



CorporateGuard  
PEVC Protector

Policy Document

**Policyholder:**  
**Policy Number:**  
**Renewal/Replacement of:**



## CorporateGuard PEVC Protector

### **Notices**

The Insurance Covers and Extensions under this policy are afforded for claims first made against an insured during the policy period and reported to the insurer as required by this policy. Amounts incurred for legal defence will reduce the limits of liability available to pay judgments or settlements, and be applied against the retention. The insurer does not assume any duty to defend.

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Please read this policy carefully and review its cover with your insurance agent or broker.

# CorporateGuard PEVC Protector

## Policy Document

<b>Policy number</b>			
<b>1</b>	<b>Policyholder</b>		
	<b>Address</b>		
	<b>Place of Incorporation</b>		
<b>2</b>	<b>Policy period</b>	From:	
	12.01am at the address stated in Item 1	To:	
<b>3(i)</b>	<b>(a) Limit of Liability</b>	For all <b>loss</b> in the aggregate, including <b>defence costs</b>	GBP
	<b>(b) Regulatory Crisis Event Sublimit of liability</b>	Aggregate for all <b>loss</b> from <b>regulatory crisis event</b> combined.	GBP
	<b>(c) Assets and Liberty Sublimit of liability</b>	Aggregate for all <b>loss</b> from <b>public relations expenses</b> combined.	GBP
	<b>(d) Crisis Containment Sublimit of liability</b>	Aggregate for all costs from <b>crisis</b> containment combined.	GBP
	<b>(e) Self Reporting Expenses Sublimit of Liability</b>	Aggregate for all <b>loss</b> from <b>self reporting expenses</b> combined.	GBP
	<b>(f) Representations and Warranties Sublimit of Liability</b>	Aggregate for all <b>loss</b> from <b>representations and warranties</b> cover.	GBP
<b>3(ii)</b>	<b>Fund Run-Off Management Liability Limit</b>	For all <b>loss</b> in the aggregate, including <b>defence costs</b> in respect of <b>fund run-off</b> cover.	GBP

# CorporateGuard PEVC Protector

4	<b>Retention</b>	(a) <b>U.S. Securities claims</b>	GBP
		(b) <b>All other securities claims</b>	GBP
		(c) <b>Outside entity director claims</b>	GBP
		(d) <b>U.S. Employment Practices claims</b>	GBP
		(e) <b>Venture Capital and Private Equity Services Claims</b>	GBP
		(f) <b>All other claims</b>	GBP
5	<b>Continuity Date</b>	(a) <b>All covers other than outside entity director cover:</b>	Date
		(b) <b>Outside entity director cover:</b>	The date on which the <b>insured person</b> first served as an <b>outside entity director</b> of such <b>outside entity</b> : Date
6	<b>Full Annual Premium</b>	Premium (excluding IPT)	GBP
7	<b>Crisis Management Service Provider:</b>	The Fairfax Group LLC / Stewart Winspear 128 College Road London SE19 1XD United Kingdom 0.800.014.842 (Local UK Toll Free) +44 (0) 7506 176 419	
8	<b>Public Relations Consultants</b>	David Brotzen Brotzen Mayne Ltd +44 (0)20 7645 8205	
9	<b>Report Claims and Circumstances to:</b>	AIG Europe Limited 2-8 Altyre Road Croydon CR9 2LG	
10	<b>Endorsements</b>		
	<b>Reference</b>	<b>Title</b>	<b>Effective Date</b>



## Policy Schedule

### **SIGNED FOR & ON BEHALF OF THE INSURER**

DATE: \_\_\_\_\_

#### **AIG Europe Limited**

This insurance is underwritten by AIG Europe Limited which is authorised and regulated by the Financial Services Authority (FSA number 202628). AIG Europe Limited is a member of the Association of British Insurers. Registered in England: company number 1486260. Registered address: The AIG Building, 58 Fenchurch Street, London, EC3M 4AB.

## CorporateGuard PE-VC Protector

In consideration of payment of the premium, and in reliance upon the **proposal** which forms a part of this policy, the **insurer** and the **policyholder** agree as follows:

### 1. Insurance Covers

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Cover under this policy is afforded solely with respect to **claims** first made against an **insured** during the **policy period** or any applicable **discovery period** and reported as required by this policy.

#### Insuring Clause 1.1: Management Liability

- (a) The **insurer** will pay the **non-indemnifiable loss** to or on behalf of any **insured person** arising from a **claim** made against such **insured person** for any **wrongful managerial act**. This coverage 1.1 (a) shall not apply to **loss** arising from a **claim** made against an **outside entity director**.
- (b) The **insurer** will reimburse the **indemnifiable loss** of a **company** arising from a **claim** made against an **insured person** (including an **outside entity director**) for any **wrongful managerial act**.

