**PRIVATE INVESTMENT FUND MANAGEMENT AND PROFESSIONAL**

**LIABILITY INSURANCE POLICY**

**This Policy is issued on behalf of certain underwriters at Lloyd’s (herein the “Insurer”).**

THIS IS A CLAIMS MADE AND REPORTED POLICY

To be eligible for coverage under this Policy a **Claim,** as defined below, must be first made against an **Insured** during the **Policy Period** and reported to the Insurer pursuant to Section VII. of the Policy but in no event later than the date of termination of the **Extended Reporting Period**, if elected**.**

In consideration of the payment of the premium, in reliance on the statements in the **Application,** and subject to all of the provisions of this Policy and any endorsements thereto, the Insurer and the **Insured** agree as follows:

1. **INSURING AGREEMENTS:**
2. **PRIVATE INVESTMENT FUND MANAGEMENT LIABILITY**
3. The Insurer shall pay, on behalf of any **Insured Person, Loss** which the **Insured Person** is legally obligated to pay and which is not indemnified by the **Insured Organization** arising from **Claims** against such **Insured Person** for a **Wrongful Act.**
4. The Insurer shall pay, on behalf of the **Insured Organization** for Loss which the **Insured Organization** pays as indemnification to any **Insured Person** arising from a **Claim** for a **Wrongful Act.**
5. The Insurer shall pay, on behalf of the **Insured Organization, Loss** which the **Insured Organization** is legally obligated to pay arising from **Claims** against any **Insured Organization** for a **Wrongful Act.**
6. **PRIVATE INVESTMENT FUND PROFESSIONAL LIABILITY**

The Insurer shall pay, on behalf of the **Insured, Loss** arising from **Claims** against an **Insured** for **Wrongful Acts** in the performance of **Private Investment Fund Activities.**

1. **PORTFOLIO COMPANY OUTSIDE DIRECTOR LIABILITY**

The Insurer shall pay, on behalf of any **Insured Person, Loss** in excess of any valid and collectible indemnification by, and/or insurance available to a **Portfolio Company** arising from **Claims** for **Wrongful Acts** while acting in their capacityas an **Outside Director.**

Such coverage will continue for an **Outside Director** if:

1. such **Insured Person** ceases serving as an **Outside Director**; or
2. the **Portfolio Company** for which the **Outside Director** is serving ceases to be a **Portfolio** **Company**;

but only for **Wrongful Acts** occurring while serving as an **Outside Director**.

**OPTIONAL INSURING AGREEMENTS:**

The following Insuring Agreements are applicable only when the Declarations page of this Policy reflects that such Insuring Agreements have been purchased, and then subject to the terms and conditions for each such additional coverage.

1. **EMPLOYMENT PRACTICES LIABILITY INSURANCE**

The Insurer shall pay, on behalf of any **Insured, Loss** arising from **Claims** against the **Insured** for **Wrongful Acts** in connection with **Wrongful Employment Practices.**

1. **FIDUCIARY LIABILITY INSURANCE**

The Insurer shall pay, on behalf of any **Insured, Loss** arising from **Claims** against the **Insured** for **Wrongful Acts** in connection with the creation, administration, operation or termination of an **Employee Benefit Plan** of the **Insured Organization.**

**II. DEFINITIONS**

**A. Application** means the application for insurance submitted in connection with this Policy or any policy of which this Policy is a renewal or replacement including attachments and other materials submitted therewith or referred to or incorporated therein, all of which shall be deemed part of this Policy, as if physically attached.

**B. Claim** means:

1. written demand for monetary, non-monetary, or injunctive relief made against an **Insured** and upon any **Insured’s** receipt of such demand;
2. civil, judicial, administrative, regulatory, or arbitration proceeding, against an **Insured** commenced by the service on the **Insured** of a complaint, formal order of investigation, demand for arbitration, subpoena, Wells Notice, target letter, or any similar document, or an appeal of any such proceeding;
3. any criminal proceeding against any **Insured** for a **Wrongful Act** commenced by the return of an indictment or the filing of an information (or similar document), or an appeal of any such proceeding;
4. a written agreement with any **Insured** to toll any applicable statute of limitations prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding involving a potential **Claim** against an **Insured** for a **Wrongful Act.**

**C. Controlling Person** shall have the same meaning as set forth in Section 15 of the Securities Act of 1933 or Section 20 (a) of the Securities Exchange Act of 1934, both as may be amended.

1. **Defense Costs** mean reasonable and necessary legal fees and expenses (including expert fees) and

cost of attachment or similar bonds incurred by the **Insured** in defense of a **Claim,** but shall not include:

1. fees, salaries, wages, overhead or benefit expenses associated with any **Insured Person** or any directors, officers, equivalent executives, or employees of any **Portfolio Company;** or
2. any amounts incurred in the defense of a **Claim** for which any other insurer has a duty to defend.
3. amounts incurred by the Insured prior to the date a Claim is first made and reported to the Insurer.
4. **Extended Reporting Period** means the period described in Section VIII.C. of this Policy.

