

PRIVATE EQUITY MANAGEMENT LIABILITY POLICY

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer", including the statements made in the Application, and subject to the provisions of this Policy, the Insurer and **Insureds** agree as follows:

I. INSURING AGREEMENTS

1. Management Liability (Individual)
If Insuring Agreement 1 coverage is included as set forth in the Coverage Schedule of the Declarations, the Insurer shall pay, on behalf of the **Insured Person**, **Loss** resulting from any **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act**, except and to the extent that an **Organization** has indemnified them for such **Loss**.
2. Management Liability (Reimbursement)
If Insuring Agreement 2 coverage is included as set forth in the Coverage Schedule of the Declarations, the Insurer shall pay, on behalf of the **Organization**, **Loss** for which the **Organization** is required, or has determined, as permitted by law, to indemnify the **Insured Persons** and which results from a **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act**.
3. Professional Liability
If Insuring Agreement 3 coverage is included as set forth in the Coverage Schedule of the Declarations, the Insurer shall pay, on behalf of an **Insured**, **Loss** resulting from any **Claim** first made against an **Insured** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** in the performance of **Professional Services**.
4. Portfolio Company Directorship Liability
If Insuring Agreement 4 coverage is included as set forth in the Coverage Schedule of the Declarations, Insuring Agreement 1 and 2 are extended to cover **Loss** resulting from any **Claim** first made during the **Policy Period** or the Extended Reporting Period, if applicable, and made against any duly elected or appointed officer or employee of an **Organization** while serving in an **Outside Position** in a **Portfolio Company** for a **Wrongful Act**; provided any such coverage shall be specifically excess of any indemnification from and insurance provided by the **Portfolio Company**. If the insurer of such other insurance is the Insurer or an affiliate of the Insurer, the maximum aggregate liability of the Insurer and its affiliates under this Policy and under such other policy shall not exceed the amount of the largest applicable limit of liability of this Policy or such other policy. There shall be no coverage under this Policy for any **Wrongful Act** by any duly elected or appointed officer or employee of an **Organization** while serving in an **Outside Position** in a **Portfolio Company** where such **Wrongful Act** occurred before the date such **Portfolio Company** qualified as such under this Policy or for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**.

II. DEFINITIONS

1. **Claim** means:
 - a. a written demand for monetary damages or non-monetary relief against an **Insured**;

- b. a civil or criminal adjudicatory proceeding or arbitration against an **Insured**;
 - c. a formal administrative or regulatory adjudicatory proceeding against an **Insured**; or
 - d. a formal civil, criminal, administrative or regulatory investigation against any **Insured Person**;
- including any appeal therefrom.
- 2. **Defense Costs** means reasonable and necessary fees and expenses incurred by the **Insureds** in defense of any **Claim**, and costs of appeal, attachment or similar bonds. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with directors, officers, and partners or employees of an **Organization**.
 - 3. **ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.
 - 4. **Executive Officer** means, with respect to an **Organization** or **Investment Advisor** which is:
 - a. a corporation, its chairperson, chief executive officer, president, chief financial officer, managers and in-house general counsel; or
 - b. a limited partnership, all natural persons who are managers, chairpersons, chief executive officers, president, chief financial officer, in-house general counsel or general partners of such limited partnership's **General Partner**.
 - 5. **Financial Insolvency** means:
 - a. the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate an **Organization** or an **Organization** becoming a debtor in possession;
 - b. the inability of an **Organization**, financially or under applicable law, to advance **Defense Costs** or indemnify **Insured Persons** for **Loss**.
 - 6. **General Partner** means a person or entity that is named as a general partner in the partnership agreement of a limited partnership **Organization**.
 - 7. **Independent Director** means any director of an **Organization** who is the equivalent of an "interested person" as that term, and related terms, are used in chapter 2 of the Investment Company Act of 1940 (15 USCS §80a-2).
 - 8. **Independent Security Holder** means any security holder of the **Organizations**, other than any of the **Insureds**, who is acting totally independently of, and totally without the solicitation, assistance, participation, or intervention of, any of the **Insureds**.
 - 9. **Insured** means **Organizations**, **Insured Persons** and **Investment Advisors**.

