



THE HARTFORD PRIVATE EQUITY CHOICESM POLICY DECLARATIONS

Policy Number:

NOTICE: THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, COVERAGE IS LIMITED TO CLAIMS FIRST MADE WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO THE INSURER AS SOON AS PRACTICABLE AFTER ANY NOTICE MANAGER LEARNS OF THEM, BUT IN NO EVENT LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THE POLICY, OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. COVERAGE IS SUBJECT TO A RETENTION. THE INSURED'S PAYMENT OF DEFENSE COSTS ERODES THE RETENTION. THE INSURER'S PAYMENT OF DEFENSE COSTS (AS WELL AS PAYMENT OF SETTLEMENTS OR AWARDS) REDUCES THE AVAILABLE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS IT WITH YOUR AGENT OR BROKER. THE POLICY DOES NOT OBLIGATE THE INSURER TO DEFEND ANY INSURED, BUT SUBJECT TO ITS TERMS AND CONDITIONS, DOES OBLIGATE THE INSURER TO REIMBURSE FOR DEFENSE COSTS.

ITEM 1: Named Entity and Address:

ITEM 2: Producer's Name and Address:

ITEM 3: Policy Period:

(A) Inception Date:

(B) Expiration Date:

12:01 a.m. local time at the address shown in ITEM 1

ITEM 4: Premium:

ITEM 5: Coverage Part Elections:

(Coverage under Insuring Agreement B of the Private Equity Employment Practices Liability Coverage Part and under the Private Equity Fiduciary Liability Coverage Part must be elected with an "X" below to be included under this Policy)

COMBINED AGGREGATE LIMIT OF LIABILITY FOR ALL COVERAGE PARTS: \$

COVERAGE PART	AGGREGATE LIMIT OF LIABILITY	RETENTION	PRIOR OR PENDING DATE
Private Equity Fund Management and Professional Liability Coverage Part	\$	Insured Entity Reimbursement and Insured Entity Liability \$ Portfolio Company Outside Directorship Liability \$	
Private Equity Employment Practices Liability Coverage Part Insuring Agreement A: Portfolio Company Employment Claims <input type="checkbox"/> <i>(Elective Coverage)</i> Insuring Agreement B: Employment Practices Liability and Third Party Liability	\$	Portfolio Company Employment Claims \$ Insuring Agreement B \$	Portfolio Company Employment Claims: Insuring Agreement B
<input type="checkbox"/> <i>(Elective Coverage)</i> Private Equity Fiduciary Liability Coverage Part	\$	\$	

ITEM 6: Extended Reporting Period:

(A) Duration:

(B) Premium*:

* Premium for the Extended Reporting Period for elected coverage shall be the indicated percentage of the sum of the annual premium specified in Item 4 plus the annualized amounts of any additional premiums charged during the Policy Period.

ITEM 7: Endorsements: This Policy includes the following endorsements at issuance:

ITEM 8: Address For Notices to Insurer:

For Claims:

The Hartford
Claims Department
Hartford Financial Products
2 Park Ave., 6th Floor
New York, New York 10016

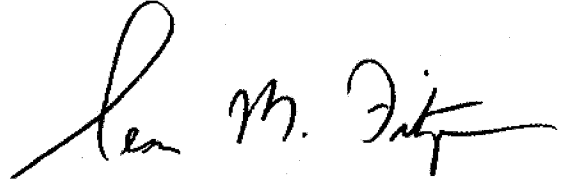
For all notices other than Claims:

The Hartford
HFP Express
Hartford Financial Products
2 Park Ave., 5th Floor
New York, New York 10016

This Policy shall not be valid unless countersigned by the Insurer's duly authorized representative.

Date of Issue:

Countersigned by:



Authorized Representative

SPECIMEN

THE HARTFORD PRIVATE EQUITY CHOICESM POLICY

In consideration of, and subject to the payment of the premium, in reliance on the **Application**, and subject to all the terms and conditions of this Policy, the Insurer and the **Insureds** agree as follows:

COMMON TERMS AND CONDITIONS

I. TERMS AND CONDITIONS

- (A) All Coverage Parts included in this Policy are subject to the following Common Terms and Conditions. If any provision in these Common Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part.
- (B) Except as otherwise provided by specific reference to other Coverage Parts, the terms and conditions of each Coverage Part shall apply only to such Coverage Part.

II. COMMON DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- (A) **“Advisory Board”** means a board or committee of an **Insured Entity** created pursuant to a limited partnership agreement, equivalent documents, or resolutions of such **Insured Entity**.
- (B) **“Advisory Board Member”** means a natural person who is not an **Employee** or a **Manager**, while such person was or is serving on an **Advisory Board**.
- (C) **“Affiliate(s)”** means any of the following entities while such entity was or is under the **Management Control** of the **Named Entity**, whether directly or indirectly through one or more other **Affiliates**:
 - (1) the general partner of any **Investment Fund**;
 - (2) any investment or other management company that renders **Professional Services** to an **Investment Fund**;
 - (3) any co-investment fund or parallel fund of any **Investment Fund**; or
 - (4) any blocker or feeder vehicle or other acquisition vehicle of any **Investment Fund** formed for the sole purpose of collecting or distributing funds or amounts.

However, **Affiliate** shall not include a(n) **Portfolio Company**, **Investment Fund**, **Investment Holding Company**, or **Unaffiliated Investment Holding Company**.

- (D) **“Application”** means any:
 - (1) application for this Policy, including any materials or information submitted therewith or made available to the Insurer during the underwriting process, which shall be on file with the Insurer and deemed a part of this Policy and attached hereto, as if physically hereto;
 - (2) application for any policy in an uninterrupted series of policies issued by the Insurer or any insurance company controlling, controlled by, or under common control with, the Insurer of which this Policy is a renewal or replacement; and
 - (3) publicly available information filed by an **Insured Entity** or a **Portfolio Company** within the preceding two years with the United States Securities and Exchange Commission or its foreign equivalent.
- (E) **“Claim”** shall have the meaning specified for such term in each Coverage Part.

- (F) “**Damages**” shall have the meaning specified for such term in each Coverage Part.
- (G) “**Defense Costs**” shall have the meaning specified for such term in each Coverage part
- (H) “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.
- (I) “**Employee**” means any natural person while such person was or is an employee of an **Insured Entity**. **Employee** shall also include any part-time, seasonal, temporary, leased or loaned employee, to the extent indemnification is provided by an **Insured Entity**.
- (J) “**Employment Practices Wrongful Act**” means any:
- (1) wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
 - (2) sexual or other workplace harassment, including quid pro quo and hostile work environment;
 - (3) employment discrimination, including discrimination based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state, or local law;
 - (4) **Retaliation**;
 - (5) breach of any oral, written, or implied employment contract, including, without limitation, any obligation arising from a personnel manual, employee handbook, or policy statement; or
 - (6) violation of the Family and Medical Leave Act.
- Employment Practices Wrongful Act** shall also mean the following, but only when alleged in addition to or as part of any **Employment Practices Wrongful Act** described above:
- (i) employment-related wrongful infliction of emotional distress;
 - (ii) failure to create, provide for or enforce adequate or consistent employment-related policies and procedures;
 - (iii) negligent retention, supervision, hiring or training; or
 - (iv) employment-related: invasion of privacy, defamation, or misrepresentation.
- (K) “**ERISA**” means the Employee Retirement Income Security Act of 1974.
- (L) “**Family Trust**” means a family wealth planning entity that is organized as a trust and created for the sole benefit of an **Insured Person** or a natural person associated by blood, affinity, or law to an **Insured Person**.
- (M) “**Financial Insolvency**” means the status of an **Insured Entity**:
- (1) as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Insured Entity**;
 - (2) as a result of the **Insured Entity** becoming a debtor in possession as such term is defined in Chapter 11 of the United States Bankruptcy Code as well as any equivalent status pursuant to any similar law; or
 - (3) upon dissolution and after final distribution of all **Investment Funds’** remaining capital to the limited partner investors thereof as set forth in the agreement that governs such dissolution and distribution.
- (N) “**Insured Entity**” shall have the meaning specified for such term in each Coverage Part.