#### Insuring Clause 1.2: Outside Directorship Liability and Outside Directorship Run-Off Liability

- (a) **Outside Directorship Liability:** The **insurer** will pay the **non-indemnifiable loss** to or on behalf of any **outside entity director** arising from a **claim** made against such **outside entity director**, for any **wrongful managerial act**.
- (b) **Outside Directorship Run-Off Liability:** The **insurer** will pay the **non-indemnifiable loss** of any **director** who ceases or has ceased to act in the capacity of an **outside entity director** arising from a **claim** made against such **outside entity director**, for any **wrongful managerial act**.

#### Insuring Clause 1.3: Civil Liability

The **insurer** will pay the **loss** of an **insured** arising from a **claim** made against such **insured** for any **wrongful professional act**.

## 2. Extensions

### 2.1 Newly Formed or Acquired Entities

For entities formed or acquired after the inception of the **policy period**:

- (a) **Subsidiaries: Subsidiary** shall include any **private entity** in which the **policyholder** or **subsidiary** first obtains **management control** during the **policy period**, whether directly or indirectly through one or more other **subsidiaries**, whose:
- (1) assets total less than 25% of the consolidated assets of the **policyholder** and its **subsidiaries** at inception of this policy; or
  - (2) assets total 25% or more of the consolidated assets of the **policyholder** and **subsidiaries** as of the inception date of this policy, but such **private entity** shall be a **subsidiary** only for a period of sixty (60) days from the date the **policyholder** first obtains **management control** of such entity or until the end of the **policy period**, whichever ends or occurs first (hereinafter the 'auto-subsidiary' period); and

provided that: (i) the new **private entity** is not and was not an **investment vehicle**, a **portfolio company**, a **fund**, a general partnership or joint venture, and (ii) such **private entity** is not incorporated, formed or providing **venture capital and private equity services** in the **U.S.**

The **insurer** shall extend cover for any **subsidiary** and any **insured person** of any subsidiary described in Extension 2.1(a)(2) above, beyond its respective auto-subsidiary period if during such auto-subsidiary period, the **policyholder** shall have provided the **insurer** with full particulars of the new **subsidiary**, and agreed to and pays any additional premium and/or amendment of the provisions of this policy as may be required by the **insurer** relating to such **subsidiary**.

Coverage under this section will only apply for **wrongful acts** committed or allegedly committed after such **private entity** is or was a **subsidiary**.

- (b) **Funds: Fund** shall include:
- (1) any **private entity** that is an **investment vehicle**: (i) of which the **policyholder** first acquires **management control** during the **policy period**, either directly or indirectly through a **subsidiary**, a **general partner**, or another **fund**; and (ii) whose aggregate capital commitments total less than 25% of the total aggregate capital commitments of all partners, security holders and members of all **funds** combined as of the inception date of this policy; and
  - (2) any **private entity** that is an **investment vehicle** (other than an entity described in the preceding subparagraph (b) (1)) of which a **company** first acquires **management control** during the **policy period**, either directly or indirectly through a **subsidiary**, **general partner** or another **fund**, if within sixty (60) days of the date of obtaining such control, the **policyholder** provides the **insurer** with full particulars of the new **investment vehicle**, and agrees to and pays any additional premium and/or amendment of the provisions of this policy as may be required by the **insurer** relating to such new **fund**.

Coverage under this section will only apply for **wrongful managerial acts** or

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**wrongful professional acts** committed or allegedly committed while such entity is or was a **fund**.

### 2.2 Discovery period

If the **insurer** declines to offer renewal terms at the end of the **policy period**, then:

- (a) the **policyholder** shall have the right, upon payment of an additional premium of 100% of the **full annual premium**, to a **discovery period** of 12 months following the effective date of non-renewal; or
- (b) the **insured** shall be entitled to a 60 day automatic **discovery period** at no additional premium.

If the **policyholder** purchases a **discovery period**, the 60 day automatic **discovery period** shall be part of and not in addition to the purchased **discovery period**.

The **policyholder** shall not have a right to a **discovery period** if the **policyholder** renews or replaces this policy or its cover, or if this policy has been cancelled.

To purchase the **discovery period**, the **policyholder** must request its purchase in writing within 30 days of the termination date of the policy and must pay the additional premium within 30 days of the termination date. If the **policyholder** renews or replaces this policy at anytime during the **discovery period**, any **discovery period** in force shall cease with immediate effect from the inception of such replacement cover. The premium for the **discovery period** is deemed fully earned and shall not be refunded.

