of law, regulation or public policy, that such damages are uninsurable; and the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction which permits coverage of such damages.

**“Loss”** shall not include:

- (1) civil or criminal fines, penalties, or taxes;
- (2) any amount allocated to uncovered **Loss** pursuant to Section VII. of this Policy;
- (3) damages, costs or expenses incurred by an Insured in making physical changes, modification, alterations or improvements as part of an accommodation of any disabled person pursuant to the Americans with Disabilities Act of 1990 or any similar federal, state or local law;
- (4) the return of any contribution of capital to any Insured Person; or
- (5) matters uninsurable pursuant to any applicable law.

(J) **“Parent Company”** means the entity named in Item A of the Declarations.

(K) **“Policy Period”** means the period set forth in Item B of the Declarations or any shorter period that may occur as a result of a cancellation or termination of this Policy.

(L) **“Portfolio Company”** means any entity in which any **Insured Organization**, through an **Investment Fund**, has a financial interest pursuant to the investment objectives set forth in any private placement memorandum, prospectus or similar document issued by the **Insured Organization**.

(M) **“Portfolio Company Indemnification and Insurance”** means:

- (1) any indemnification which a **Portfolio Company** is legally permitted or required to provide its directors and/or officers, including any **Insured Person**, except to the extent that such **Portfolio Company** fails to provide such indemnification by reason of its **Financial Insolvency**; and
- (2) any insurance, including but not limited to, directors and officers, insured persons and/or employment practices liability insurance, provided for the benefit of the directors, officers, partners, managers and/or employees of any **Portfolio Company**. Any payment by the Insurer or any member company of The Hartford Group of Insurance Companies under another policy as result of a **Claim** against an **Insured Person** as a director of a **Portfolio Company** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

(N) **“Professional Services”** means any advisory or other services performed by an **Insured Organization** pursuant to an express contract specifically describing such services.

(O) **“Subsidiary”** means any organization:

- (1) which at the inception date of this Policy, is named in the Proposal; and
- (2) in which more than fifty percent (50%) of the voting stock or other equity interest is owned by any **Insured Organization**, either directly or through one or more of its Subsidiaries.

**Subsidiary** shall not include any **Portfolio Company**.

(P) "**Wrongful Act**" means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty committed or attempted:

- (1) by the **Insured Persons**, in their capacity as such;
- (2) with respect to Insuring Agreement (B)(2), by the **Insured Organization**; or
- (3) with respect to Insuring Agreement (C), by the **Insured Persons** in their capacity as a director of a **Portfolio Company**.

## V. EXCLUSIONS

The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against the **Insured Persons** or, with respect to Insuring Agreement (B)(2), the **Insured Organization**:

- (A) for bodily injury, sickness, disease, emotional distress, mental anguish, outrage, humiliation, death, false arrest, or imprisonment, abuse of process, malicious prosecution, defamation (including libel and slander), product or trade disparagement, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use thereof;
- (B) in their capacities as directors, officers and/or employees of any **Subsidiary** or as a director of any **Portfolio Company** for any actual or alleged **Wrongful Act** occurring at any time when such entity was not a **Subsidiary** or a **Portfolio Company**;
- (C) for, based upon, arising from, or in any way related to any claim, **Wrongful Act**, or circumstance if notice thereof is given under any directors and officers liability or **Insured Persons** liability policy the term of which incepted prior to the inception date of this Policy;
- (D) brought or maintained by or on behalf of an **Insured Person** in any capacity and/or the **Insured Organization**, except:
  - (1) a **Claim** that is a security holder class or derivative action that is instigated and continued totally independent of, and totally without the solicitation, assistance or active participation of any **Insured**;
  - (2) a **Claim** for discrimination, harassment or wrongful termination of employment;
  - (3) a **Claim** for contribution or indemnity, if the **Claim** directly results from another **Claim** that is otherwise covered under this Policy; or
  - (4) a **Claim** by any **Portfolio Company** or its respective directors and officers that is instigated and continued without the solicitation, aid, assistance or participation of any **Insured** scheduled under this Policy.
- (E) for, based upon, arising from, or in any way related to any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by such **Insured** if a judgment or other final adjudication adverse to the **Insured** establishes such an act, omission or willful violation; or their gaining in fact any personal profit, remuneration or advantage to which they were not legally entitled;
- (F) for, based upon, arising from, or in any way related to:
  - (1) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or
  - (2) any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste;

including without limitation any **Claim** brought by or on behalf of the **Insured Organization**, a **Portfolio Company** or their security holders in their capacity as such.