- (O) **"Insured Person"** shall have the meaning specified for such term in each Coverage Part.
- (P) **"Insureds"** shall have the meaning specified for such term in each Coverage Part.
- (Q) **"Interrelated Wrongful Acts"** means **Wrongful Acts** that are based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any of the same or related, or series of related, facts, circumstances, situations, transactions, or events whether such **Wrongful Acts** are alleged in a single **Claim** or multiple **Claims**.
- (R) **"Investment Fund"** means an entity that:
- (1) was created by or established by an **Insured Entity** before the **Policy Period** and at the inception date of this Policy is listed by endorsement hereto, or
 - (2) is created by or established by an **Insured Entity** during the **Policy Period** in accordance with Section XII. (D)(2) of these Common Terms and Conditions,
- for the purpose of raising capital by the issuance of securities that are exempt from the registration requirements of the Securities Act of 1933, including, but not limited to, any pooled investment vehicle, general partnership, limited partnership, limited liability company or business trust.
- (S) **"Investment Holding Company"** means any holding company or other acquisition vehicle, while such entity was or is under the **Named Entity's** direct or indirect **Management Control**, formed by an **Insured Entity** for the purpose of an **Investment Fund** holding an interest in a **Portfolio Company**, whether such interest is held directly or indirectly through one or more other **Investment Holding Companies** or one or more **Unaffiliated Investment Holding Companies**.
- (T) **"Loss"** shall mean **Damages** and **Defense Costs**.
- (U) **"Management Control"** means:
- (1) Owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation, the members of the management board of a limited liability company, or the general partners of a limited partnership; or
 - (2) Having the right, pursuant to a written contract or the by-laws, charter, operating agreement, partnership agreement or similar documents of an entity, to control the operation of such entity.
- (V) **"Manager"** means any natural person while such person was or is a(n):
- (1) General Partner, Managing Partner, Managing Director, Principal, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, in-house General Counsel, member of the board of managers or management committee member, or any equivalent executive officer of an **Insured Entity**; or
 - (2) executive of an **Insured Entity** created outside the United States of America to the extent that such executive holds a position equivalent to any of those described in sub-paragraph (1) immediately above.
- (W) **"Named Entity"** means the entity named in Item 1 of the Declarations.
- (X) **"Notice Managers"** means the natural person in the offices of Managing General Partner, Chief Financial Officer, General Counsel or Risk Manager of an **Insured Entity**.
- (Y) **"Policy Period"** means the period from the Inception Date to the Expiration Date set forth in Item 3 of the Declarations, or to any earlier cancellation date.
- (Z) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant, nuisance or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil product, radiation, asbestos or asbestos-containing product, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, without limitation, material to be recycled, reconditioned or reclaimed. **Pollutants** also means any substance

located anywhere in the world identified on a list of hazardous substances issued by any federal agency (including, but not limited to, the Environmental Protection Agency) or any state, county, municipality or locality or counterpart thereof, or any foreign equivalent thereof.

(AA) "Portfolio Company" means any entity while an **Investment Fund** directly, or indirectly through an **Investment Holding Company**, has or had an ownership interest in such entity's debt or equity securities.

(BB) "Portfolio Company Employment Wrongful Act" means an **Employment Practices Wrongful Act** attempted, committed or allegedly attempted or committed by:

- (1) An **Insured** in the rendering of advice to, or exercising of influence over, a **Portfolio Company**; or
- (2) An **Insured Entity** in its capacity as a controlling shareholder of a **Portfolio Company**.

(CC) "Retaliation" means alleged adverse treatment of a natural person by his or her employer based upon such person:

- (1) exercising any rights under law, including, but not limited to, rights under any workers compensation laws, the Family and Medical Leave Act, **ERISA**, or the Americans with Disabilities Act;
- (2) refusing to violate any law;
- (3) assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law;
- (4) disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
- (5) filing any "whistle blower" claim against any employer under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.

(DD) "Third Party" means any natural person who is a customer, vendor, service provider or other business invitee of an **Insured Entity**. **Third Party** shall not include natural persons qualifying as **Insured Persons** under any Coverage Part forming part of this Policy.

(EE) "Third Party Wrongful Act" means any:

- (1) discrimination against a **Third Party** based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law; or
- (2) sexual harassment against a **Third Party**, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature.

(FF) "Unaffiliated Investment Holding Company" means an entity, including, but not limited to, a holding company or other acquisition vehicle, formed to hold a direct interest in a **Portfolio Company**, provided an **Investment Fund** owns an equity interest in such entity and an **Insured Entity** does not have **Management Control**.

(GG) "Wrongful Act" shall have the meaning specified for such term in each Coverage Part.

III. CLAIMS MADE AND Interrelationship of claims

All **Claims** that include allegations of the same **Wrongful Act** or any **Interrelated Wrongful Acts** shall be deemed to be a single **Claim** for all purposes under this Policy, first made on the earliest date that:

- (A)** the earliest of such **Claims** was first made, regardless of whether such date is before or during the **Policy Period**;
- (B)** satisfactory notice of any **Wrongful Act** alleged in any such **Claims** was given to the Insurer pursuant to Section IV (B) of these Common Terms and Conditions; or

- (C) notice of any **Wrongful Act** or circumstance alleged in any such **Claims** was given under any other directors and officers, management liability or similar insurance policy commencing before the Inception Date in Item 3(A) of the Declarations, regardless of whether such policy was issued by the Insurer.

IV. NOTICES TO THE INSURER AND THE INSUREDS, INCLUDING NOTICE OF CLAIM OR POTENTIAL CLAIM

(A) Notice of Claim to the Insurer

As a condition precedent to coverage under this Policy, the **Insureds** shall give the Insurer written notice of any **Claim** at the applicable address set forth in Item 8 of the Declarations, as soon as practicable after a **Notice Manager** is notified of such **Claim**, but in no event later than sixty (60) days after the termination of the **Policy Period**, or any Extended Reporting Period.

(B) Notice of Potential Claim to the Insurer

If, during the **Policy Period**, the **Insureds** become aware of a specific **Wrongful Act** that reasonably may be expected to give rise to a **Claim**, and, if written notice of the particulars of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then the terms and conditions of coverage under this Policy, and the remaining available Limits of Liability of the **Policy Period**, shall apply to any **Claim** subsequently arising from such **Wrongful Act**, notwithstanding that the **Claim** was not first made during the **Policy Period**. As a condition precedent to coverage under this Policy, the **Insureds** shall give the Insurer written notice of any **Claim** arising from such **Wrongful Act** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than sixty (60) calendar days.

(C) Notices to the Insurer (other than Claims or Potential Claims)

All notices required by this policy or in connection with this policy shall be sent to the applicable address set forth in Item 8 of the Declarations.

(D) Notices to the Insureds

All notices to the **Insureds** shall be sent to the **Named Entity** at the address set forth in Item 1 of the Declarations.

V. ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS

- (A) It shall be the duty of the **Insureds**, and not the Insurer, to defend any **Claim**.

- (B) Upon written request by any **Insured**, the Insurer shall advance **Defense Costs** in excess of the applicable Retention amount, in defense of any **Claim** covered by this Policy.

However if such **Defense Costs** are only partially covered by this Policy because: (i) such **Claim** involves both **Insureds** and persons or entities who are not **Insureds**, or (ii) such **Claim** is subject to one or more ALLOCABLE EXCLUSIONS, as set forth in Section IV. (A) of each Coverage Part; or (iii) a portion of such **Claim** is subject to one or more exceptions to the exclusions listed in EXCLUSIONS WITH EXCEPTIONS, as set forth in Section IV. (C) of each Coverage Part (or Section V. EXCLUSION APPLICABLE TO INSURING AGREEMENT (C) of the Private Equity Fund Management and Professional Liability Coverage Part); or (iv) a portion of such **Claim** is for amounts that do not constitute **Damages**, unless otherwise specified, then the **Insureds** and the Insurer agree to use their best efforts to fairly and reasonably allocate such **Defense Costs** on the basis of the relative legal and financial exposures of the covered and non-covered parties and/or the covered and non-covered portions of such **Claim** and/or such **Defense Costs**.

If the Insurer and the **Insured(s)** agree on the amount of **Defense Costs** that constitute covered **Defense Costs**, the Insurer shall advance such **Defense Costs** on a current basis.