**F. Employee Benefit Plan** means

(1) any plan as defined by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”); or

(2) any other benefit plan sponsored solely by the **Insured Organization** and solely for the benefit of the employees of the **Insured Organization.**

**G. Insolvency** means the status of any **Insured Organization** as a result of

(1)the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Insured Organization**;or

(2)any **Insured Organization** becoming a debtor-in-possession; or

(3) any foreign equivalent of (1) or (2) above.

**H. Insured** means **Insured Organization** and each **Insured Person.**

**I. Insured Organization** means:

1. **Named Insured;**
2. those entities listed by Endorsement to this Policy;
3. any entity formed, managed, or controlled by an **Insured Organization** to co-invest**,** directly or indirectly, in any **Portfolio Company;**
4. any pooled investment vehicle, blocker or feeder vehicle, special purpose vehicle or fund (including but not limited to any corporation, general partnership, limited partnership, exempted limited partnership, limited liability limited partnership, limited liability company or trust) formed, managed, or controlled by an **Insured Organization**;
5. any **Subsidiary** thereof; and
6. in the event a bankruptcy proceeding is instituted by or against the foregoing entities, the resulting debtor in possession (or equivalent status outside of the United States), if any.

**Insured Organization** shall not include any **Portfolio Company.**

**J. Insured Person** means any:

1. natural person who was, is, or shall become a duly appointed or elected director, officer, general partner, manager, managing member, board representative, board advisor, board observer, trustee or equivalent executive or an employee (including but not limited to part-time, temporary, seasonal, or leased employees) of an **Insured Organization;**
2. natural person designated by the **Insured Organization** to sit on the board of a **Portfolio Company;**
3. natural person serving on management committees, advisory boards, and similar committees formed pursuant to any **Insured Organization's** articles of incorporation, by-laws, operating agreement, partnership agreement or similar document;
4. natural person serving in any position including, but not limited to, venture partner, adjunct partner, consultant, independent contractor, or similar position, and providing **Private Investment** **Fund Activities** for or on behalf of an **Insured Organization** and indemnified by the **Insured Organization** pursuant to a written agreement with the **Insured Organization**; and
5. the functional equivalent to the positions identified in (1), (2) and (3) above, in the event the **Insured Organization** is incorporated or domiciled outside the United States.

**K. Interrelated Wrongful Acts** means any **Wrongful Acts** which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.

**L.** **Loss** means damages, settlements, judgments (including pre and post judgment interest) and **Defense Costs** incurred by any **Insured,** including punitive damages where insurable under the law of the most favorable venue to the **Insured** pursuant to which this Policy shall be construed. **Loss** shall not include:

1. amounts for which the **Insured** is not legally responsible or for which claimants are without legal recourse against the **Insured**;
2. taxes or loss of tax benefits, criminal or civil fines or penalties imposed by law;
3. matters deemed uninsurable under the law pursuant to which this Policy shall be construed;
4. any amount allocable to uncovered **Loss** under this Policy;
5. the return and/or disgorgement of any fees, capital commitments or any money, assets or personal profit received by an **Insured** to which such **Insured** is not legally entitled;
6. amounts paid or incurred by any **Insured(s)** in providing injunctive or non-pecuniary relief;
7. compensation or benefits of any kind, except salary and wages (as a component of a front pay or back pay award under Insuring Agreement D, if purchased), including but not limited to the following: stock, stock options or grants, the right to purchase stock at a discount from the market, stock appreciation rights, or any other stock related compensation, perquisites, severance compensation of any kind, profit sharing, commissions, bonuses, holiday pay, and sick pay; or

(8)  in the case of payment by, or on behalf of, an **Insured** to, or for the benefit of, a claimant hired, promoted or reinstated pursuant to a settlement, judgment or other resolution of a **Claim,** future salary or wages or compensation of any kind, including without limitation: stock, stock options or grants, the right to purchase stock at a discount from the market, stock appreciation rights, or any other stock related compensation, perquisites, severance compensation of any kind, profit sharing, commissions, bonuses, holiday pay, and sick pay.

With respect to the coverage for punitive, exemplary or multiplied damages, and where the **Insureds** are able to demonstrate in good faith that such damages are insurable under any applicable law, the Insurer shall not challenge that interpretation of insurability. For purposes of this provision, any applicable law shall include but not be limited to the law: a) where the **Claim** seeking such damages was brought, b) where the **Wrongful Acts** giving rise to the **Claim** seeking such damages took place, c) where the **Insureds** are incorporated, have their principal place of business or reside, and d) where the Insurer is incorporated or have their principal place of business. If any of the **Insureds** present a written legal opinion stating that such damages, fines, penalties or matters are insurable under any applicable law, the Insurer shall not challenge that determination.