If a **transaction** takes place, then the **policyholder** does not have the right to purchase a **discovery period** as set out above. The **policyholder**, however, shall have the right within 30 days of the effective time of the **transaction** to request an offer from the **insurer** of a **discovery period** for up to 72 months. The **insurer** may offer such a **discovery period** with terms, conditions and premium as the **insurer** may determine.

### 2.3 Discovery period for retired directors

If the **policyholder** does not renew or replace this policy (or its cover) and a **discovery period** is not elected under Extension 2.2(a) above, then, upon the election of: (1) any retired **director** of a **company**, or (2) the **policyholder**, a **discovery period** of 72 months, effective on the date of such nonrenewal, will be provided under this policy solely for **claims** against the **directors** of the **company** named in the notice of such election who retired after the **continuity date**, but before the date of the nonrenewal of this policy. The **discovery period** for retired **directors** shall only be available for **claims** from **wrongful acts** occurring prior to the date of nonrenewal. This Extension is not available in the event of a **transaction** or any cancellation of this policy. The discovery period in force shall cease with immediate effect from the inception of such replacement cover.

### 2.4 Heirs, estates and legal representatives

This policy covers **loss** arising from a **claim** made against the estates, heirs, legal representatives or assigns of an **insured person** for **wrongful acts** committed by such **insured person**.



## 2.5 Domestic partner liability

This policy covers **loss** arising from a **claim** made against an **insured person's** lawful spouse or other legally recognised domestic partner for **wrongful acts** committed by such **insured person**.

## 2.6 Assets and liberty costs: Damage to reputation

The **insurer** will pay the **public relations expenses** of each **insured** subject to the Sub-limit specified in Item 3(i)(c) of the Schedule.

## 2.7 Crisis Containment

The **insurer** will pay the reasonable fees, costs and expenses of the external crisis management service provider listed in Item 7 of the Schedule for a period of 30 days in order to mitigate the impact of a **crisis** which occurs during the **policy period**, subject to the Sub-Limit specified in Item 3(i)(d) of the Schedule and with the **insurer's** prior written consent.

## 2.8 Regulatory Crisis Event

The **insurer** will pay the reasonable, fees costs and expenses of each **insured person** with the **insurer's** prior written consent arising from a **regulatory crisis event**, subject to the Sub-Limit specified in Item 3(i)(b) of the Schedule.

## 2.9 Self Reporting Expenses

The **insurer** will pay the reasonable fees, costs and expenses incurred by an **insured person**, with the **insurer's** prior written consent to retain legal advisors for the purpose of representing an **insured person** once they are made the subject of, required to participate or attend a **self reporting procedure** subject to the Sub-Limit specified in Item 3 (i)(e) of the Schedule.

Such expenses shall not include the remuneration of any **insured person**, cost of their time, or costs or overhead of any **company**.

## 2.10 Fund Run-Off Management Liability

- (a) The **insurer** will pay the **non-indemnifiable loss** to or on behalf of any **insured person** arising from a **claim** made against such **insured person** for any **wrongful managerial act** in respect of a **fund in run off**. This coverage shall not apply to **loss** arising from a **claim** made against an **outside entity director**.
- (b) The **insurer** will reimburse the **indemnifiable loss** of a **company** arising from a **claim** made against an **insured person** (including an **outside entity director**) for any **wrongful managerial act** in respect of a **fund in run off**.

### 2.11 Representations and Warranties cover

The **insurer** will pay **defence costs**, incurred by a **fund** or a **holding company** in relation to a **claim** alleging a breach of warranty regarding either its title or its capacity in the sale and purchase agreement in respect of the sale of a **portfolio company** up to Sub-Limit specified in Item 3(i)(f) of the Schedule.