If the Insurer and the Insured(s) cannot agree on the amount of Defense Costs that constitute covered Defense Costs, then:

- (1) the Insurer shall advance on a current basis Defense Costs that it believes to be covered until a different allocation is negotiated or determined by arbitration; and
- (2) the Insurer and the Insured(s) agree to submit the 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(s), 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 Defense Costs on account of a Claim shall be applied retroactively to all Defense Costs on account of such Claim, notwithstanding any prior advancement to the contrary. Any allocation or advancement of Defense Costs on account of a Claim shall not apply to or create any presumption with respect to the allocation of Damages on account of such Claim.

VI. ALLOCATION OF DAMAGES

If a **Claim** results in a settlement or judgment that includes both **Damages** and amounts that do not constitute **Damages**, then the **Insureds** and the **Insurer** agree to use their best efforts to fairly and reasonably allocate the amount of such settlement or judgment on the basis of the relative legal and financial exposures to the covered damages and the non-covered amounts.

If **Damages** with respect to a **Claim** are only partially covered by this Policy because: (i) such **Claim** involves both **Insureds** and persons or entities who are not **Insureds**, or (ii) such **Claim** is subject to one or more **ALLOCABLE EXCLUSIONS**, as set forth in Section IV. (A) of each Coverage Part ; or (iii) a portion of such **Claim** is subject to one or more exceptions to the exclusions listed in the **EXCLUSIONS WITH SPECIFIED EXCEPTIONS**, as set forth in Section IV. (C) of each Coverage Part (or Section V. **EXCLUSION APPLICABLE TO INSURING AGREEMENT (C)** of the Private Equity Fund Management and Professional Liability Coverage Part); or; (iv) the settlement or judgment includes **Damages** excluded in **EXCLUSIONS APPLICABLE TO DAMAGES BUT NOT TO DEFENSE COSTS**, as set forth in Section IV. (D) of each Coverage Part, then the **Insureds** and the Insurer agree to use their best efforts to fairly and reasonably allocate such **Damages** on the basis of the relative legal and financial exposures of the covered and non-covered parties and/or the covered and non-covered portions of such **Claim** and/or such **Damages**.

If the Insurer and the **Insured(s)** can agree on the amount that constitutes covered **Damages**, the Insurer shall pay such amount as soon as practicable.

If the Insurer and the **Insured(s)** cannot agree on the amount of covered **Damages**, then the Insurer and the **Insured(s)** agree to submit the 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(s)**, one arbitrator selected by the Insurer and a third independent arbitrator selected by the first two arbitrators.

VII. LIMIT OF LIABILITY

(A) The Aggregate Limit of Liability for each Coverage Part in Item 5 of the Declarations shall be the maximum aggregate amount that the Insurer shall pay under such Coverage Part for all **Loss** from all **Claims** covered under such Coverage Part. If any Limit of Liability is exhausted, the premium for this Policy shall be fully earned.

(B) Notwithstanding the above, the Combined Aggregate Limit of Liability For All Coverage Parts stated in ITEM 5 of the Declarations:

- (1) shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered under this Policy; and

(2) any amount specified as an Aggregate Limit of Liability for any individual Coverage Part in Item 5 of the Declarations shall be subject to, part of, and not in addition to, the amount stated as the Combined Aggregate Limit of Liability for All Coverage Parts.

(C) **Defense Costs** shall be part of, and not in addition to, each applicable Limit of Liability. Payment of **Defense Costs** by the Insurer shall reduce each Limit of Liability.

VIII. SELF-INSURED RETENTION AND PRESUMPTION OF INDEMNIFICATION

(A) The Insurer shall only pay **Loss** in excess of the Retention applicable to each **Claim** as specified in Item 5 of the Declarations. **Defense Costs** are applied against the Retention. The Retention shall be borne by the **Insureds** uninsured at the **Insureds'** own risk.

(B) If **Loss** arising from any **Claim** is covered in whole or in part under more than one Coverage Part or Insuring Agreement, the applicable Retention shall be applied separately to that part of **Loss** covered by each Coverage Part or Insuring Agreement and the sum of the Retentions so applied shall constitute the Retention applicable to such **Claim**; provided, however, the largest applicable Retention amount set forth in Item 5 of the Declarations shall be the maximum retention applicable to such **Claim**.

(C) No Retention shall apply to **Loss** incurred by any **Insured Person** that an **Insured Entity** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of **Financial Insolvency**.

(D) For the purpose of determining if an **Insured Entity** is permitted or required to indemnify an **Insured Person**, the organizational and corporate governance documents of any **Insured Entity**, including, but not limited to, any certificate of incorporation, articles of organization, or bylaws, as well as any agreements relating to indemnification of **Insured Persons**, shall be presumed to permit indemnification and advancement of **Defense Costs** to the maximum extent permissible under any applicable law, regardless of the actual provisions of such documents. Notwithstanding any other provision of this Policy to the contrary, if any **Insured Entity** is permitted or required by common or statutory law to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on his or her behalf, and fails to do so other than because of **Financial Insolvency**, then the Insurer's liability shall be subject to the Retention that would have applied if such indemnification had been made.

(E) If an **Insured Entity** is unable to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on his or her behalf because of **Financial Insolvency**, then, subject to Section VIII (D) of these Common Terms and Conditions, the **Named Entity** shall indemnify such **Insured Person** and advance **Defense Costs** on their behalf.

IX. CONSENT AND COOPERATION

(A) 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, whether by subrogation or otherwise.

(B) The **Insureds** shall not admit or assume any liability, make any settlement offer, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** regarding any **Claim** without the prior written consent of the Insurer, such consent not to be unreasonably withheld. The Insurer shall not be liable for any admission, assumption, settlement, stipulation, or **Defense Costs** to which it has not consented.

(C) The Insurer shall have the right to effectively associate in the defense of any **Claim**, even if such **Claim** is groundless, false or fraudulent. The Insurer may make any investigation it deems appropriate.

X. COVERAGE EXTENSIONS

(A) Spousal/Domestic Partner Liability Coverage

Coverage shall apply to the lawful spouse or **Domestic Partner** of an **Insured Person** for a **Claim** made against such spouse or **Domestic Partner**, provided that:

- (1) such **Claim** arises solely out of:
 - (a) such person's status as the spouse or **Domestic Partner** of an **Insured Person**; or
 - (b) such spouse's or **Domestic Partner's** alleged ownership of property sought as recovery for a **Wrongful Act** by an **Insured Person**;
- (2) the **Insured Person** is named in such **Claim** together with the spouse or **Domestic Partner**; and
- (3) coverage of the spouse or **Domestic Partner** shall be on the same terms and conditions, including, but not limited to, any applicable Retention, as apply to coverage of the **Insured Person** for such **Claim**.

No coverage shall apply to any **Loss** directly resulting from any act, error or omission of such spouse or **Domestic Partner**.

(B) Estates and Legal Representatives Including Family Trusts

In the event of the death, incapacity or bankruptcy of an Insured Person, any Claim made against the estate, Family Trusts, heirs, legal representatives or assigns of such Insured Person for a Wrongful Act of such Insured Person shall be deemed to be a Claim made against such Insured Person. No coverage shall apply to any Loss directly resulting from any act, error or omission of such estate, Family Trust, heirs, legal representatives or assigns.

XI. REPRESENTATIONS AND SEVERABILITY OF THE APPLICATION

- (A)** The **Insureds** represent that the statements, representations, and information contained in the **Application** are true and accurate. This Policy is issued in reliance upon the **Application**.

If the **Application** contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by the Insurer:

- (1) For the purpose of determining coverage under all Coverage Parts other than the Private Equity Fund Management and Professional Liability Coverage Part, no coverage shall be afforded under this Policy for any **Insureds** who knew on the Inception Date of this Policy of the facts that were so misrepresented, provided that:
 - (a) knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
 - (b) knowledge possessed by any **Notice Manager** shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.
- (2) For the purpose of determining coverage under the Private Equity Fund Management and Professional Liability Coverage Part, no coverage shall be afforded under this Policy for:
 - (a) any **Insured Person** who had knowledge as of the Inception Date of this Policy of the facts that were so misrepresented or
 - (b) an **Insured Entity**, under Insuring Agreement (B), to the extent it indemnifies any **Insured Person** in (2)(a) above; or
 - (c) an **Insured Entity**, under Insuring Agreement C, if any of the **Notice Managers** had knowledge as of the Inception Date of this Policy of the facts that were so misrepresented.