**M. Named Insured** means the entity identified in Item A. of the Declarations of this Policy.

**N. Non-Profit Entity** means any non-profit corporation, community chest, fund or foundation that: (1) is not included in the definition of **Insured Organization;** and (2) is exempt from federal income tax as an organization described in Section 501 of the Internal Revenue Code of 1986, as amended.

**O. Outside Director** means the position held by an **Insured Person** in a **Portfolio Company** or **Non-Profit Entity,** at the request, consent or direction of the **Insured Organization.**

**P. Policy Period** means the period from the effective date and hour of this Policy to the Policy expiration date and hour, as set forth in Item B. of the Declarations, or its earlier cancellation date and hour, if any.

**Q. Pollutants** means any solid, liquid, gaseous, biological, radiological, or thermal irritant or contaminant, including smoke, vapor, asbestos, silica, dust, nanoparticles, fibers, soot, fumes, acids, alkalis, chemicals, germs, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed. It shall also include any hazardous substances characteristics as defined by, or identified on a list of hazardous substances issued by an Environmental Protection Act of any country, state or local governmental authority, the regulations promulgated thereunder and amendments thereto, and includes any materials to be recycled, reconditioned or reclaimed.

**R. Portfolio Company** means any corporation, partnership, limited liability company or other type of organization in which any **Insured Organization** maintained, maintains or proposes to maintain an equity interest, debt investment, or convertible securities investment, and an **Outside Director** position, but solely in connection with **Private Investment Fund Activities** by the **Insured Organization.**

**S. Private Investment Fund Activities** means:

(1) services of an **Insured Person** as an **Outside Director;** or

(2) the investment in or formation, capitalization, or disposition of a **Portfolio Company;** or

(3) the providing of management or advisory services to a third-party pursuant to a fee-based written agreement for such services; or

(4) the providing of management or advisory services to a **Portfolio Company;** or

(5) the creation, distribution, sale of securities in, management or administration of a private investment fund**;** or

(6) purchase or sale of, or offer to purchase or sell, any securities issued by a **Portfolio Company.**

**T.** **Subsidiary** means any entity:

1. 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**; or
2. in which the **Insured Organization** controls, directly or through one or more **Subsidiaries,** the right to elect or appoint the general partner, managing member, or more then fifty percent (50%) of the directors, trustees, members, partners, or board of management; or
3. which becomes so owned after the inception date of this Policy, provided the assets of the organization do not exceed thirty-five percent (35%) of the consolidated assets of the **Insured Organization** on the inception date of this Policy; or
4. which, for an **Insured Organization,** serves as the legal owner of any investment and/or as a pass-through conduit or special purpose vehicle to facilitate the making of any **Portfolio Company** investment.

**Subsidiary** shall not include any **Portfolio Company** or **Non-Profit Entity.**

**U. Wrongful Act** means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act:

1. with respect to Insuring Agreement A., by the **Insured Organization** or any **Insured Person** in their respective capacities as such, or any matter claimed against them solely by reason of their status as an **Insured Person** or as a **Controlling Person** or selling shareholder;
2. with respect to Insuring Agreement B., by any **Insured Organization, Insured Person** or any other person for whom **Private Investment Fund Activities** is legally liable;
3. with respect to Insuring Agreement C**.,** by the **Insured Person** while serving as an **Outside Director,** or any matter claimed against such **Insured Person** solely by reason of the status of such **Insured Person** as such **Outside Director;**
4. with respect to Insuring Agreement D., **Wrongful Employment Practices;** and
5. with respect to Insuring Agreement E., by any **Insured** in connection with the creation, administration, operation or termination of an **Employee Benefit Plan.**

**V. Wrongful Employment Practices** means any actual or alleged:

1. Discrimination, including any violation of any federal, state, local or foreign law prohibiting discrimination in employment, including the Americans with Disabilities Act of 1990, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Law of 1964, the Pregnancy Discrimination Act of 1978, the Civil Rights Act of 1866, the Equal Pay Act of 1963, the Genetic Information Nondiscrimination Act of 2008, the Family and Medical Leave Act of 1993, the Older Workers Benefit Protection Act of 1990, or any rule or regulation promulgated thereunder ;
2. sexual or other harassment in the workplace or abusive or hostile work environment;
3. termination, actual or constructive, of an employment relationship in any manner which is allegedly against the law;
4. wrongful demotion, retaliation, misrepresentation, promissory estoppel and intentional interference with contract which arises from an employment relationship;
5. libel, slander, defamation, infliction of emotional distress or mental anguish, humiliation, false imprisonment, invasion of privacy and other personal injury allegations which arise from the employment relationship;
6. breach of an implied employment contract and breach of the covenant of good faith and fair dealing in the employment contract;
7. employment terminations, disciplinary actions, demotions or other employment decisions which violate public policy or the Family Medical Leave Act or similar state law;
8. violations of the Uniformed Services Employment and Reemployment Rights Act;
9. breach of an employee's federal, state or local civil rights including, but not limited to, any violation of the Civil Rights Act of 1966 or 42 U.S.C. Section 1983;
10. retaliation against an **Insured Person** including, but not limited to, retaliation for filing claims under the Federal False Claims Act, retaliation in connection with whistleblowing,;
11. wrongful deprivation of career opportunity which arises from the employment relationship but only with respect to (1) or (2) above; and,
12. Negligent hiring, negligent supervision or negligent retention or failure to adopt or enforce adequate employment or workplace policies and procedures.