## 3. Exclusions

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The **insurer** shall not be liable under any Cover for any **loss** (or under any extension);

### 3.1 Conduct

arising out of, based upon or attributable to, or any **claim** alleging:

- (i) the gaining of profit or advantage to which the **insured** was not legally entitled; or
- (ii) the committing of any deliberately dishonest or deliberately fraudulent act by an **insured**,

in the event that any of the above is established by final adjudication of a judicial or arbitral tribunal or by any formal written admission by the **insured**;

### 3.2 Pre-Continuity Date Exclusion

arising from a **claim** made against any **insured**, for any **wrongful act**, circumstance or event, occurring prior to the **continuity date** if, as of such **continuity date**, such **insured** knew or could have reasonably foreseen that such **wrongful act**, circumstance, event or could lead to a **claim** or **loss**;

### 3.3 Prior Knowledge and Prior Discovery Exclusion

arising out of, based upon or attributable to:

- (i) the facts alleged, or to the same or related **wrongful acts** or alleged or contained, in any **claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time; or
- (ii) as of the **continuity date**, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an **insured** had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

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### 3.4 Bodily Injury/Property Damage Exclusion

for bodily injury, sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof, or for emotional distress of any person; provided, however, this Exclusion shall not apply to emotional distress asserted as part of an **employment practices claim**;

### 3.5 Insured v. Insured Exclusion

under Insuring Clause 1.1 arising from a **claim** which is a **U.S. claim** by or on behalf of any **insured** except:

- (a) a **claim** that is a derivative action brought on behalf of a **company** by one or more persons who are not an **insured person** and not brought at or with the instigation or solicitation of an **insured**;
- (b) an **employment practices claim**;
- (c) a **claim** by an **insured person** for contribution or indemnity, if such **claim** directly results from another **claim** covered under this policy;
- (d) a **claim** by a former **insured person**;
- (e) a **claim** by a **company**, due to its insolvency and at the instigation of its liquidator, receiver, administrative receiver, administrator, supervisor or other insolvency office-holder for obtaining a remedy under the Insolvency Act 1986 (UK) or any consolidation, amendment or re-enactment thereof or under equivalent legislation of another jurisdiction;
- (f) a **claim** by all natural persons who were, now are, or shall be duly appointed to serve as an **advisory board member**, if making the **claim** in their capacity as a member or limited partner of a **fund**; and
- (g) **defence costs**;

### 3.6 Insured v. Insured Outside Entity Exclusion

under Insuring Clause 1.2, arising from a **claim** which is a **U.S. claim** by or on behalf of any **outside entity** or parent, subsidiary, or affiliate of the **outside entity**, or one or more **directors**, officers, trustees, governors, board observers, members of a supervisory board or equivalent **directors**, or **shadow directors**, of any **outside entity**, except:

- (a) a **claim** brought by or on behalf of a **portfolio company**, or its **directors**, officers, trustees, governors, board observers, members of a supervisory board or equivalent directors, or **shadow directors**, and not brought at or with the instigation or solicitation of any **insured**;

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- (b) a **claim** that is a derivative action on behalf of an **outside entity** by one or more persons who are not:
  - (i) **insured persons**; or
  - (ii) **directors**, officers, trustees, governors, board observers, members of a supervisory board or equivalent **directors**, or **shadow directors**, of the **outside entity**;
 and not brought at or with the instigation or solicitation of any such person; or
- (c) a **claim** by:
  - (i) an **insured person**; or
  - (ii) a **director**, officer, trustee, governor, board observer, member of a supervisory board or equivalent **director**, or **shadow director**, of the **outside entity**;
 for contribution or indemnity, if such **claim** results directly from another **claim** covered under this policy; and
- (d) **defence costs**;

### 3.7 Pollutants Exclusion

arising out of, based upon or attributable to, directly or indirectly or any **claim** alleging:

- (a) the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**, nuclear material or radiation; or
- (b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants**, nuclear material or nuclear waste; provided, however, that this Exclusion shall not apply to **securities claims** other than those relating to **cleanup costs**;

### 3.8 Trustees Exclusion

arising out of, based upon or attributable to, directly or indirectly any act or omission by an **insured** as a trustee, fiduciary or administrator of a **company's** pension, profit-sharing or employee benefits programme, including any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (U.S.) or the Pensions Act 1995 (UK) or any similar provisions of the law, common or statutory, of any state, territory, jurisdiction, or political subdivision thereof;

### 3.9 Contractual Exclusion

arising out of a contract but only to the extent that the legal liability giving rise to the **loss** arises from an actual breach of a duty, warranty, guarantee or other terms that exists solely under contract as a result of express terms in the contract and such liability would not have existed but for the relevant express contractual term;

This Exclusion 3.9 shall not apply to:

- (a) any liability assumed by the **insured** by virtue of any limitation, waiver or release from liability of any third party provided such limitation, waiver or release from liability is either:
  - (i) a recognised investment exchange, recognised clearing house, designated investment exchange or designated clearing house, overseas investment exchange or overseas clearing house, all as defined in the FSA Handbook;
  - (ii) any regulated investment exchange or clearing house of the same type and nature as described in sub-clause (i) above operating in any other country worldwide;
  - (iii) any custodian;
  - (iv) specifically agreed by the **insurer**.
- (b) coverage afforded by Extension 2.11 Representations and Warranties cover;
- (c) Insuring Clause 1.1 Management Liability and Insuring Clause 1.2 Outside Directorship Liability and Outside Directorship Run-Off Liability.