For purposes of this paragraph (2), knowledge possessed by any **Notice Manager** shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.

- (B)** The above paragraphs shall be the Insurer's sole remedy with respect to misrepresentations in the **Application**. Under no circumstances shall the Insurer be entitled to rescind the Policy.

XII. GENERAL CONDITIONS

(A) CANCELLATION

- (1) The Insurer may cancel this Policy for non-payment of premium by sending not less than 10 days written notice to the **Named Entity**. This Policy may not otherwise be cancelled by the Insurer.
- (2) Except as provided in Section XII. (D) (3) of these Common Terms and Conditions, the **Named Entity** may cancel this Policy by sending written notice of cancellation to the Insurer. Such notice shall be effective upon receipt by the Insurer unless a later cancellation time is specified therein.
- (3) If the Insurer cancels this Policy, unearned premium shall be calculated on a pro rata basis. If the **Named Entity** cancels this Policy, unearned premium shall be calculated at the Insurer's customary short rates. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The Insurer shall make payment of any unearned premium as soon as practicable.

(B) Extended Reporting Period

- (1) If the Policy is cancelled or non-renewed for any reason other than non-payment of premium, the **Insureds** shall have the right to elect an extension of time to report **Claims** under this Policy (the "Extended Reporting Period").
- (2) In order to elect the Extended Reporting Period, the **Insureds** shall send a written notice of election of the Extended Reporting Period to the Insurer together with the premium amount identified in Item 6(B) of the Declarations, which written notice and premium must be received by the Insurer within 30 days of cancellation or non-renewal. There shall be no right to elect the Extended Reporting Period after such time.
- (3) The premium for the Extended Reporting Period shall be the premium amount specified in Item 6(B) of the Declarations. Such premium shall be deemed fully earned at the inception of the Extended Reporting Period.
- (4) The Extended Reporting Period shall be for the duration specified in Item 6(A) of the Declarations following the end of the **Policy Period**.
- (5) Coverage during the Extended Reporting Period shall apply to **Claims** made for **Wrongful Acts** occurring prior to the earlier of the end of the **Policy Period** or the time of any transaction described in Section XII. (D) (3) of these Common Terms and Conditions. No coverage shall apply for any claims resulting from **Wrongful Acts** first occurring after such time.
- (6) No separate or additional Limit of Liability applies for the Extended Reporting Period.

(C) Other Insurance

If **Loss** arising from any **Claim** is insured under any other valid and collectible insurance policy or policies, including, but not limited to, any insurance under which there is a duty to defend and/or whether or not such insurance is issued to or for the benefit of the **Insured Entity, Insured Persons** (other than in the event of Personal Lines Liability Insurance) or any **Portfolio Company**, 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 or policies to this Policy's Policy Number.

(D) Changes in Exposure

(1) ACQUISITION OR CREATION OF AN ENTITY; ASSET ACQUISITIONS; ASSUMPTION OF LIABILITIES

If, before or during the **Policy Period**, the **Insured Entity**:

- (a) acquires securities or voting rights in another entity or creates another entity which, as a result of such acquisition or creation, becomes an **Affiliate**, or

(b) acquires any entity by merger into or consolidation with the **Insured Entity**,

then such entity and its natural persons qualifying as **Insured Person(s)** shall be **Insureds** under this **Policy**, subject to the terms and conditions of each Coverage Part, but only for **Wrongful Acts** occurring after such transaction. No coverage shall be available for any **Wrongful Act** of any **Insured** occurring before such transaction or for any **Interrelated Wrongful Acts** thereto.

However, if the transaction(s) occurs during the **Policy Period** and the fair value of either:

- (i) all cash, securities, assumed liabilities and other consideration paid by the **Insured Entity** for any such transaction, or
- (ii) all assets acquired or liabilities assumed by the **Insured Entity** in any single transaction or series of related transactions,

exceeds 25% of the total consolidated assets or liabilities, respectively, of all entities qualifying as **Insured Entities** under this Policy, as reflected in the **Named Entity's** last audited consolidated financial statements prior to such transaction, then the **Named Entity**, as a condition precedent to coverage with respect to such new **Insureds**, or to coverage for **Claims** alleging **Wrongful Acts** relating to such assets or assumed liabilities and occurring subsequent to such transaction, shall give written notice of such transaction to the Insurer as soon as practicable but in no event more than sixty (60) days after the effective date of such transaction, together with such information as the Insurer may require, and shall pay any additional premium so required by the Insurer.

If the **Named Entity** fails to comply with such condition precedent, coverage otherwise afforded by this sub-section shall terminate as of sixty (60) days after the effective date of such merger, acquisition or assumption.

(2) NEWLY-CREATED INVESTMENT FUNDS

If, during the **Policy Period**, an **Insured Entity** creates an **Investment Fund**, then such newly-created **Investment Fund** and its **Insured Persons** shall be **Insureds** under the Private Equity Fund Management and Professional Liability Coverage Part, but only with respect to **Wrongful Acts** taking place after such creation.

However, if:

- (a) 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 175% of the offering amount of the largest created **Investment Fund**, or
- (b) the investment objectives (as set forth in the private placement memorandum, prospectus or similar document issued by the **Insured Entity**) of any newly-created **Investment Fund** differ materially from the investment objectives of the other **Investment Fund(s)**,

then the **Named Entity**, 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 sixty (60) 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 required by the Insurer. If the **Named Entity** fails to comply with such condition precedent, coverage otherwise afforded by this sub-section shall terminate as of sixty (60) days after the effective date of such acquisition or assumption.

(3) ACQUISITION OF THE NAMED ENTITY

If, during the **Policy Period**:

- (a) the **Named Entity** merges into or consolidates with another entity such that the **Named Entity** is not the surviving entity, or

- (b) another entity, or person, or group of entities 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 **Named Entity**,

then coverage under this Policy shall continue until the later of:

- (i) the termination of the **Policy Period**, or
- (ii) any subsequent date to which the Insurer may agree to extend to 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 subsection (ii), 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 **Named Entity** 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. Upon such transaction, this Policy shall not be cancelled and the entire premium for this Policy shall be deemed fully earned.

(4) CESSATION OF AFFILIATES & INVESTMENT HOLDING COMPANIES

If, before or during the **Policy Period**, any entity ceases to be an **Affiliate** or **Investment Holding Company**, coverage with respect to such entity 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 entity ceased to be an **Affiliate** or **Investment Holding Company**.

(E) Subrogation

The Insurer shall be subrogated to all of the **Insureds'** rights of recovery regarding any payment of **Loss** by the Insurer under this Policy. The **Insureds** shall execute all papers required and do everything necessary to secure and preserve such rights, including, but not limited to, the execution of any documents necessary to enable the Insurer to effectively bring suit in the name of the **Insureds**. The **Insureds** shall do nothing to prejudice the Insurer's position or any potential or actual rights of recovery.

Notwithstanding the above, the Insurer shall not exercise its rights of subrogation against an **Insured Person** under this Policy.

(F) Action Against the Insurer

- (1) No action shall be taken against the Insurer unless there shall have been full compliance with all of the terms and conditions of this Policy.
- (2) No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** nor shall the Insurer be impleaded by the **Insureds** in any such **Claim**.

(G) Assignment

Assignment of interest under this Policy shall not bind the Insurer without its consent as specified in a written endorsement issued by the Insurer to form a part of this Policy.

(H) Bankruptcy or financial Insolvency

Bankruptcy or **Financial Insolvency** of any **Insured** shall not relieve the Insurer of any of its obligations under this Policy.

(I) Authorization of Named Entity

The **Named Entity** shall act on behalf of all **Insureds** with respect to all matters under this Policy including, but not limited to, the giving and receiving of notices regarding **Claims**, cancellation, election of the Extended Reporting Period, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Policy.

(J) Changes

This Policy shall not be changed or modified except in a written endorsement issued by the Insurer to form a part of this Policy.

(K) Entire Agreement

This Policy, including the Declarations, Common Terms and Conditions, included Coverage Part(s), **Application** and any written endorsements or warranties attached hereto, constitute the entire agreement between the **Insureds** and the Insurer relating to this insurance.