**III. EXCLUSIONS**

The Insurer shall not be liable to make any payment in connection with any **Claim:**

**A**. for bodily injury, sickness, disease, death, false arrest, false imprisonment, damage to or destruction of tangible property (including loss of the use thereof), and, except to the extent a **Claim** is made for **Wrongful Employment Practices,** assault, battery, invasion of privacy, emotional distress, libel, slander or defamation;

**B.** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

(1) any demand, suit, action or other proceeding against the **Insured Organization,** any **Portfolio Company,** or any **Insured Person** which was first made on or before the Pending and Prior Litigation date stated in Item G. of the Declarations, or based upon or arising from the same or substantially similar facts, circumstances or allegations involved in such demand, suit, action or other proceeding;

(2) any **Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given prior to the **Policy Period** under any other policy or policies providing similar coverage of which this Policy is a renewal or replacement or succeeds in time; or

(3) any other **Wrongful Act,** fact, circumstance or allegation, whenever occurring, which, together with a **Wrongful Act** which has been the subject of such prior notice, would constitute **Interrelated Wrongful Acts**;

**C.** for an accounting of profits made from the purchase or sale of securities (as defined by Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar federal, state, or local law) by an **Insured** or for fees generated by the **Insured Organization**;

**D.** based upon or arising out of any actual or alleged, or threatened existence, growth, release, discharge, dispersal, or escape of **Pollutants**, including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants; however, this exclusion will not apply to a **Claim** against an **Insured Person** covered under Insuring Agreement A.1.;

**E.** for any deliberately dishonest, fraudulent or criminal act or omission committed, or any personal profit or advantage gained by any **Insured** to which they were not legally entitled, if such deliberately dishonest, fraudulent or criminal act or personal profit or advantage is established by final adjudication in the underlying proceeding, including the exhaustion of all appeals, adverse to the **Insured;**

F. for any actual or alleged violation of the responsibilities, obligations and duties imposed by ERISA or any similar federal, state, local or common law in connection with the activities of any **Insured** as a fiduciary for, or in the administration of, any pension and/or welfare plan sponsored, established, created or maintained for the benefit of the employees of the **Insured** except: (i) with respect to any **Claim** under Insuring Agreement D for retaliation for the filing for benefits under such laws; or (ii) to the extent that coverage is provided under Insuring Agreement E;

**G.** for the liability of any **Insured Organization** based upon or arising under any express contract or agreement, regardless of whether such liability is direct or assumed; provided however, that this exclusion shall not apply to:

(1) liability which would have existed without such contract or agreement; or

(2) any portion of **Loss** that arises from the breach of any contract, or portion of any contract, describing or requiring the performance of **Private Investment Fund Activities;**

(3) employment related **Loss** other than salary, benefits, or other remuneration contemplated by any express or implied employment agreement;

further, none of the foregoing shall preclude coverage for **Defense Costs** for a **Claim** alleging failure to fund a **Portfolio Company**.

**H.** by or on behalf of any **Insured,** provided, however, this exclusion shall not apply to:

(1) a **Claim** brought by a security holder of an **Insured Organization** whether directly or derivatively, if the security holder is acting totally independent of and without the solicitation, assistance, active participation, or intervention of any other **Insured**;

(2) a cross-claim or third-party claim seeking contribution or indemnity which is part of, and results directly from, a **Claim** nototherwise excluded by this Policy;

(3) a **Claim** brought by an **Insured Person** for **Wrongful Employment Practices;**

(4) a **Claim** brought by one or more natural person limited partners of an **Insured Organization** serving on management committees, advisory boards and similar committees formed pursuant to the **Insured Organization's** articles of incorporation, by­laws, operating agreement, partnership agreement or similar document;

(5) a **Claim** brought by any examiner, trustee, liquidator, receiver, rehabilitator (or any assignee thereof), of any **Insured Organization** in a bankruptcy proceeding;

(6) a **Claim** brought by an **Insured Organization** where prior to bringing such **Claim**, independent legal counsel has stated in a written opinion that a failure to bring such **Claim** would be a breach of fiduciary duty owed by an **Insured** to the **Insured Organization** or its investors;

(7) a **Claim** brought on behalf of a **Portfolio Company**, or its directors and officers that is instigated and continued wholly independent, and without the solicitation, assistance or active participation, of any **Insured**;