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including without limitation smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed;

- (G) for, based upon, arising from, or in any way related to such **Insured Person** serving as a director, officer, partner, trustee, regent, governor or employee of any entity other than the **Insured Organization** even if such service is at the direction or request of the **Insured Organization**, provided this exclusion does not apply with respect to a **Claim** for a **Wrongful Act** of an **Insured Person** while serving in an **Outside Position** or as a director of a **Portfolio Company**;
- (H) for, based upon, arising from, or in any way related to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local, or common law, in connection with the activities of any **Insured(s)** as a fiduciary for, or in the administration of, any pension and/or welfare plan created for the benefit of the employees of the **Insured Organization** or any **Portfolio Company**;
- (I) for an accounting of profits made from the purchase or sale by such **Insured Persons** of securities of the **Insured Organization** or any **Portfolio Company** within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state, local or common law;
- (J) for, based upon, arising from, or in any way related to any demand, suit, action or other proceeding against the **Insured Organization** or any **Insured Person(s)** which was pending on or existed prior to the date stated in Item G of the Declarations or based upon or arising from the same or substantially similar facts, circumstances or allegations which are the subject of or the basis for such demand, suit, action or other proceeding; and
- (K) solely with respect to the **Insured Organization**, for, based upon, arising from, or in any way related to any breach of contract or agreement, whether written or oral; provided that this exclusion shall not apply to: (i) liability for **Loss** which would have attached even in the absence of such contract or agreement, or (ii) any actual or alleged breach of any contract describing or calling for **Professional Services**.

The **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person** for purposes of applying the Exclusions set forth in this Section V.

## VI. LIMITS OF LIABILITY AND RETENTION

- (A) The Insurer's aggregate Limit of Liability for all **Loss** otherwise covered under this Policy shall be the amount shown under Item C of the Declarations whether such **Loss** is covered under one or more Insuring Agreements. The Limit of Liability in the Discovery Period shall be a part of, and not in addition to, the Limit of Liability shown under Item C of the Declarations.
- (B) The Insurer's liability in respect of **Loss** arising from each **Claim** made against any of the **Insured Persons** shall apply only to that part of **Loss** which is excess of the applicable Retention set forth in Item D of the Declarations. However, coverage provided under Insuring Agreement (C) shall not be subject to a Retention.
- (C) All **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** of one or more of the **Insured Persons** shall be considered a single **Claim**. Such **Claims** shall be deemed to be first made on the date the first such **Claim** is made or deemed to be made pursuant to Section VIII. (A) of this Policy, regardless of whether such date is before or during the **Policy Period**.
- (D) With respect to Insuring Agreement (B)(1), if the **Insured Organization** is permitted or required by the **Insured Organization** agreement, by-laws, certificate of incorporation, or similar document to ultimately indemnify the **Insured Persons** for **Loss**, or to advance **Claims Expenses** on their behalf, and does not in fact do so other than for reasons of **Financial Insolvency**, then the Insurer shall pay all such **Loss** on behalf of such **Insured Persons** subject to the third listed Retention amount set forth in Item D of the Declarations and all terms and conditions of this Policy. For purposes of this paragraph, any partner, shareholder and/or board of directors resolutions of the **Insured Organization** shall be deemed to provide indemnification and advancement for

such **Loss** to the fullest extent permitted or required by the **Insured Organization** agreement, by-laws or certificate of incorporation of the **Insured Organization**.

- (E) In the event **Loss** arising from a single **Claim** is subject to more than one Retention, the third listed Retention amount set forth in Item D of the Declarations shall be the maximum Retention applicable to such **Claim**.
- (F) The Limit(s) of Liability available to pay judgments or settlements shall be reduced by **Claims Expenses**.

## VII. ALLOCATION

If both **Loss** covered under this Policy and **Loss** not covered under this Policy are incurred in connection with any **Claim**, the **Insured Person**, the **Insured Organization** and the Insurer shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

If there can be an agreement on an allocation of **Claims Expenses**, the Insurer shall advance on a current basis **Claims Expenses** allocated to covered **Loss**. If there can be no agreement on an allocation of **Loss**:

- (a) no presumption as to allocation shall exist in any arbitration, suit or other proceeding;
- (b) the Insurer shall advance on a current basis **Claims Expenses** which the Insurer believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined; and
- (c) the Insurer, if requested by the **Insured Persons** and/or the **Insured Organization**, shall submit such dispute to binding arbitration. The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Insured Persons** and/or the **Insured Organization**, one arbitrator selected by the Insurer and a third independent arbitrator selected by the first two arbitrators.