(L) Headings

The headings of the various sections of this Policy are intended for reference only and shall not be deemed part of the terms and conditions of coverage.

(M) REFERENCES TO LAWS

- (1) Wherever this Policy mentions any law including, but not limited to, any statute, Act or Code of the United States of America, such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.
- (2) Wherever this Policy mentions any law or laws, including, but not limited to, any statute, Act or Code of the United States of America, and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, but not limited to, statutes and any rules or regulations promulgated under such statutes as well as common law.

(N) Coverage Territory

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

PRIVATE EQUITY FUND MANAGEMENT AND PROFESSIONAL LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Insured Person Liability

The Insurer shall pay **Loss** on behalf of the **Insured Persons**, which such **Insured Persons** become legally obligated to pay, resulting from a **Claim** first made during the **Policy Period** or Extended Reporting Period, if applicable, against the **Insured Persons** for a **Wrongful Act** by the **Insured Persons** which takes place during or prior to the **Policy Period**, except for **Loss** that the **Insured Entity** pays to or on behalf of the **Insured Persons** as indemnification.

(B) Insured Entity Reimbursement

The Insurer shall pay **Loss** on behalf of an **Insured Entity** for which such **Insured Entity** has, to the extent permitted or required by law, indemnified the **Insured Persons**, which such **Insured Persons** become otherwise legally obligated to pay, resulting from a **Claim** first made during the **Policy Period** or Extended Reporting Period, if applicable, against the **Insured Persons** for a **Wrongful Act** by the **Insured Persons** which takes place during or prior to the **Policy Period**.

(C) Insured Entity Liability

The Insurer shall pay **Loss** on behalf of an **Insured Entity**, which such **Insured Entity** becomes legally obligated to pay, resulting from a **Claim** first made during the **Policy Period** or Extended Reported Period, if applicable, against such **Insured Entity** for a **Wrongful Act** by the **Insured Entity** which takes place during or prior to the **Policy Period**.

II. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

(A) "Claim" means:

- (1) a written demand or notice for civil damages or for other civil relief first made upon receipt by an **Insured** of such demand;
- (2) a civil proceeding, including, but not limited to, an arbitration proceeding or other alternative dispute resolution proceeding, for civil damages or other civil relief, first made upon receipt by an **Insured** of a written notice of a complaint or similar pleading, including a filed notice of charges;
- (3) a regulatory or administrative proceeding, first made upon receipt by an **Insured** of a complaint or similar pleading, including a filed notice of charges; provided, however, that such regulatory or administrative proceeding is not an investigation; or
- (4) a criminal proceeding, first made when an **Insured** is made the subject of an indictment that has been returned by a grand jury, or has been served with an accusation, information, complaint, summons or similar charging document filed in criminal court;

against an **Insured**, alleging a **Wrongful Act** by an **Insured**; or

- (5) a civil, criminal, administrative or regulatory investigation of an **Insured Person** in which such **Insured Person** has been identified by name in a Wells Notice, target letter (within the meaning of Title 9, §11.151 of the United States

Attorney's Manual), formal order of investigation or other formal investigative document, as someone against whom a proceeding as set forth in (2) through (4) above may be brought.

"Claim" also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Claim** as described above. Such **Claim** shall be first made upon receipt of such request.

(B) "Damages" means amounts, other than **Defense Costs**, which the **Insured Persons** or, with respect to Insuring Agreement (C), an **Insured Entity**, are legally obligated to pay solely as a result of any **Claim** insured by this Coverage Part, including:

(1) settlements, judgments, and costs awarded pursuant to judgments and appeals;

If any such settlement or judgment includes **Section 11 and 12 Damages**, the Insurer shall adhere to the following principles:

(a) In the event that **Insured Persons** and **Insured Entities** are defendants in such **Claim**, the Insurer agrees to allocate 100% of such **Section 11 and 12 Damages** to **Insured Persons**. Under no circumstance shall the Insurer assert that **Section 11 and 12 Damages** allocated to **Insured Persons** constitute uninsurable damages; and

(b) In the event that only **Insured Entities** are defendants in such **Claim**, the insurability of **Section 11 and 12 Damages** shall be governed by the laws of any applicable jurisdiction that does not prohibit coverage for such damages.

(2) punitive or exemplary damages or the multiple portion of any multiplied damage award unless such damages are uninsurable pursuant to applicable law. Notwithstanding subparagraph (B)(vii) below, the insurability of such punitive or exemplary damages or the multiple portion of any multiplied damage award shall be governed by the laws of any applicable jurisdiction that does not prohibit coverage of such damages; and

(3) pre- and post-judgment interest arising from (1) or (2) above.

However, **Damages** shall not include:

(i) taxes, fines or penalties;

(ii) non-monetary relief;

(iii) "short-swing" profits made from the purchase or sale by an **Insured** of securities of an **Insured Entity** or a **Portfolio Company** within the meaning of Section 16(b) of the Securities Exchange Act of 1934;

(iv) any principal, interest, or other monies representing an obligation, whether characterized as monies committed, accrued, due or otherwise owed, as a result of any express or implied promise to contribute or lend money to a **Portfolio Company** or to a prospective **Portfolio Company**; provided however, this limitation on **Damages** shall not apply to consequential damages flowing from such funding obligations;

(v) judgments or damages or settlements made in excess of a reasonable cost of defense, that result from an allegation that any **Insured** advising a **Portfolio Company** (i) interfered with employment contracts including, but not limited to, any non-disclosure agreements related to such employment contracts, or (ii) infringed, misappropriated, or with respect to trademarks, diluted, any intellectual property rights (whether derived from actual or alleged patents, copyrights, trademarks, or trade secrets);

(vi) costs associated with providing any accommodations required by the Americans With Disabilities Act or any similar law; or

(vii) amounts for matters uninsurable pursuant to applicable law.

- (C) **“Defense Costs”** means reasonable and necessary legal fees and expenses incurred in the defense or appeal of a **Claim**, including **Extradition Costs** and the costs of appeal, attachment or similar bonds, provided that the Insurer shall have no obligation to furnish such bonds. **Defense Costs** shall not include salaries, wages, remuneration, overhead or benefit expenses associated with any **Insured**.
- (D) **“Extradition Costs”** means reasonable and necessary fees and expenses directly resulting from a **Claim** in which an **Insured Person** lawfully opposes, challenges, resists or defends against any request for the extradition of such **Insured Person** from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such **Insured Person**.

(E) **“Insureds”** means any:

- (1) **Insured Entity**; or
- (2) **Insured Person**.

(F) **“Insured Entity”** means:

- (1) the **Named Entity**;
- (2) any **Affiliate**;
- (3) any **Investment Fund**; or
- (4) any **Investment Holding Company**.

Insured Entity includes any **Advisory Board** of any of the entities named in sub-paragraphs (F) (1) (4) above.

Insured Entity also means any of the entities named in sub-paragraphs (F)(1) (4) above in their status as a Debtor-in-Possession.

However, **Insured Entity** shall not include any entity that qualifies or qualified as a **Portfolio Company** or **Unaffiliated Investment Holding Company**.

(G) **“Insured Persons”** means any:

- (1) **Manager**;
- (2) Employee; or
- (3) Advisory Board Member.

(H) **“Non-Profit Capacity”** means service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of a **Non-Profit Entity** at the specific written request of an **Insured Entity** if the **Insured Entity** has agreed to indemnify such person for serving in such capacity.

(I) **“Non-Profit Entity”** means any not-for-profit corporation, community chest, fund or foundation that is not an **Insured Entity** or a **Portfolio Company** and that is exempt from federal income tax as an organization described in Section 501(c)(3)(4) or (10) or Section 527 of the Internal Revenue Code of 1986.

(J) **“Portfolio Company Capacity”** means service by an **Insured Person** as a member of the Board of Directors, member of the Board of Managers, trustee, executive officer or board observer of a **Portfolio Company**, or the functional equivalent position in the event such **Portfolio Company** is incorporated outside the United States or is a debtor in possession, as such term is defined in Chapter 11 of the United States Bankruptcy Code as well as any legal equivalent; provided that an **Insured Person** is only deemed to be serving in a **Portfolio Company Capacity** while such entity qualifies or qualified as a **Portfolio Company**, such service is or was at the request of the **Insured Entity**, and such **Insured Entity** agreed to indemnify such person for any service in such capacity.