### 3.10 Software/Hardware/System Failure Exclusion

arising out of, brought by, or resulting directly from any form of software, hardware, system and/or mechanical failure, including but not limited to faulty construction, error or design, latent defect, wear and tear, gradual deterioration, electrical distribution, error or programming, error in processing, or fraudulent modification.

This Exclusion shall not apply to any **loss** resulting solely from an error committed by an **insured person** using the systems of the **company**.

### 3.11 Fees, Commissions and other Compensation Exclusion

arising out of any **claim** for the return or reimbursement of fees, commissions, or other compensation or that portion of any settlement or award in an amount equal to such fees, commissions, or other compensation, or the cost of correcting or re-performing or completing any **wrongful professional act** provided, however, that this Exclusion shall not apply to **defence costs**.

## 4. Definitions

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### 4.1 Advisory board member

means an individual serving on an advisory board or advisory committee of a **fund**, which advisory board or advisory committee was created pursuant to a limited partnership agreement or equivalent documents of such **fund**.

### 4.2 Approved person

means any **employee** or **director** to whom the Financial Services Authority has given its approval under Section 59 of the **FSMA** (Approval for Particular Arrangements) for the performance of one or more controlled functions which were, now are or shall in the future be designated by the Financial Services Authority as “customer functions” or equivalent in other jurisdictions.

### 4.3 Claim

means any:

- (a) written demand, or civil, administrative, regulatory or arbitration proceeding seeking damages or non-monetary relief;
- (b) criminal proceeding;
- (c) **investigation claim**.

The term **claim** shall include **securities claim**, **employment practices claim**, and **venture capital and private equity services claim**.

### 4.4 Cleanup costs

means the expenses (including legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of **pollutants**.

### 4.5 Company

means:

- (a) the **policyholder**;
- (b) each **subsidiary**;
- (c) each **fund**;
- (d) each **holding company**;
- (e) each entity **general partner** of a **fund** or **subsidiary**; and

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- (f) in the event an insolvency or bankruptcy proceeding shall be instituted by or against the foregoing entities, the debtor, debtor's estate or debtor-in-possession (or equivalent), if any.

### 4.6 Continuity date

means for each **insured**, the applicable date set forth in Item 5 of the Schedule or an endorsement as such.

### 4.7 Consultant

means a natural person who has a contractual agreement with a **company**:

- (a) to provide services to that **company** in soliciting investors for **funds** or finding investment opportunities for **funds**; or
- (b) who advises in respect of a **fund's** investment activity but who cannot bind on behalf of the **company**.

### 4.8 Crisis

means any of the following unforeseen events occurring during the **policy period** where, in the reasonable written opinion of the chief executive officer (or equivalent) of the **policyholder**, the event has the potential to cause an imminent decrease of greater than twenty-five percent (25%) of the consolidated annual revenues, or fifty percent (50%) of the aggregate capital commitment of the **policyholder**, **fund** or **subsidiary**, if left unmanaged;

- (a) a **portfolio company** has filed for bankruptcy;
- (b) an investor does not meet a capital call of a **fund**;
- (c) loss of intellectual property rights previously acquired under law by any **company** or a **portfolio company** for a patent, trademark or copyright, other than by expiration;
- (d) the sudden, unexpected death or disability of a senior executive;
- (e) any threat, attempt or actual unauthorised intrusion into the **policyholder's** computer systems for the purpose of obtaining any confidential, private or secret information unique to any **company's** business or any "cyber attacks" leading to a denial-of-service to customers on the **company's** computer systems;
- (f) any data privacy breaches by third party outsourcers based on information supplied by the **company**;
- (g) any criminal charges regarding money laundering or the financing of terrorism;
- (h) loss of a major investor.

"**Crisis**" does not include an event that affects a **company's** industry in general, rather than a **company** specifically.

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### 4.9 Defence costs

means reasonable and necessary fees, costs and expenses incurred by or on behalf of an **insured** with the prior written consent of the **insurer** resulting solely from the investigation or defence of a **claim** against an **insured**, but excluding any overhead or compensation of any **insured**. **Defence costs** shall not include any fees, costs or expenses incurred prior to the time that a **claim** is first made against an **insured**.