(8) a **Claim** brought or maintained by, based upon, arising out of or relating to an **Insured** **Person** engaging in any protected activity specified in 18 U.S.C. 1514A(a) (“whistleblower protection pursuant to the Sarbanes-Oxley Act of 2002) or any protected activity specified in any other “whistleblower” protection pursuant to any federal, state, local or foreign laws;

(9) a **Claim** brought by any **Insured Person** who has not served in such capacity for an **Insured Organization** for at least two (2) years prior to such **Claim** being first made; or

(10) a **Claim** brought outside of the United States of America, its territories or possessions, or Canada by an **Insured Person** of an **Insured Organization** created in the same jurisdiction where the **Claim** was made;

1. based upon, arising from or attributable to **Wrongful Acts** committed by any **Insured Person** in their capacity with any entity other than the **Insured Organization,** a **Non-Profit Entity,** a **Portfolio Company** or any **Employee Benefit Plan;**

**J.** based upon, arising out of, directly or indirectly resulting from:

1. any actual or alleged violation of responsibilities, duties or obligations imposed by any federal, state or local statutory law or common law that governs wage, hour, and payroll policies and practices;
2. any actual or alleged violation of responsibilities, duties or obligationsexisting under any workers compensation law, disability benefits, unemployment compensationlaw or any similar law;
3. any actual or alleged violation of responsibilities, duties or obligations existing under the National Labor Relations Act, the Workers' Adjustment and Retraining Notification Act (WARN), Public Law 100-3.79, the Consolidated Omnibus Budget Reconciliation Act of 1985 and the Occupational Safety and Health Act, all as amended, or any rules or regulations promulgated thereunder, or similar provisions of any federal, state or local statute or law; provided, however, Exclusion J. (3) does not apply-to any **Claim** for retaliation based upon the filing for benefits under such law; and,

(4) in consequence of, or in any way involving, strikes, lockouts, picket lines, replacement or other similar action resulting from labor disputes or labor negotiations or any protections contained within the National Labor Relations Act;

**K.** solely with respectto Insuring Agreement E, based upon, arising out of or involving:

1. any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or negligent act committed prior to the creation, or sponsorship by an **Insured** of an **Employee Benefit Plan;** or
2. any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or negligent act committed subsequent to the termination of sponsorship by an **Insured** of an **Employee Benefit Plan;**

**L.** solely with respect to Insuring Agreement E, that part of **Loss,** other than **Defense Costs,** which:

(1) is based upon or arises from the failure of an **Insured** to collect the necessary employers' contributions owed to an **Employee Benefit Plan,** unless such failure results from the negligence of the **Insured;**

(2) constitutes benefits due or to become due under the terms of an **Employee Benefit Plan;** or

(3) constitutes the return or reversion of any contribution or asset of an **Employee Benefit Plan.**

(4) constitutes wages, tips, commission, fees or investigative costs except fees or investigative costs that constitute **Defense Costs**, or that portion of any settlement, judgment or award in an amount equal to such.

It is agreed that the acts of an **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of the above stated Exclusions unless said acts were carried out by any past, present or future chairman of the board, chief executive officer, president or chief financial officer of the **Insured Organization**.

**IV. LIMIT OF LIABILITY, RETENTIONS AND DATE OF CLAIM**

**A.** The Insurer shall be liable to pay **Loss** in excess of the amount of the Retentions set forth in Item G. of the Declarations for Insuring Agreements A., B., C., D. and E. up to the Policy's aggregate Limit of Liability, as set forth in Item C. of Declarations of this Policy.

**B.** In the event a single **Claim** is covered under more than one Insuring Agreement then only the largest of the applicable Retentions as set forth in Item G. of the Declarations shall apply.

**C.** The Insurer's maximum liability under this Policy, whether covered under one or more Insuring Agreements, shall be the Limit of Liability shown in Item C. of the Declarations of this Policy.

**D.** More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest of the following times:

1. the time at which the earliest **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** is first made; or
2. the time at which the **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to have been first reported pursuant to Section VII.B.

**E.** Payments of **Loss** by the Insurer, including **Defense Costs,** shall reduce the Limit of Liability.

**F.** The Retentions applicable to Insuring Agreements A(1)**.** and C shall apply to **Loss** covered by such Insuring Agreement if indemnification by the **Insured Organization** or **Portfolio Company** is required by law or legally permissible to the fullest extent permitted by law, regardless whether actual indemnification is made, unless the **Insured Organization** or **Portfolio Company** is unable to make such actual indemnification by reason of its **Insolvency.**

**V. SETTLEMENTS AND DEFENSE**

**A.** As a condition precedent to coverage, no settlement negotiations or settlement agreements shall occur and no **Defense Costs** shall be incurred without the Insurer's prior written consent, though such consent is not to be unreasonably withheld.