Any negotiated, arbitrated or judicially determined allocation of **Claims Expenses** on account of a **Claim** shall be applied retroactively to all **Claims Expenses** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Claims Expenses** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

## VIII. NOTICE

- (A) If during the **Policy Period** the **Insured Persons** or the **Insured Organization** become aware of a specific **Wrongful Act** that may reasonably be expected to give rise to a **Claim** against any **Insured Person** or the **Insured Organization**, and, if such **Wrongful Act** is reported to the Insurer during the **Policy Period** in writing with particulars as to the reasons for anticipating such a **Claim**, the nature and dates of the alleged **Wrongful Act**, the alleged injuries or damages sustained, the names of potential claimants, any **Insured Person** involved in the alleged **Wrongful Act** and the manner in which the **Insured Persons** or the **Insured Organization** first became aware of the specific **Wrongful Act**, then any **Claim** subsequently arising from such specific **Wrongful Act** duly reported in accordance with this paragraph shall be deemed under this Policy to be a **Claim** made during the **Policy Period**.
- (B) As a condition precedent to any coverage under Insuring Agreements (A), (B) or (C), the **Insureds** shall report such **Claim** to the Insurer as soon as practicable but in no event later than sixty (60) days after the termination of the **Policy Period** or Discovery Period, if applicable. Notice of any **Claim** or specific **Wrongful Act** shall be given in writing to the Insurer, 2 Park Avenue, New York, NY 10016 Attention: Financial Products Claims, with referral to the Policy Number indicated in the Declarations. Notice shall not be effective until the date of receipt by the Insurer at this address.

All other notices under this Policy shall be given in writing to the same addressee but to the attention of Financial Products Underwriters and with referral to the Policy Number indicated in the Declarations.

## IX. GENERAL CONDITIONS

### (A) TERRITORY

This Policy extends to **Wrongful Acts** taking place or **Claims** made anywhere in the world.

### (B) CANCELLATION OF POLICY

The Insurer may cancel this Policy for non-payment of premium by sending not less than ten (10) days notice to the **Parent Company** at its last known address. The Insurer may not otherwise cancel this Policy. The **Parent Company** may cancel this Policy by sending contemporaneous notice to the Insurer, provided the **Parent Company** may not cancel this Policy after the effective date of the acquisition of the **Parent Company** as described in Section IX.(H)(3) of this Policy. In the event the **Parent Company** cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

### (C) SUBROGATION

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof, and the **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insured Persons** and/or the **Insured Organization**.

### (D) INSURED ORGANIZATION AUTHORIZATION

By acceptance of this Policy, the **Parent Company** agrees to act on behalf of all **Insured Persons** and **Insured Organizations** with respect to the giving and receiving of notice of **Claim** or cancellation, the payment of premiums and the receiving of any return premium, the negotiation, agreement to and acceptance of any endorsements issued to form part of this Policy; and the **Insured Persons** agree that the **Parent Company** shall act on their behalf.

### (E) OTHER INSURANCE

If any **Loss** arising from any **Claim** is insured by another valid policy or policies, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to the Policy Number indicated on the Policy's Declaration.

### (F) ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Insurer.

### (G) ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and the amount of the **Insured Persons'** and/or **Insured Organizations'** obligation to pay shall have been finally determined either by judgment against the **Insured Persons** and/or the **Insured Organization** after actual trial, or by written agreement of the **Insured Persons** and/or the **Insured Organization**, the claimant and the Insurer.

### (H) CHANGES IN EXPOSURE

#### (1) Acquisition or Creation of Organization; Assets Acquisition; Assumption of Liabilities



If before or during the **Policy Period** the **Insured Organization**:

- (a) acquires securities or voting rights in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**, or
  
- (b) acquires any organization by merger into or consolidation with the **Insured Organization**, such organization and its **Insured Persons** shall be **Insureds** under this Policy but only with respect to **Wrongful Acts** taking place after such acquisition or creation.