10. **Insured Persons** means:
- a. with respect to any **Organization** which is a corporation, any natural person who is a past, present or future director or officer of such **Organization**.
 - b. with respect to an **Organization** which is a limited partnership:
 - i. all **General Partners** of the **Organization**; or
 - ii. any natural person who is a past, present or future director, officer, manager or general partners of such **General Partner**.
11. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
12. **Investment Advisor** means the companies listed as such in an endorsement to this Policy and any person who is a past, present or future director, partner, officer or employee of such companies.
13. **Investment Fund** means any fund or any series fund, which is created or established by an **Organization**, whose principal is invested pursuant to the objectives and policies set forth in such fund's private placement, prospectus, or similar document.
14. **Loss** means damages, settlements, judgments (including pre-judgment and post-judgment interest), and **Defense Costs** for which the **Insureds** are legally obligated to pay on account of a covered **Claim**. **Loss** shall not include (i) criminal or civil fines or penalties imposed by law, other than the 5% or less, or the 20% or less, civil penalties imposed upon an **Insured** under §502(i) or(ii) of the Employee Retirement Income Security Act of 1974, respectively; (ii) taxes; (iii) any amounts for which there is no legal recourse against the **Insureds**; or (iv) matters which are uninsurable under the law pursuant to which this Policy shall be construed. **Loss** shall include punitive, exemplary or multiple damages not described in (iv) above if insurable to the fullest extent permitted by any applicable law. Where the **Insureds** reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, the Insurer shall not challenge that determination of insurability.
15. **Named Entity** means the entity named in Item 1. of the Declarations
16. **Organization** means:
- a. the **Named Entity**;
 - b. any other entity which exists as of the effective date of the Policy and is named as such in an endorsement to the Policy;
 - c. any entity newly formed or newly acquired after the effective date of this Policy, subject to the provisions of Section XIV;
- including any **Investment Fund** of such **Organization** and including such **Organization** as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.
17. **Outside Position** means the position of director, officer, trustee, regent or governor held by

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any duly elected or appointed officer or employee of the **Organization** in any **Portfolio Company**, provided and so long as such service is part of the officer's or employee's regularly assigned duties with the **Organization** and at the specific written request or direction of the **Organization**.

18. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date set forth in Item 2. of the Declarations, or its earlier cancellation date.
19. **Pollutants** means any substance exhibiting hazardous characteristics as or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.
20. **Portfolio Company** means any entity in which one or more **Organizations** own or control outstanding securities or voting rights representing the present right to vote in an election of directors or to select managing partners.
21. **Professional Services** means:
- a. financial, economic or investment advice regarding investments in securities;
 - b. the rendering of investment management services,
- provided such services are pursuant to a written contract.
22. **Securities** means:
- a. common or preferred stock or rights, warrants or options in such stock representing an ownership interest in an **Organization** or a right to acquire or dispose of such interest;
 - b. notes, bonds or debentures representing a debt owed by an **Organization** to the extent such instruments would be deemed securities under the federal or state laws of the United States.
23. **Takeover** means:
- a. the acquisition of the ownership or control of more than 50% of the voting stock (if the **Organization** is a corporation) or 50% of the voting rights (if the **Organization** is a partnership) of any **Organization** by another entity or person or group of entities and/or persons acting in concert;
 - b. the acquisition of the ownership or control of the **Organization** by another entity or person or group of entities and/or persons acting in concert;
 - c. the merger of the **ABC Company** or any **Organization** into another entity such that the **ABC Company** or any **Organization** is not the surviving entity;

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- d. the consolidation of the **ABC Company** or any **Organization** with another entity.
24. **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted:
- a. by **Insured Persons** in the discharge of their duties in their capacity as directors, officers, trustees, general partner of an **Organization**;
 - b. by **Insured Persons** in the discharge of their duties in an **Outside Position**; or
 - c. by an **Insured** in the rendering of **Professional Services**.

III. EXTENDED REPORTING PERIOD

1. If the **Named Entity** cancels or non-renews this Policy or if the Insurer decides not to offer any renewal terms for this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium as described in Item 6b of the Declarations, an extension of this Policy for the period described in Item 6a of the Declarations immediately following the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**. This period shall be referred to as the Extended Reporting Period.
2. 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 end unless written notice and full payment of the premium for such period is received by the Insurer within 30 days after the end of the **Policy Period**.
3. If the Extended Reporting Period is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.
4. There is no separate or additional Limit of Liability for the Extended Reporting Period.

IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns and spouses of any **Insured Person** shall be considered **Insured Persons**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a claim arising solely out of their status as such and, in the case of a spouse, where such claim seeks damages from marital community property, jointly held property or property transferred from the **Insured Persons** to the spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign or spouse. All terms and conditions of this Policy, including without limitation the Retention, applicable to **Loss** incurred by the **Insured Persons** shall also apply to loss incurred by such estates, heirs, legal representatives, assigns and spouses.

V. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim** made against any of the **Insureds**:

1. for any actual or alleged libel, slander or other defamation, invasion of privacy, bodily injury, sickness, disease, emotional distress, mental anguish or death of any person, or damage to or

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- destruction of any tangible property including loss of use;
2. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of **ERISA or any Similar Act** in connection with the **Organizations'** own pension, employee benefit or welfare plans;
 3. based upon, directly or indirectly arising out of, or in any way involving:
 - a. any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given during any prior policy if such prior policy affords coverage (or would afford coverage but for the exhaustion of its limits of liability) for such **Loss**, in whole or in part, as a result of such notice; or
 - b. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in paragraph 3a above, would constitute **Interrelated Wrongful Acts**;
 4. based upon, directly or indirectly arising out of, in any way involving or constituting any civil, criminal, administrative or regulatory proceeding, investigation or arbitration against any of the **Insureds**:
 - a. pending prior to or on the date set forth in Item 7. of the Declarations; or
 - b. which has been the subject of any notice given under any prior policy, regardless whether such prior policy affords coverage for such proceeding, investigation or arbitration;or any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding, investigation or arbitration;
 5. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to the **Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters; provided, however, this exclusion shall not apply to the extent such **Claim** is otherwise covered under Insuring Agreement 1 and is brought by or on behalf of any owner of **Securities** in their capacity as such while acting totally independently of and totally without the solicitation, assistance, participation or intervention of any **Insureds**;
 6. for:
 - a. any **Wrongful Act** occurring before an **Organization**, other than the **Named Entity**, became owned or sponsored by another **Organization** or by the **Named Entity**, or for any **Wrongful Act** occurring on or after the date such entity became owned or sponsored by another **Organization** or by the **Named Entity** which, together with a **Wrongful Act** occurring before the date such entity became owned or sponsored by another **Organization** or by the **Named Entity** would constitute **Interrelated Wrongful Acts**;

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- b. any **Wrongful Act** occurring after the date that such **Organization**, other than the **Named Entity**, ceased to be owned, controlled or sponsored by another **Organization** or by the **Named Entity**;
7. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Insured** in fact gained any profit, remuneration or pecuniary advantage to which they were not legally entitled. For the purpose of determining the applicability of this exclusion, the **Wrongful Act** of any of the **Insured Persons** shall not be imputed to any of the other **Insured Persons**, and only the **Wrongful Act** of any **Executive Officer** shall be imputed to an **Organization**;
8. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Insureds** committed any fraudulent or criminal **Wrongful Act** with actual knowledge of its wrongful nature or with intent to cause damage or intentionally violated any statute, rule, regulation, agreement or judicial or regulatory order with actual knowledge of such violation or with intent to cause damage. For the purpose of determining the applicability of this exclusion, the **Wrongful Act** of any of the **Insured Persons** shall not be imputed to any of the other **Insured Persons**, and only the **Wrongful Act** of any **Executive Officer** shall be imputed to an **Organization**;
9. arising out of the liability of others an **Insured** assumes under any oral or written contract or agreement, except that coverage otherwise available to an **Insured** under this Policy shall apply to an **Insured's** liability that exists in the absence of such contract or agreement;
10. for liability involving the activities of any **Insured** as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934; provided however, this exclusion shall not apply to the distribution, underwriting or resale of securities purchased directly from the **Organization** by a distributor for resale to any broker or dealer;
11. by or on behalf of any of:
 - a. the **Insured Persons**, or any person who is a past, present or prospective director, officer, employee, or partner of an **Investment Advisor**, except and to the extent that such **Claim** is in the form of a cross-claim, third party claim or otherwise for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this policy;
 - b. or for the benefit of the **Organization**, or by any holder of **Securities** of the **Organization**, whether it be an individual, class or derivative action, except and to the extent that:
 - i. such **Claim** is made by an **Independent Security Holder**;
 - ii. in the opinion of independent counsel jointly selected by the **Organization** making the **Claim** and the Insurer, failure to make such **Claim** would result in liability of such **Insured** for such failure; and
 - iii. such **Claim** is made by or on behalf of a bankruptcy or insolvency trustee,