**B.** The Insurer shall have the right to associate in the defense and settlement of any **Claim** made under this Policy. The Insurer may make any investigation it deems appropriate. However, it shall be the duty of the **Insured,** and not the duty of the Insurer, to defend **Claims.**

**VI. ALLOCATION**

1. The Insurer will not make any payments on account of any portion(s) of **Claims** not covered by this

Policy. If the **Insured** incurs both covered **Loss** and uncovered loss in connection with the same **Claim**, whether due to the presence of covered and uncovered persons or matters, the Insurer and the **Insured** agree to allocate such amounts between covered **Loss** and uncovered loss, including **Defense Costs**, judgments, and/or settlements, based on the Insurer and the **Insured’s** relative legal and financial exposures. In the event of a settlement of such **Claim**, the allocation shall also be based upon the relative benefits to the **Insureds** from such a settlement.

1. If the I**nsured** incurs both covered **Loss** and uncovered loss as a result of the same **Claim**, the Insurer and the **Insured** agree to use reasonable best efforts to agree on an allocation. If the Insurer and the **Insured** agree on an allocation of **Defense Costs**, the Insurer will advance that portion of **Defense Costs** allocated to covered **Loss**. If the Insurer and the **Insured** cannot agree on a fair allocation, no presumption as to allocation will exist in any proceeding to determine such allocation, and the Insurer will allocate and advance **Defense Costs** as the Insurer deems reasonable until a different allocation can be negotiated or judicially determined.
2. The Insurer and the **Named Insured** shall submit any dispute or controversy under this Policy to either mediation or non-binding arbitration as described in this Subsection (the "ADR process”). Either the Insurer or the **Named Insured** may initiate the ADR process by sending written notice to the other party designating which type of ADR process is being elected. If within fourteen (14) days after such notice is given the parties disagree on the type of ADR process, the **Named Insured’s** preference shall control.

Unless otherwise agreed by the parties, any non-binding mediation or non-binding arbitration shall be administered by the American Arbitration Association in accordance with its then-prevailing Commercial Mediation Rules or Commercial Arbitration Rules, respectively. The Insurer and the **Named Insured** shall each select a disinterested arbitrator, and those two arbitrators shall select a third disinterested arbitrator. A decision by a majority of those three (3) arbitrators shall be final and binding upon the **Named Insured(s)** and the Insurer, but the arbitrators’ award shall not include attorneys’ fees or other costs incurred in connection with the arbitration.

If the dispute is not resolved during the mediation or arbitration process, then either party to the mediation may thereafter commence a judicial proceeding against the other party with respect to such dispute, provided that neither party may commence such a judicial proceeding prior to ninety (90) days following termination of the mediation or non-binding arbitration.

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

**VII. CLAIMS NOTIFICATION**

1. The **Insured** shall, as a condition precedent to their rights to payment under this Policy, give to the Insurer notice in writing of any **Claim** as soon as practicable after the **Insured Organization's** Risk Manager, General Counsel, Managing Member, Chief Financial Officer, General Partner, or equivalent position responsible for reporting such **Claims,** first becomes aware of the **Claim,** but in no event later than sixty (60) days after the end of the **Policy Period.**
2. If, during the **Policy Period,** the **Insured Organization's** Risk Manager, General Counsel, Managing Member, Chief Financial Officer, General Partner, or equivalent position responsible for reporting such **Claims** first becomes aware of a specific **Wrongful Act,** and if the **Insured** during the **Policy Period** gives written notice to the Insurer of: (1) the specific **Wrongful Act;** (2) the consequences which have resulted or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof, then any **Claim** made subsequently arising out of such **Wrongful Act** shall be deemed for the purposes of this Policy to have been made at the time such notice was first given.
3. Notice to the Insurer provided for in this Section shall be given in writing to the individual identified in Item E. of the Declarations. Such notice may be provided by mail or may be submitted electronically to: [claims@psrclaims.com](mailto:claims@psrclaims.com).

**VIII. EXTENSIONS**

1. **ESTATE AND REPRESENTATIVES EXTENSION**

Subject otherwise to the terms hereof, this Policy shall cover **Loss** arising from a **Claim** first made during the **Policy Period** against the estates, heirs, or legal representatives of any deceased **Insured Person,** and the legal representatives of any **Insured Person** in the event of incompetence, insolvency or bankruptcy, who was an **Insured Person** at the time the **Wrongful Act** upon which such **Claim** is based was committed.

1. **SPOUSAL AND DOMESTIC PARTNERS EXTENSION**

Subject otherwise to the terms hereof, this Policy shall cover **Loss** arising from a **Claim** first made during the **Policy Period** against the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an **Insured Person,** for a **Claim** arising solely out of his or her status as the spouse or domestic partner of an **Insured Person,** including a **Claim** that seeks damages recoverable from marital community property or property jointly held or transferred from the **Insured Person** to the spouse or domestic partner.