### 4.10 Director

means any natural person who was or is any past, present or future duly elected or appointed director, officer, trustee (other than a bankruptcy trustee or pension trustee) or governor of a corporation, management committee member of a joint venture, **general partner** of a limited partnership or member of the management board of a limited liability company (or any equivalent official);

### 4.11 Discovery period

means the period of time specified in Extension 2.1 and 2.2 during which written notice may be given to the **insurer** of any **claim** first made against the **insured** during such period of time, but solely for any **wrongful act** committed or allegedly committed prior to the end of the **policy period**.

### 4.12 Employee

means any past, present or future **employee** of a **company**. **Employee** does not mean a **director** of a **company** or **outside entity**, a consultant, an outside lawyer, an outside accountant, a secondee or an agent of any **insured** or any **outside entity**, or any of their respective employees.

### 4.13 Employment practices claim

means a **claim** against a **director** of any **company** or any **outside entity director** by an **employee** of, or a **director** who is not a **general partner** or member of the Board of Directors or management board (or equivalent governing body or position) of, or an applicant for employment with any **company** or any **outside entity** alleging an **employment practices breach**.

### 4.14 Employment practices breach

means any actual or alleged act, error or omission with respect to any employment or prospective employment of any past, present, future or prospective **insured person** of any **company**.

### 4.15 FSMA

means the Financial Services and Markets Act 2000.



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### 4.16 Full annual premium

means the full annual premium (as stated in Item 6 of the Schedule) in effect immediately prior to the end of the **policy period**.

### 4.17 Fund

means any:

- (a) **investment vehicle** that is a **private entity** of which a **company** has **management control** at the inception of the **policy period**, but only while such **management control** is or was maintained;
- (b) entity designated as a **fund** in an endorsement attached to this policy; and
- (c) other entity that qualifies as such pursuant to Extension 2.1 (b) of this policy.

### 4.18 Fund run-off limit

means the amount specified in Item 3(ii) of the Schedule which does not form part of the **limit of liability**.

**Fund in run off** means a **fund** which has ceased trading and placed into liquidation prior to or during the **policy period** and which is designated as a “fund in run off” in an endorsement attaching to this policy.

### 4.19 General partner

means:

- (a) any person or entity designated as such in the partnership agreement or equivalent documents of a **company** that is formed as a limited partnership; or
- (b) any person or entity specifically listed as such in an endorsement attached to this policy.

### 4.20 Holding company

means an entity

- (a) created or acquired for the principal purpose of lending to a **portfolio company** or acquiring securities, debentures or voting rights representing the present right to vote for election of directors or to select managing partners, managing members, or the equivalent in any jurisdiction, of a **portfolio company**; and
- (b) which one or more **funds**, directly and/or indirectly:
  - (i) holds 50% or more of the voting rights;

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- (ii) has the right to appoint or remove a majority of the Board of Directors, members of management or general partners; or
- (iii) controls alone, by virtue of a written contract with other shareholders, a majority of the voting rights.

**Holding company** does not include any **portfolio company**.

### 4.21 Indemnifiable loss

means **loss** for which any **company** has indemnified, or is permitted or required to indemnify an **insured person**.

### 4.22 Insolvency

means the status of a **company** resulting from:

- (a) the appointment by any government official, entity, agency or court of a receiver, conservator, liquidator, trustee, administrator, rehabilitator or similar official to take control of, supervise, manage or liquidate a **company**; or
- (b) a **company** becoming a debtor-in-possession or the equivalent pursuant to any applicable insolvency or bankruptcy laws.

### 4.23 Insured means

any: (i) **insured person**; or (ii) **company**.

### 4.24 Insured person

means any:

- (a) director of a company;
- (b) **employee** of a **company** but only in respect of Insuring Clause 1.1 and Insuring Clause 1.2:
  - (i) while acting in a managerial or supervisory capacity of any **company**;
  - (ii) who is involved in a **claim** alleging an **employment practices breach**;
  - (iii) named as a co-defendant with a **director** of a **company** in a **claim** in which such **employee** is alleged to have participated or assisted in the commission of a **wrongful managerial act**; or
  - (iv) named in connection with an **investigation claim**;
- (c) **employee** but only in respect of Insuring Clause 1.3;
- (d) **shadow director**;
- (e) **senior accounting officer**;

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- (f) **advisory board member**;
- (g) **consultant**;
- (h) **approved person**; but only when and to the extent that such **insured person** is acting in such **insured person** capacity;
- (i) any **employee** who serves as a member of an internal audit committee;
- (j) any past, present or future general counsel or risk manager (or equivalent official) of the **company**; or
- (k) any **non-executive director**.