(K) **"Portfolio Company Indemnification and Insurance"** means:

- (1) any insurance available from any source to an **Insured Person** by reason of their serving in a **Portfolio Company Capacity**; and
- (2) any indemnification which a **Portfolio Company** is legally permitted or required to provide its directors and/or officers (including, without limitation, to any **Insured Person** as the indemnitor of first resort, pursuant to any relevant agreements between an **Insured Organization** and a **Portfolio Company**), except to the extent that such **Portfolio Company** fails to provide such indemnification by reason of its financial insolvency.

(L) **"Professional Services"** means any of the following services:

- (1) consulting, advisory, management, administrative, or investment advisory services, provided by an **Insured** for an **Investment Fund** or **Investment Holding Company**;
- (2) consulting, advisory, management, or administrative services provided by an **Insured** for any **Portfolio Company**, including advice as to the **Portfolio Company's** capital structure, sale of assets, stock issuance, contemplated financing or capitalization, internal controls, legal compliance programs, software and/or hardware systems, hiring of experts, marketing policies, or financial reporting or risk management programs;
- (3) the organization or formation by an **Insured** of an **Investment Fund** or prospective **Investment Fund** and/or the solicitation or sale of any interest(s) in an **Investment Fund** or prospective **Investment Fund**; or
- (4) any other similar service provided by an **Insured** for an **Investment Fund**, **Investment Holding Company**, or **Portfolio Company**, if such service is added by endorsement to this Policy.

(M) **"Section 11 and 12 Damages"** means the portion of any judgment or settlement of a **Claim** allocable to alleged violations of Section 11 and 12 of the Securities Act of 1933 arising from an offering of securities of a **Portfolio Company**.

(N) **"Whistleblowing"** means the lawful act of an **Insured Person** in which such **Insured Person** provides information, causes information to be provided, or otherwise assists in an investigation regarding any conduct which the **Insured Person** reasonably believes constitutes a violation of any federal, state, local or foreign law, when the information or assistance is provided to, or the investigation is conducted by:

- (1) a federal, state, local or foreign regulatory or law enforcement agency;
- (2) any member of Congress or any committee of Congress; or
- (3) a person with supervisory authority over the **Insured Person** (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct).

Whistleblowing alone shall not be deemed "solicitation, aid, assistance or participation" under this Coverage Part.

(O) **"Wrongful Act"** means, with respect to:

- (1) an **Insured Person**, any actual or alleged:
 - (a) error, misstatement, misleading statement, act, omission, neglect or breach of duty by an **Insured Person** in his or her capacity as such, including in the rendering of **Professional Services**; or
 - (b) matter claimed against an **Insured Person** solely by reason of serving in such capacity.
- (2) an **Insured Entity**, any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by an **Insured Entity**:
 - (a) in its capacity as a general partner, limited partner or member of any other **Insured Entity** that is a limited partnership or limited liability company;

- (b) in its rendering of **Professional Services**;
- (c) in its capacity as a majority shareholder or control person of a **Portfolio Company**; or
- (d) in its capacity as a selling shareholder of a **Portfolio Company**.

III. OUTSIDE DIRECTORSHIP LIABILITY

(A) Portfolio Company Capacity Outside Directorship Liability

Subject to the terms, conditions, definitions and exclusions applicable to this Coverage Part, coverage is afforded for a **Wrongful Act** by the **Insured Persons** which takes place while such person was or is serving in a **Portfolio Company Capacity** provided that as of the date such **Insured Person** first began or begins serving in such **Portfolio Company Capacity**, he or she was not aware of any facts or circumstances that could reasonably be expected to give rise to a **Claim** against an **Insured Person** for such service. Any such coverage shall be specifically excess of, and will not contribute with, any **Portfolio Company Indemnification and Insurance** and the Portfolio Company Outside Directorship Liability Retention in Item 5 of the Declarations. However, **Wrongful Acts** that occur after such **Insured Person** ceases serving in such **Portfolio Company Capacity** shall not be covered hereunder.

(B) Non-Profit Outside Directorship Liability

Subject to the terms, conditions, definitions and exclusions applicable to this Coverage Part, coverage is afforded for a **Wrongful Act** by the **Insured Persons** which takes place while such person was or is serving in a **Non-Profit Capacity** provided that as of the date such **Insured Person** first began or begins serving in such **Non-Profit Capacity**, he or she was not aware of any facts or circumstances that could reasonably be expected to give rise to a **Claim** against an **Insured Person** for such service. Any such coverage shall be specifically excess of any indemnity and insurance available from or provided by the **Non-Profit Entity**. The organizational and corporate governance documents of any **Non-Profit Entity**, including, but not limited to, any certificate of incorporation, articles of organization, or by-laws, as well as any agreements relating to indemnification, shall be presumed to permit indemnification and advancement of **Defense Costs** to the maximum extent permissible under any applicable law, regardless of the actual provisions of such documents. Payment by the Insurer or any member company of The Hartford Financial Services Group, Inc. under any other policy as a result of a **Claim** against an **Insured Person** in an **Outside Capacity** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy for such **Claim**.

IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

(A) ALLOCABLE EXCLUSIONS

Pursuant to Section V., **ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS**, and Section VI., **ALLOCATION OF DAMAGES**, of the Common Terms and Conditions, the Insurer shall not pay Loss:

- (1) for bodily injury, sickness, disease, emotional distress, mental anguish, or death, or for damage to, or destruction of, any tangible property, including, but not limited to, loss of use or diminution of value thereof;
- (2) for any actual or alleged violation of **ERISA**, as amended, or any similar state law; or
- (3) for any actual or alleged **Portfolio Company Employment Wrongful Act**.

(B) EXCLUSIONS WITHOUT EXCEPTIONS

The Insurer shall not pay **Loss** in connection with any **Claim**:

- (1) based upon, arising from, or in any way related to, any prior or pending demand, suit or proceeding against any **Insured** as of the applicable Prior or Pending Date in Item 5 of the Declarations or the same or any substantially similar fact, circumstance or situation underlying or alleged in such prior or pending demand, suit or proceeding;

- (2) based upon, arising from, or in any way related to any claim, **Wrongful Act** or circumstance if notice thereof is given under any insurance policy provided for the benefit of directors and officers (including entity liability) or insured persons, the term of which inception prior to the Inception Date in Item 3 of the Declarations;
- (3) based upon, arising from, or in any way related to any actual or alleged **Employment Practices Wrongful Act** that is not a **Portfolio Company Employment Wrongful Act**;
- (4) based upon, arising from, or in any way related to any actual or alleged **Third Party Wrongful Act**;
- (5) based upon, arising from, or in any way related to any:
 - (a) actual or alleged unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, improper payroll deductions, improper employee classification, failure to maintain accurate time records, failure to grant meal and rest periods, or social security benefits; or
 - (b) actual or alleged violation of the Fair Labor Standards Act (except for Equal Pay Act), Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, or any similar federal, state, local, or common laws, rules or regulations; or
- (6) based upon, arising from, or in any way related to any:
 - (a) discharge, dispersal, release, or escape of nuclear material or nuclear waste or any threat of such discharge, dispersal, release or escape; or
 - (b) direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize nuclear material or nuclear waste.