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examiner or receiver for an **Organization**, or any assignee of such trustee, examiner or receiver;

However, this Exculsion shall not apply to the extent that such **Claim** is made against:

1. an **Independent Director**, or
2. both an **Independent Director** and an **Organization**, but only to the extent that and for as long as such **Independent Director** remains a codefendant in such **Claim**,

provided that such **Claim** is brought and maintained totally independent of and totally without the solicitation, assistance, participation or intervention of any **Independent Director** or **Organization** against whom such **Claim** is made.

VI. LIMIT OF LIABILITY

1. The amount set forth in Item 3 of the Declarations shall be the maximum aggregate Limit of Liability of the Insurer for all **Loss** under this Policy, regardless of the number of **Claims** made against the **Insureds**.
2. If the Limit of Liability is exhausted by payment of **Loss**, the Insurer's obligations shall be deemed completely fulfilled and extinguished.
3. The Insurer shall pay all **Loss** as it becomes due and payable by Insureds, without consideration of the other future payment obligations.

VII. SETTLEMENT/RETENTIONS/ADVANCEMENT OF DEFENSE COSTS/ALLOCATION

1. Insurer's Consent

The **Insureds** shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** incurred by the **Insureds** to the extent the **Loss** results from **Insureds** admitting liability, consenting to any judgment, agreeing to settle or making any settlement offer without the Insurer's prior written consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy.

Notwithstanding the above, if the **Insureds** are able to settle all **Claims** which are subject to a single Retention for an aggregate amount, including **Defense Costs**, not exceeding such Retention, the Insurer's consent shall not be required for the settlement of such claims.

2. Defense of **Claims**

The **Insureds** and not the Insurer have the duty to defend **Claims**. The Insurer has the right, but not the duty, to associate itself in the defense and settlement of any **Claim**.

3. Payment of **Loss** in Excess of Retentions

The Insurer shall be liable to pay **Loss** in excess of the amount of the applicable Retention, if any, up to the Limit of Liability. The Retention shall be uninsured.

4. Retentions

a. With respect to any **Claim**, the **Organization** shall advance **Defense Costs** and indemnify the **Insured Persons** for **Loss** in connection with such **Claim** to the fullest extent required or permitted under applicable law and shall pay the Retention applicable to such **Claim**. If, in connection with any **Claim** made against the **Insured Persons**, the **Organization** is not permitted to advance **Defense Costs** or to indemnify such **Insured Persons** for **Loss** by reason of (i) **Financial Insolvency** or (ii) a good faith determination by the **Organization** that such payment is not permitted under the broadest construction of applicable law, no Retention shall apply to **Loss** paid on behalf of the **Insured Persons**. Nevertheless, the Retention shall apply to **Loss** paid on behalf of the **Organization**. If the **Organization** fails to pay the Retention applicable to any **Claim** for any reason other than (i) or (ii) above, then the Insurer on behalf of the **Insured Persons** shall advance **Defense Costs** and pay **Loss** without regard to such Retention, but the **Organization** further agrees that it shall reimburse the Insurer for such amounts up to and including the applicable Retention.

b. A single Retention shall apply to each **Loss**, as set forth in Item 7. of the Declarations.

c. In the event more than one Retention applies to a **Loss**, the maximum total Retention amount applicable to such **Loss** shall be the highest of such applicable Retentions.

5. Allocation of **Loss**

If a **Claim** made against the **Insureds** includes both covered and uncovered matters, or if a **Claim** is made against **Insureds** who are extended coverage therefor and others (including **Insureds**) who are not extended coverage therefor, the **Insureds** agree that there must be an allocation between insured and uninsured loss. The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between insured and uninsured loss.

6. Advancement of **Defense Costs**

Subject to the conditions set forth in Section VII.7., the Insurer, on behalf of the **Insureds**, shall advance **Defense Costs** in excess of the applicable Retention, if any, before the final disposition of a **Claim** against the **Insureds**.