### 4.25 Insurer

means AIG Europe Limited.

### 4.26 Investigation claim

means any formal hearing, examination, investigation or inquiry by an **official body** into the affairs of a **company** or an **insured person** once:

- (a) an **insured person** has been legally required to attend;
- (b) an **insured person** has been specifically identified in writing as a person under investigation.

The terms **investigation claim** and **claim** do not mean investigations, examinations or inquiries which:

- (a) do not have all the characteristics set forth above; or
- (b) are industry wide rather than **company** or **insured person** focused.

### 4.27 Investigation costs

means the reasonable fees, costs and expenses, incurred for the principal purpose of representing an **insured person** with the **insurer's** prior written consent, by or on behalf of an **insured person** of any legal advisor retained in connection with an **investigation claim** by or on behalf of an **insured person**.

"**Investigation costs**" shall not include the remuneration of any **insured person**, cost of their time or overhead of or any other costs of any **company**.

### 4.28 Investment vehicle

means any entity whose revenue primarily consists of return on investments.

## 4.29 **Loss**

means:

- (a) monetary damages awarded (including punitive, exemplary or multiple damages) pursuant to a final judgment or other adjudication entered against any **insured**;
- (b) monetary damages resulting from a settlement negotiated with the **insurer's** prior written consent;
- (c) legal costs and expenses awarded against the **insured**, but only in connection with covered damages;
- (d) **defence costs**;
- (e) **Investigations costs**; and
- (f) amounts covered under any Extension;

that any **insured** is legally obligated to pay.

**Loss** does not include:

- (a) fines or penalties;
- (b) non-compensatory damages;
- (c) taxes;
- (d) employment-related stock or share options;
- (e) severance payments;
- (f) any amounts for which an **insured** is not legally liable or which are without recourse to an **insured**;
- (h) matters which may be deemed uninsurable under applicable law; or
- (i) fees, commissions and profits.

## 4.30 **Limit of Liability**

means the amount specified in Item 3(i)(a) of the Schedule.

## 4.31 **Management control**

means:

- (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation, the members of the management board of a limited liability company, or the **general partners** of a limited partnership;

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- (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to elect, appoint or designate a majority of the Board of Directors of a corporation, the management board of a limited liability company, or the **general partners** of a limited partnership; or
- (3) being the sole **general partner** of an entity.

### 4.32 Non-executive director

means any natural person who at the inception of the **policy period** serves, or during the **policy period** begins serving as a member of the Board of Directors of the **policyholder** and who is not an **employee** of a **company**.

### 4.33 Non-indemnifiable loss

means a **loss** that is not an **indemnifiable loss**.

### 4.34 Official body

means any regulator, government body, government agency, official trade body including the Serious Fraud Office, Office of Fair Trading, Serious Organised Crime Agency, Financial Services Authority or equivalent in any applicable jurisdiction that is empowered by statute to investigate the affairs of a **company** or an **insured person**.

### 4.35 Outside entity

means any:

- (a) not-for-profit entity;
- (b) **portfolio company**; or
- (c) other entity listed as an **outside entity** in an endorsement attached to this policy.

### 4.36 Outside entity director

means any **insured person** of a **company** or an **employee** who is or will be acting at the specific request or direction of a **company** as:

- (a) a **director** of an **outside entity**;
- (b) a **director** of a not-for-profit entity;
- (c) a Board Observer of an **outside entity**;
- (d) a **shadow director** of an **outside entity**; or
- (e) other person listed as an **outside entity director** in an endorsement attached to this policy.

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### 4.37 **Policyholder**

means the entity set forth as such in Item 1 of the Schedule.

### 4.38 **Policy period**

means the period of time from the inception date shown in Item 2 of the Schedule to the earlier of the expiration date shown in such Item 2 or the effective date of cancellation of this policy.

### 4.39 **Pollutants**

means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

### 4.40 **Portfolio company**

means any:

- (a) **private entity**, not a **subsidiary** or **fund** or **holding company**, in which one or more **funds**:
  - (i) have or had a debt or equity interest in;
  - (ii) has performed or is performing due diligence in anticipation of making an investment of capital; or
- (b) entity listed as a **portfolio company** in an endorsement attached to this policy.

### 4.41 **Private entity**

means any entity whose equity **securities** are not registered to trade and have not traded in a public market.

### 4.42 **Proposal**

means the signed proposal form, the statements, warranties, and representations therein, its attachments and all other information submitted to the **insurer** or its affiliates and any securities related filings of any **company** or **insured person** reviewed by the **insurer** in connection with the underwriting of this policy.