(C) EXCLUSIONS WITH EXCEPTIONS

Pursuant to Section V., **ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS**, and Section VI., **ALLOCATION OF DAMAGES**, of the Common Terms and Conditions, the Insurer shall not pay **Loss** in connection with any **Claim**:

- (1) based upon, arising from, or in any way related to any:
 - (a) discharge, dispersal, release, or escape of **Pollutants** or any threat of such discharge, dispersal, release or escape or
 - (b) direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;

provided, however, if the party bringing the **Claim** is not an **Insured** and is acting totally independent of, and totally without the solicitation, assistance or participation of any **Insured**, then this exclusion does not apply to any **Loss** resulting from a **Claim** brought by a security holder of an **Insured Entity** or a **Portfolio Company**, in such capacity, against an **Insured**, or a **Claim** brought on behalf of an **Insured** or **Portfolio Company** by a security holder of an **Insured Entity** or **Portfolio Company** derivatively;
- (2) brought or maintained by or on behalf of an **Insured**, in any capacity, or any **Unaffiliated Investment Holding Company** or **Portfolio Company**, except a **Claim**:
 - (a) brought and maintained by an **Advisory Board Member** that is instigated and maintained independently, and without the solicitation, aid, assistance or participation, of any other **Insured** under any Coverage Part of this Policy;
 - (b) for contribution or indemnity, if the **Claim** directly results from another **Claim** that is otherwise covered under this Coverage Part of this Policy;

- (c) brought and maintained by any **Portfolio Company** or **Unaffiliated Investment Holding Company** that is instigated and maintained independently, and without the solicitation, aid, assistance or participation, of any **Insured** under any Coverage Part of this Policy;
 - (d) in a bankruptcy proceeding in which an **Insured Entity** is the debtor, brought and maintained by an examiner, trustee, receiver, liquidator, rehabilitator, or creditor's committee (or any assignee thereof), after the appointment of such examiner, trustee, receiver, liquidator or rehabilitator, if such **Claim** is made without the solicitation, aid, assistance or participation of any **Insured Person** under any Coverage Part of this Policy;
 - (e) brought and maintained by an **Insured Person** provided that he or she has not been affiliated with an **Insured Entity** for a period of three (3) years prior to the commencement of such **Claim**;
 - (f) brought and maintained outside of the United States, Canada, Australia or any other common law country (including territories thereof) by an **Insured Person**, due to a pleading or procedural requirement of such jurisdiction; or
 - (g) brought and maintained by or on behalf of an **Investment Fund** where prior to bringing such **Claim**, independent legal counsel for such **Insured Entity** has stated in a written opinion that a failure to bring such **Claim** would be a breach of fiduciary duty owed by the **Insured** to such **Insured Entity** or security holders in such **Insured Entity**;
- (3) brought or maintained against any **Insured** based upon, arising from, or in any way related to any matter or actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or occurring while such:
- (a) entity is not, or was not, an **Insured Entity**; or
 - (b) person is not, or was not, acting on behalf of an **Insured Entity**; provided that this sub-paragraph shall not apply to a **Claim** for a **Wrongful Act** by an **Insured Person** if such **Wrongful Act** occurs while he or she is or was serving in a **Portfolio Company Capacity** or a **Non-Profit Capacity**; or
- (4) based upon, arising from, or in any way related to a public offering or listing of securities or limited partnership interests of an **Insured Entity**, or the purchase or sale of such securities or partnership interests subsequent to a public offering; provided, however, that this exclusion shall not apply to **Loss** directly resulting from a **Wrongful Act** in connection with the private placement of an **Insured Entity's** securities or limited partnership interests exempted from the registration requirements of the Securities Act of 1933.

(D) EXCLUSIONS APPLICABLE TO DAMAGES BUT NOT TO DEFENSE COSTS

Pursuant to Section VI., ALLOCATION OF DAMAGES, of the Common Terms and Conditions, the Insurer shall not pay **Damages** in connection with any **Claim**:

- (1) based upon, arising from, or in any way related to any amounts by which the purchase price or consideration is effectively increased in connection with a **Claim** alleging that the price or consideration paid or proposed to be paid in a transaction involving all or substantially all of the ownership interest in or assets of an entity is inadequate, or plaintiff counsel fees and costs arising out of such **Claim**;
- (2) based upon, arising from, or in any way related to the gaining of any personal profit, remuneration or financial advantage to which such Insured is not legally entitled if any final adjudication establishes such gain; provided, however, that this exclusion shall not apply to **Section 11 or 12 Damages**;
- (3) based upon, arising from, or in any way related to any criminal or deliberately fraudulent act or omission by an **Insured**, if any final adjudication establishes such an act or omission;

Regarding exclusions **(D)(2)** and **(D)(3)**: (i) the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**; and (ii) only the **Wrongful Act** of a **Manager** shall be imputed to the **Insured Entity**.

V. EXCLUSION APPLICABLE TO INSURING AGREEMENT (C)

Pursuant to Section V., ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS, and Section VI., ALLOCATION OF DAMAGES, of the Common Terms and Conditions, the Insurer shall not pay **Loss** under Insuring Agreement (C) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged breach of contract or agreement other than that portion of such **Loss** which would have attached even in the absence of such contract or agreement, or that directly results from:

- (A) the organizational, management, monitoring or advisory documents of an **Insured Entity**, including but not limited to, a partnership agreement, limited partnership agreement, operating agreement, limited liability company agreement, other advisory, monitoring and/or management agreement or subscription agreement);
- (B) a contract for **Professional Services**, or
- (C) any alleged breach of any express or implied promise to contribute or lend money to a **Portfolio Company** or prospective **Portfolio Company**.

VI. ORDER OF LOSS PAYMENTS

Covered **Loss** shall be paid by the Insurer in the following order of priority:

- (A) first pay **Loss** that is covered under Insuring Agreement (A) of this Coverage Part;
- (B) with respect to whatever remaining amount of the Limit of Liability is available after payment of such **Loss** under Insuring Agreement (A), pay **Loss** that is covered under Insuring Agreement (B) of this Coverage Part;
- (C) with respect to whatever remaining amount of the Limit of Liability is available after payment of such **Loss** under Insuring Agreements (A) and (B), pay **Loss** incurred by the **Insured Entity** that is covered under Insuring Agreement C.

PRIVATE EQUITY EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Insuring Agreement A - Portfolio Company Employment Claims

The Insurer shall pay **Loss** on behalf of the **Insureds**, which such **Insureds** become legally obligated to pay, resulting from a **Portfolio Company Employment Claim** first made against the **Insureds** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Portfolio Company Employment Wrongful Act** by the **Insureds**.

(B) Insuring Agreement B (Elective)

(1) Employment Practices Liability

The Insurer shall pay **Loss** on behalf of the **Insureds**, which such **Insureds** become legally obligated to pay, resulting from an **Employment Practices Claim** first made against the **Insureds** during the **Policy Period** or Extended Reporting Period, if applicable, for an **Employment Practices Wrongful Act** by the **Insureds**.

(2) Third Party Liability

The Insurer shall pay **Loss** on behalf of the **Insureds**, which such **Insureds** become legally obligated to pay, resulting from a **Third Party Claim** first made against the **Insureds** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Third Party Wrongful Act** by the **Insureds**.

If elected, all **Claims** made under Insuring Agreement B shall be subject to an Insuring Agreement B Aggregate Sublimit of Liability, Retention, and Prior or Pending Date stated in Item 5 of the Declarations for this Coverage Part. Such Aggregate Sublimit of Liability shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered under this Insuring Agreement B. Such Sublimit of Liability shall be subject to, part of, and not in addition to, the Aggregate Limit of Liability applicable to this Coverage Part.

II. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- (A) **“Benefits”** means perquisites, severance payments, fringe benefits, deferred compensation and any other form of compensation (other than salaries, wages, or bonuses as a component of a front or back pay award).
- (B) **“Claim”** means any **Portfolio Company Employment Claim** or, if elected under Insuring Agreement B, any **Employment Practices Claim** or **Third Party Claim**.
- (C) **“Damages”** means amounts, other than **Defense Costs**, which the **Insureds** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including:
 - (1) settlements, judgments, and costs awarded pursuant to judgments and appeals;
 - (2) punitive or exemplary damages, the multiple portion of any multiplied damage award, and liquidated damages under the Age Discrimination in Employment Act unless such damages are uninsurable pursuant to applicable law. Notwithstanding subparagraph (C)(vii) below, the insurability of such punitive or exemplary damages or the multiple portion of any multiplied damage award shall be governed by the laws of any applicable jurisdiction that does not prohibit coverage of such damages; and

(3) pre- and post-judgment interest arising from (1) or (2) above.