7. Conditions for Advancement of **Defense Costs**

Advancement by the Insurer of **Defense Costs** pursuant to Section VII.6. above shall be on the following conditions:

a. if the **Insureds** and the Insurer agree on an allocation of insured and uninsured **Defense Costs**, the Insurer shall advance the amount of insured **Defense Costs**;

b. if the **Insureds** and the Insurer cannot, after exerting their best efforts, agree on an

allocation of insured and uninsured **Defense Costs**:

- i. the Insurer then shall advance the percentage of **Defense Costs** proposed by the Insurer to be insured until a different allocation is negotiated, arbitrated or judicially determined; and
- ii. the Insurer, if requested by the **Insureds**, shall 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 **Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators. No presumption as to the correct allocation shall exist in any arbitration, suit or other proceeding. Any arbitrated or judicially determined allocation of **Defense Costs** shall be applied retroactively to all **Defense Costs** previously advanced;
- c. the **Insureds** shall provide a satisfactory written undertaking to repay the Insurer any **Defense Costs** finally established not to be insured; and
- d. any allocation or advancement of **Defense Costs** shall not apply to or create any presumption with respect to the allocation of other **Loss**.

VIII. REPORTING/NOTICE/INTERRELATED CLAIMS

1. If, during the **Policy Period** or the **Extended Reporting Period**, if applicable any **Claim** is first made against the **Insureds**, then the **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer as soon as practicable but in no event later than ninety days after the **Policy Period** or the **Extended Reporting Period**, if applicable.
2. If, during the **Policy Period** or the **Extended Reporting Period**, if applicable, the **Insureds** first become aware of a specific **Wrongful Act** and during such period give written notice to the Insurer as soon as practicable of:
 - a. the names of the potential claimants and a description of the specific **Wrongful Act** which forms the basis of their potential claim,
 - b. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Act**,
 - c. the consequences which have resulted or may result from such specific **Wrongful Act**,
 - d. the nature of the alleged or potential monetary damages or nonmonetary relief which may be sought in consequence of such specific **Wrongful Act**, and
 - e. the circumstances by which the **Insureds** first became aware of such specific **Wrongful Act**,

then any **Claim** otherwise covered under this Policy which is subsequently made which arises out of such **Wrongful Act** shall be deemed to have been made at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.

3. Except as provided in VIII.2. above, a **Claim** shall be deemed to commence:
 - a. in the case of a civil, criminal, administrative, regulatory or investigative proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Insured** of a complaint, indictment, notice of charge or similar document against the **Insured** in such proceeding or arbitration;
 - b. in the case of an investigation, on the earliest of the date of service upon or other receipt by an **Insured Person** of a written notice or subpoena from the investigating authority identifying such **Insured Person** as an individual against whom a formal proceeding may be commenced;
 - c. in the case of a written demand for monetary damages or non-monetary relief, on the Insurer's receipt of notice of such demand from any **Insured**.
4. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been first reported by the **Insureds** to the Insurer on the earlier of:
 - a. the date on which the earliest **Claim** was first reported by the **Insureds** to the Insurer under this Policy or any prior policy, or
 - b. the first date valid notice was given under this Policy or any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.
5. The **Insureds** shall give notice to the Insurer under this Policy as specified in Item 5. of the Declarations.
6. The **Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

IX. CANCELLATION

1. The Insurer may cancel this Policy:
 - a. for non-payment of any premium when due, by providing to the **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective. However, if such cancellation is on account of non-payment of the premium due on inception of the **Policy Period**, such cancellation shall be effective as of the inception of the **Policy Period** unless the Insurer receives payment of such premium within 20 days after the Insurer provides written notice to the **Named Entity** of such cancellation.
 - b. for any other reason by providing to the **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective.
2. The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Entity**. The **Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective, provided the **Named Entity** may not cancel this Policy at any time if the Policy Period as set forth in Item 2 of the Declarations is 24 months or longer. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

X. NON-RENEWAL/RENEWAL ON DIFFERENT TERMS

1. Non-Renewal

If the Insurer decides not to renew this Policy by not offering any terms of insurance, the Insurer shall provide written notice to the **Named Entity** at least 60 days prior to the end of the **Policy Period**. The notice shall include the reason for such non-renewal.

2. Renewal on Different Terms

If the Insurer offers to renew this Policy on terms which involve any change in Retention amounts, Premium, Limit of Liability or other terms and conditions, the Insurer shall provide written notice to the **Named Entity** at least 60 days prior to the Policy expiration date.