However, if during the **Policy Period** the fair value of (i) all cash, securities, assumed liabilities and other consideration paid by the **Insured Organization** for any such acquisition, or (ii) all assets acquired or liabilities assumed by the **Insured Organization** in any single transaction or series of related transactions, exceeds 20% of the total consolidated assets or liabilities, respectively, of all **Insured Organizations** as reflected in the **Parent Company's** last audited consolidated financial statements prior to such acquisition, the **Parent Company** as a condition precedent to coverage with respect to such new **Insureds** or to coverage for **Wrongful Acts** relating to such acquired assets or assumed liabilities and occurring subsequent to such acquisition or assumption, shall give written notice of such acquisition or assumption to the Insurer as soon as practicable but in no event more than ninety (90) days after the effective date of such acquisition or assumption, together with such information as the Insurer may require, and shall pay any additional premium so required by the Insurer. If the **Parent Company** fails to comply with such condition precedent, coverage otherwise afforded by this Section (H)(1) shall terminate as of ninety (90) days after the effective date of such acquisition or assumption.

(2) **Newly Created Investment Funds**

If during the **Policy Period**, an **Insured Organization** creates an **Investment Fund**, such newly created **Investment Fund** and its **Insured Persons** shall be **Insureds** under this Policy, but only with respect to **Wrongful Acts** taking place after such creation. However, if (i) the offering size of any newly created **Investment Fund** or the aggregate amount of the offerings of all **Investment Funds** which are newly created during the **Policy Period** exceeds 150% of the offering amount of the most recently created **Investment Fund** scheduled in Endorsement No. 1, or (ii) the investment objectives (as set forth in the private placement memorandum, prospectus or similar document issued by the **Insured Organization**) of any newly created **Investment Fund** differ materially from the investment objectives of the **Investment Fund(s)** scheduled in Endorsement No. 1, then the **Parent Company** as a condition precedent to coverage with respect to such new **Insureds**, shall give written notice of such newly created **Investment Fund** to the Insurer as soon as practicable but in no event more than ninety (90) days after the effective date of the offering or private placement memorandum, together with such information as the Insurer may require, and shall pay any additional premium so required by the Insurer. If the **Parent Company** fails to comply with such condition precedent, coverage otherwise afforded by this Section (H)(2) shall terminate as of ninety (90) days after the effective date of such acquisition or assumption.

(3) **Acquisition of Parent Company**

If during the **Policy Period** (i) the **Parent Company** merges into or consolidates with another organization such that the **Parent Company** is not the surviving entity, or (ii) another organization, or person or group of organizations and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the **Parent Company**, then coverage under this Policy shall continue until the later of:

- (a) termination of the **Policy Period**, or
  
- (b) any subsequent date to which the Insurer may agree by endorsement,

but only with respect to **Claims for Wrongful Acts** taking place prior to such merger, consolidation or acquisition. Any coverage extension pursuant to (b), above, shall be conditioned upon any premium paid or to be paid under this Policy being deemed fully earned upon inception of such coverage extension. Any **Claim** made during such coverage extension shall be deemed to have been made during the **Policy Period** in which such merger, consolidation or acquisition occurred.

The **Parent Company** shall give written notice of such merger, consolidation or acquisition to the Insurer as soon as practicable, together with such information as the Insurer may reasonably require.

**(4) Cessation of Subsidiaries**

If before or during the **Policy Period** an organization ceases to be a **Subsidiary**, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this Policy but only with respect to **Claims for Wrongful Acts** taking place prior to the date such organization ceased to be a **Subsidiary**.

**(I) PORTFOLIO COMPANY OUTSIDE DIRECTORSHIP RUN-OFF COVERAGE**

If during the Policy Period an **Insured Person** ceases serving as a director of a **Portfolio Company**, coverage under Insuring Agreement (C) of this Policy shall continue with respect to such **Insured Person** in such capacity until termination of this Policy but only with respect to a **Claim for Wrongful Acts** occurring prior to the time such **Insured Person** ceased serving in such capacity.

**(J) REPRESENTATIONS AND SEVERABILITY**

The **Insureds** represent that the particulars and statements contained in the Proposal are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

The **Insureds** agree that in the event that the particulars and statements contained in the Proposal are untrue, this Policy shall be void and of no effect whatsoever. However, this Policy shall not be voided as to any **Insured Person** unless such **Insured Person** knew as of the Inception Date of this Policy the facts that were not truthfully disclosed in the Proposal.