1. **EXTENDED REPORTING PERIOD**

If this Policy is not renewed by the **Insured Organization** or by the Insurer, then the **Insured Organization** shall have the right, upon payment of an additional premium calculated at thepercentage(s) shown in Item D. of the Declarations of the total annual premium for this Policy, to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of time set forth in Item D. of the Declarations after the effective date of such cancellation or, in the event of such refusal to renew, after the Policy expiration date, but only with respect to any **Wrongful Act** committed before such date.

As a condition precedent to the right to purchase the **Extended Reporting Period,** the total premium for this Policy must have been paid. The right to purchase the **Extended Reporting Period** shall terminate unless written notice together with full payment of the premium for the **Extended Reporting Period** is given to the Insurer within thirty (30) days prior to the end of the  **Policy Period** or, in the event of the Insurer's refusal to renew, within thirty (30) days after the Policy expiration date. If such notice and premium payment is not timely given to the Insurer, there shall be no right to purchase the **Extended Reporting Period**.

If the **Extended Reporting Period** is purchased,the entire premium therefore shall be deemed earned at its commencement.

The exercise of the **Extended Reporting Period** shall not in any way increase the aggregate Limit of Liability of the Insurer as shown in Item C. of the Declarations.

The rights contained in this Section of this Policy shall not apply to any cancellation resulting from the non-payment of premium.

**D. NEW INVESTMENT FUNDS**

In the event the **Insured Organization** creates a new investment fund or funds, coverage will automatically be provided under the Policy for **Wrongful Acts** subsequent to such creation if: (1) the offering size of any newly created investment fund does not exceed 200% of the largest investment fund existing at the time of this Policy's inception; and (2) the investment objectives of the investment fund, as disclosed in the prospectus or offering circular, do not differ materially from the investment objective of those investment funds already disclosed to the Insurer. If the new investment fund does not meet the foregoing criteria, coverage will be afforded for **Loss** arising from **Wrongful Acts** by **Insureds** subsequent to the creation of the new investment fund for **Claims** first made within ninety (90) days of the effective date of such creation, merger or acquisition. After ninety (90) days, coverage under this Policy shall only be provided to the **Insureds** if:

(1) written notice of such transaction or event was given to the Insurer by the **Named Insured**;and

(2) the **Named Insured** provides the Insurer with such information in connection therewith as the Insurer deems necessary; and

(3) the **Named Insured** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

**IX. OTHER INSURANCE**

If **Loss** arising from a **Claim** is insured by another valid and collectible policy or policies, then this Policy shall apply only in excess of the amount of any applicable 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 the Policy Number indicated on this Policy's Declarations page.

**X. GENERAL CONDITIONS**

**A. WARRANTY**

The Insured warrants that all representations made and all materials submitted by the **Insured** oron the **Insured’**s behalf in connection with the **Application** for this Policy are true, accurate and not misleading, and agree they were relied on by the Insurer and were material to the Insurer’s decision to issue this Policy to the **Insured**. If the **Insured** was aware at the time they were submitted to the Insurer that any representations or materials were untrue, inaccurate, or misleading in any material respect, the Insurer is entitled to rescind this Policy, but only as to persons or entities with actual knowledge, as follows:

(1) with respect to an **Insured Person**, the Insurer will not impute the knowledge of one **Insured Person** to any other **Insured Person**;

(2) with respect to an **Insured Organization**, only knowledge possessed by the Chief Executive Officer, Chief Financial Officer, or General Counsel of an **Insured Organization** will be imputed to the **Insured** **Organization**; and

(3) with respect to Insuring Agreement A. (1) only, the Insurer will not rescind the coverage otherwise available under that section except as to an **Insured Person** who had actual knowledge that the representations made or materials submitted were untrue, inaccurate, or misleading.

**B. ACQUISITIONS, MERGERS AND CONSOLIDATIONS**

(1) In the event the **Insured Organization,** after the inception date of this Policy, acquires any other entity or acquires substantially all of the assets of another entity or merges with or is consolidated with another entity such that the **Insured Organization** is the surviving entity, coverage shall be afforded for **Loss** arising from **Wrongful Acts** attributable to and occurring subsequent to such acquisition, merger or consolidation for **Claims** first made within ninety (90) days of the effective date of such acquisition, merger or consolidation. After ninety (90) days, coverage under this Policy shall only be provided to the **Insured** if:

1. written notice of such transaction or event was given to the Insurer by the **Insured Organization;** and
2. the **Insured Organization** provides the Insurer with such information in connection therewith as the Insurer deems necessary; and
3. the **Insured** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

However, the provisions of this Section X.B.**, s**hall not apply to any acquired entity qualifying as a **"Subsidiary"** pursuant to Section II. T. (2). of this Policy. Such newly-acquired **Subsidiaries** shall be automatically covered under this Policy. However, any claims that have been reported to said **Subsidiary** before the date of acquisition shall not be covered.