XI. NOTICES TO NAMED ENTITY

Any notices required under Section **IX. CANCELLATION** and Section **X. NON-RENEWAL/RENEWAL ON DIFFERENT TERMS**, shall be provided to the **Named Entity** at the last known address or the address set forth in Item 1. of the Declarations and to its insurance agent or broker. The mailing by certified mail or delivery of such notice shall be sufficient.

XII. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

XIII. APPLICATION

1. The **Insureds** represent and acknowledge that the statements contained in the Application and any materials submitted or required to be submitted to the insurer as part of the application process (all of which shall be maintained on file by the Insurer and be deemed attached to and incorporated into this Policy as if physically attached), are true and: (i) are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and (ii) shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.
2. In the event the Application, including materials submitted or required to be submitted to the Insurer as part of the application process contain any misrepresentation or omission:
 - a. made with the intent to deceive, or
 - b. which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under the Policy;

this Policy shall be void as to:

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- i. any **Organization** or **Investment Advisor** if an **Executive Officer** is responsible for or knew of such misrepresentation or omission; or
- ii. any **Insured Persons** who are responsible for or who knew of such misrepresentation or omission. Such responsibility or knowledge shall not be imputed to any other **Insured Persons**.

XIV. COVERAGE FOR NEW ORGANIZATIONS

1. If, after the effective date of this Policy, any new entity or any new **Investment Fund** is created or acquired by the **Named Entity**, any **Investment Advisor** or any **Organization**, then such new entity and its directors, officers, trustees, or employees who otherwise would thereby become an **Insured** and such new **Investment Fund** shall be covered under this Policy, subject to its terms and conditions, only if:
 - a. the consolidated assets under management of such new entity or **Investment Fund** does not exceed the percentage of the **Named Entity's** consolidated assets under management specified in Item 8. of the Declarations as of the date of the **Named Entity's** most recent audited financial statement prior to the creation or sponsorship of such new entity or **Investment Fund**; or
 - b. other than as described in 1.a. above, the Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium and/or amendment of the provisions of this Policy, agrees to provide coverage for such new entity or **Investment Fund** and its directors, officers, trustees, general partners or employees.
2. With respect to any new entity or **Investment Fund** and its directors, officers, trustees, general partners or employees considered to be **Insureds** pursuant to Section XIV.1. above, there shall be no coverage under this Policy:
 - a. for any **Wrongful Act** by such entity or persons where such **Wrongful Act** occurred before the effective date of the creation or sponsorship of the new entity or **Investment Fund**; or
 - b. for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**.

XV. CHANGE OF STATUS OF NAMED ENTITY

In the event of a **Takeover** of the **Named Entity**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date, and (ii) the **Named Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

XVI. SUBROGATION AND RECOVERY

1. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Insureds'** rights of recovery therefor, including without limitation an **Insured Person's** right to indemnification or advancement from the **Named Entity**. The **Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.
2. If a **Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable Limit of Liability, the **Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Insureds** and the Insurer are unable to agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Insureds**, shall 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 **Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.
3. In no event shall the **Insureds** be entitled to recoup from recoveries any amount to satisfy any Retention until after all amounts which the Insurer is required to pay or pays under any applicable Insuring Agreement are reimbursed to the Insurer.

XVII. CHANGES

Notice to 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 stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XVIII. COMPANY AUTHORIZATION

The **Insureds** agree that the **Named Entity** will act on behalf of the **Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VIII.1. or 2.), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XIX. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there has been full compliance with all the provisions of this Policy or until the amount of the **Insureds'** obligation to pay has been finally determined either by final and nonappealable judgment against the **Insureds** after trial, or by written agreement of the **Insureds**, the claimant and the Insurer.
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** to determine the **Insureds'** liability, nor shall the Insurer be

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impleaded by the **Insureds** or their legal representatives in any such **Claim**.

XX. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

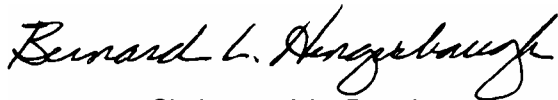
XXI. TERRITORY

Coverage shall apply worldwide.

XXII. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the Application and any materials submitted or required as part of the application process, and any written endorsement attached, constitute the entire agreement existing between them and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Insurer has caused this policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.



Chairman of the Board



Secretary