However, **Damages** shall not include:

- (i) taxes, fines or penalties imposed by law;
 - (ii) non-monetary relief;
 - (iii) **Benefits**;
 - (iv) future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**;
 - (v) **Stock Benefits**;
 - (vi) costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law;
 - (vii) any other matters uninsurable pursuant to any applicable law.
- (D) **“Defense Costs”** means reasonable and necessary legal fees and expenses incurred in the defense and appeal of a **Claim** covered by this Policy, including the costs of appeal, attachment or similar bonds, provided that the Insurer shall have no obligation to furnish such bonds. **Defense Costs** shall not include salaries, wages, remuneration, overhead or benefit expenses associated with any **Insured**.
- (E) **“Employment Practices Claim”** means any of the following when brought by or on behalf of a past or present **Employee** or an applicant for employment with an **Insured Entity**:
- (1) a written demand or notice for civil damages or for other civil relief first made upon receipt by an **Insured** of such demand;
 - (2) a civil proceeding, including, but not limited to, an arbitration proceeding or other alternative dispute resolution proceeding, for civil damages or other civil relief, first made upon receipt by an **Insured** of a complaint or similar pleading, including a filed notice of charges; or
 - (3) a regulatory or administrative proceeding, first made upon receipt by an **Insured** of a complaint or similar pleading, including a filed notice of charges; provided, however, that such regulatory or administrative proceeding is not an investigation.

Employment Practices Claim also means an audit conducted by the United States of America Office of Federal Contract Compliance Programs first made by the **Insured's** receipt of a notice of violation, order to show cause, or a written demand for monetary or injunctive relief.

Employment Practices Claim also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Employment Practices Claim** as described above. Such **Employment Practices Claim** shall be first made upon receipt of such request.

However, **“Employment Practices Claim”** shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

(F) **“Insured Entity”** means;

- (1) the **Named Entity**; or
- (2) any **Affiliate**.

Insured Entity includes any **Advisory Board** of any of the entities named in sub-paragraphs (F)(1) and (2) above.

Insured Entity also means any of the entities named above in their status as a Debtor-in-Possession.

However, **Insured Entity** shall not include any entity that qualifies or qualified as a **Portfolio Company** or any **Unaffiliated Investment Holding Company**.

(G) “**Insured Person**” means any:

- (1) **Employee**; or
- (2) **Manager**.

(H) “**Insureds**” means any:

- (1) **Insured Entity**; or
- (2) **Insured Person**.

(I) “**Portfolio Company Employment Claim**” means any of the following when brought by or on behalf of an employee, director, or officer of a **Portfolio Company**:

- (1) a written demand or notice for civil damages or for other civil relief first made upon receipt by an **Insured** of such demand;
- (2) a civil proceeding, including, but not limited to, an arbitration proceeding or other alternative dispute resolution proceeding, for civil damages or other civil relief, first made upon receipt by an Insured of a complaint or similar pleading, including a filed notice of charges; or
- (3) a regulatory or administrative proceeding, first made upon receipt by an Insured of complaint or similar pleading, including a filed notice of charges; provided, however, that such regulatory or administrative proceeding is not an investigation.

Portfolio Company Employment Claim also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Portfolio Company Employment Claim** as described above. Such **Portfolio Company Employment Claim** shall be first made upon receipt of such request.

(J) “**Stock Benefits**” means any offering, plan or agreement between an entity and any employee(s) thereof that grants stock, warrants, stock options or stock appreciation rights in the entity to such person, including, but not limited to, restricted stock or any other stock grant.

(K) “**Third Party Claim**” means any of the following when brought by or on behalf of a **Third Party**:

- (1) a written demand or notice for civil damages or for other civil relief first made upon receipt by an **Insured** of such demand;
- (2) a civil proceeding, including, but not limited to, an arbitration proceeding or other alternative dispute resolution proceeding, for civil damages or other civil relief, first made upon receipt by an Insured of a complaint or similar pleading, including a filed notice of charges; or
- (3) a regulatory or administrative proceeding, first made upon receipt by an Insured of a complaint or similar pleading, including a filed notice of charges; provided, however, that such regulatory or administrative proceeding is not an investigation.

Third Party Claim also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Third Party Claim** as described above. Such **Third Party Claim** shall be first made upon receipt of such request.

However, “**Third Party Claim**” shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

(L) **“Wrongful Act”** means any actual or alleged:

- (1) **Portfolio Company Employment Wrongful Act;**
- (2) **Employment Practices Wrongful Act;** or
- (3) **Third Party Wrongful Act.**

III. COORDINATION OF COVERAGE

If this Coverage Part and either the Private Equity Fund Management and Professional Liability Coverage Part or Private Equity Fiduciary Liability Coverage Part are included under this Policy, and a **Claim** is covered under this Coverage Part and any such other Coverage Part, **Loss** shall be first covered and paid under this Coverage Part.

If notice of a **Claim** has been given under another Coverage Part and a determination is made by the Insurer that such **Claim** would be covered under this Coverage Part if notice had been given hereunder, then the **Insureds** shall be deemed to have given notice of such **Claim** under this Coverage Part at the same time that notice was given under such other Coverage Part.

IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

(A) ALLOCABLE EXCLUSION

Pursuant to Section V., **ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS** and SECTION VI., **ALLOCATION OF DAMAGES**, the Insurer shall not pay **Loss** for bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use or diminution of value thereof.

(B) EXCLUSIONS WITHOUT EXCEPTIONS

The Insurer shall not pay **Loss** in connection with any **Claim**:

- (1) based upon, arising from, or in any way related to any:
 - (a) prior or pending demand, suit, or proceeding against any **Insured** as of, or
 - (b) audit initiated by the Office of Federal Contract Compliance Programs as of,the applicable Prior or Pending Date in Item 5 of the Declarations, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;
- (2) based upon, arising from, or in any way related to any fact, circumstance, or situation that, before the inception date in Item 3 of the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures **Wrongful Acts** covered under this Policy;
- (3) brought or maintained against any **Insured** based upon, arising from, or in any way related to any actual or alleged **Wrongful Act** committed or occurring while such:
 - (a) entity is not, or was not, an **Insured Entity**; or
 - (b) person is not, or was not, acting on behalf of an **Insured Entity**;
- (4) based upon, arising from, or in any way related to any breach of any independent contractor agreement; or

- (5) based upon, arising from, or in any way related to any a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement;

(C) EXCLUSIONS WITH EXCEPTIONS

Pursuant to Section V., ADVANCEMENT AND ALLOCATION OF DEFENSE COSTS and SECTION VI., ALLOCATION OF DAMAGES, the Insurer shall not pay **Loss** in connection with any **Claim**:

- (1) based upon, arising from, or in any way related to the liability of others assumed by an **Insured** under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have been incurred in the absence of such contract or agreement;
- (2) based upon, arising from, or in any way related to any price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices; or
- (3) based upon, arising from, or in any way related to:
- (a) actual or alleged unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, improper payroll deductions, improper employee classification, failure to maintain accurate time records, failure to grant meal and rest periods, or social security benefits; or
 - (b) actual or alleged violation of the Fair Labor Standards Act (except for Equal Pay Act), Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, **ERISA**, or any similar law;

Provided that these exclusions (C)(2) and (C)(3) shall not apply to that portion of **Loss** that represents a specific amount the **Insureds** become legally obligated to pay solely for an **Employment Practices Wrongful Act of Retaliation**.

(D) EXCLUSIONS APPLICABLE TO DAMAGES BUT NOT TO DEFENSE COSTS

The Insurer shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to liability incurred for breach of any oral, written, or implied employment contract; provided, however, this exclusion shall not apply:

- (1) to liability that would have been incurred in the absence of such contract; or
- (2) to the portion of **Loss** representing **Defense Costs** incurred to defend against such liability.

V. CHANGES IN EXPOSURE

- (A) This section shall supplement, and not replace, Common Terms and Conditions section **XII. (D)**.
- (B) In addition to the asset percentage size limit for automatic coverage of any newly merged or acquired entity specified in Common Terms and Conditions Section XII. Changes in Exposure (D)(1), if the number of employees of a newly merged or acquired entity exceeds 25% of the number of employees of all **Insured Entities** combined prior to such merger or acquisition, the **Insureds** shall give the Insurer full details of the transaction in writing as soon as practicable and the Insurer shall be entitled to impose such additional terms, conditions, and premium as the Insurer, in its absolute discretion, chooses. There shall be no coverage for any newly merged or acquired entity or any of its subsidiaries, managers, directors, officers, or employees unless the **Insureds** comply with the terms of this provision.