(2) In the event:

1. the **Insured Organization** merges with or is consolidated with another entity such that the **Insured Organization** completely ceases to actively engage in its primary business; or,
2. another entity, 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 entity(ies) or persons of greater than 50% of the outstanding securities representing the present right to vote for the election of directors or select general partners of the **Insured Organization;** or
3. of **Insolvency** of the **Insured Organization;**

then, coverage under this Policy shall continue until termination of the Policy, but only with respect to **Claims** for **Wrongful Acts** committed or allegedly committed by an **Insured(s)** prior to such acquisition, merger, consolidation, or **Insolvency.** The **Insured Organization(s)** shall give written notice of such merger, consolidation, acquisition, or **Insolvency** to the Insurer as soon as practicable together with such information as the Insurer may require. The full annual premium for the **Policy Period** shall be deemed fully earned immediately upon the occurrence of any event outlined in items (a) through (c) above.

**C. CANCELLATION AND TERMINATION**

1. By acceptance of this Policy, the **Insureds** hereby confer the exclusive power and authority to cancel this Policy on its behalf to the **Named Insured.** The **Named Insured** may cancel this Policy by surrender thereof to the Insurer, or by mailing to the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period.** Delivery of such written notice shall be equivalent to mailing.
2. The Insurer may cancel this Policy only for nonpayment of premium by mailing to the **Named Insured** written notice stating when, not less than the (10) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period.** Delivery of such written notice by the Insurer shall be equivalent to mailing. If the foregoing notice period is in conflict with any governing law or regulation, then such period shall be amended to afford the minimum notice period permitted thereunder.
3. If this Policy is cancelled pursuant to (1) hereinabove, the Insurer shall retain the customary short rate proportion of the premium. If this Policy is cancelled pursuant to (2) hereinabove the effective date of cancellation stated in the notice shall be the inception date of the policy and the policy voided ab initio.

**D. INSURED ORGANIZATION AUTHORIZATION**

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving of all notices to the Insurer, the receiving of notices from the Insurer, the payment of the premium and the receipt of any return premium.

**E. WORLDWIDE TERRITORY**

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

**F. ORDER OF PAYMENTS CLAUSE**

In the event **Loss** resultingfrom any **Claim** covered by Insuring AgreementA**.** exceeds the remaining available Limit of Liability, the Insurer will:

1. first, pay **Loss** covered under Insuring Agreement A. (1);
2. then pay **Loss** covered under Insuring Agreement A. (2).

If any Limit of Liability remains after the Insurer has made payments under (1) and (2) above, the Insurer will either pay or withhold payment for any remaining **Loss** covered under the other Insuring Agreements as instructed in writing by the **Named Insured’s** Risk Manager, General Counsel, Managing Member, Chief Financial Officer, General Partner, or equivalent position. The bankruptcy or **Insolvency** of any **Insured Organization** or any **Insured Person** shall not relieve the Insurer of any of their obligations to prioritize payment of covered **Loss** under this Policy.

**XI. ASSISTANCE, COOPERATION, SUBROGATION AND RECOVERIES**

**A,** As a condition precedent to coverage, the **Insureds** agree to provide the Insurer with such information, assistance and cooperation as the Insurer or their counsel may reasonably request in connection with the defense, negotiation and settlement of any **Claim,** and the **Insureds** further agree that they shall not take any action which in any way increases the Insurer's exposure under this Policy.

**B.** In the event of any payments under this Policy, the Insurer shall be subrogated to the **Insureds'** rights of recovery therefore against any person or entity. The **Insureds** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the Insurer to effectively bring suit in their name, and shall provide all other assistance and cooperation which the Insurer may reasonably require.

**C.** All recoveries from third parties for payments made under this Policy shall be applied (after first deducting the costs and expenses incurred in obtaining in such recovery) in the following order of priority:

1. the **Insureds** shall first be reimbursed for the amount by which their legal liability exceeds the amounts paid under this Policy;
2. the Insurer shall then be reimbursed for the amount of its liability under this Policy; and
3. any remaining sum shall be applied towards reimbursement of the Retention borne by the **Insureds** under this Policy.

**XII. ASSIGNMENTS AND ACTION AGAINST THE INSURER**

No action shall lie against the Insurer unless, as a condition precedent thereto, the **Insureds** shall have fully complied with all of the terms of this Policy, nor until the amount of the **Insureds'** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the Claimant and the Insurer. Nothing contained herein shall give any person or organization any right to join the Insurer as a party to any **Claim** against the **Insureds** to determine their liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representative in any **Claim.** Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.

**XIII. ENTIRE AGREEMENT**

By acceptance of this Policy, the Insureds agree that this Policy embodies all agreements existing betweenthem and the Insurer or any of their agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or estop the Insurer from asserting any right under the terms of this Policy, nor shall the terms be waived or changed except by written endorsement or rider issued by the Insurer to form a part of this Policy.

IN WITNESS WHEREOF this Policy has been signed at New York, New York

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Authorized Representative

Gary N. Dubois

Director

Pioneer Special Risk Insurance Services, Inc.