### 4.43 **Public relations consultants**

means any person or entity described in Item 8 of the Schedule.

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### 4.44 Public relations expenses

means reasonable fees, costs and expenses incurred during the **policy period**, with the **insurer's** prior written consent, of **public relations consultants**;

- (a) retained by an **insured person** directly to mitigate the adverse effect or potential adverse effect on that **insured person's** reputation from a **claim**, by disseminating findings made in a judicial disposition of that **claim** which exonerates the **insured person** from fault, liability or culpability, or
- (b) retained by a **company** directly to mitigate the adverse effect or potential adverse effect on that **company's** reputation due to negative publicity during the **policy period** regarding alleged business practices posted on internet based social media platforms or websites.

### 4.45 Regulatory Crisis Event

means:

- (a) a raid on, or on-site visit to any **company** which first takes place during the **policy period** by an **official body** that involves the production, review, copying or confiscation of documents or interviews of any **insured person**;
- (b) a public announcement relating to (a) above; or
- (c) the receipt by any **insured person** during the **policy period** from an **official body** of a formal notice which legally compels the **insured person** to produce documents to, or answer questions by or attend interviews with that **official body**.

### 4.46 Securities claim

means a **claim** made against any **insured** alleging common law fraud or a violation of any statute, regulation or rule that regulates **securities**, which is brought by:

- (a) any person or entity alleging, arising out of, based upon or attributable to any purchase or sale, offer or solicitation of an offer to purchase or sell any **securities** of an **outside entity** or a **company**; or
- (b) a **security** holder, purchaser or seller of **securities** of an **outside entity** or a **company**, with respect to such **security** holder's, purchaser's or seller's interest in such **securities**; or
- (c) derivatively by an equity **security** holder of an **outside entity** or **company** on its behalf.

**Securities claim** shall not mean any (a) administrative or regulatory proceeding against or investigation, examination or inquiry of any **company** or any **outside entity**, or (b) **claim** brought by any **director** or **employee** of a **company** or any **outside entity** alleging, arising out of, based upon or attributable to the loss of, or failure to receive or obtain, the benefit of **securities** of any **company** or any **outside entity**.

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### 4.47 Security

means any stock, share, partnership interest, note, bond, debenture, or other evidence of debt or equity ownership of an entity, and shall include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or purchase, voting trust certificate relating to, certificate of deposit for, or other interest in any of the foregoing.

### 4.48 Self Reporting Procedure

An internal enquiry by the **insured** into the affairs of the **insured** following a formal written notification (made during the policy period) to an **official body** informing them of an actual or suspected material breach of an **insured person's** legal or regulatory duties if and to the extent that such enquiry is requested by an **official body**.

**Self reporting procedure** shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in a **company's** and/or **official body's** normal review or compliance process.

### 4.49 Senior accounting officer

means a **director** or **employee** of the **company**, acting in a managerial or supervisory capacity, who has overall responsibility for the accounting systems.

### 4.50 Senior Counsel

means a senior lawyer to be mutually agreed upon by the parties, or in the absence of agreement, to be appointed by the head of the bar association/law society (or equivalent organisation) in the jurisdiction in which the **loss** was incurred.

### 4.51 Shadow director

means any natural person, who, as a consequence of being a **director** or **employee** of any **company** is deemed a **shadow director**, as defined in Section 251 of the Companies Act 2006, of any other company or any outside entity.

### 4.52 Subsidiary

means other than a **portfolio company**:

- (a) any for-profit **private entity** that is not formed as a **fund** or **holding company**, a general partnership, an **investment vehicle** or joint venture of which a **company** has **management control** on or before the inception of the **policy period**;
- (b) any entity that qualifies as a **subsidiary** under Extension 2.1(a); and
- (c) any other entity listed as a **subsidiary** in an endorsement attached to this policy.



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### 4.53 Transaction

means the earliest of any of the following events:

- (a) the **policyholder** consolidates, merges with, or sells all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert;
- (b) any person or entity or group of persons or entities acting in concert shall acquire **management control** of the **policyholder**; or
- (c) the insolvency, receivership, bankruptcy, liquidation or administration of the **policyholder**.

### 4.54 U.S.

means the United States of America, its territories and possessions and any state or political subdivision thereof.

### 4.55 U.S. claim

means a **claim** brought or maintained, in whole or in part, in the **U.S.** or based, in whole or in part, on any law of the **U.S.**

### 4.56 Venture capital and private equity services

means the rendering of:

- (a) financial, economic, management or investment advice regarding investments in **securities**;
- (b) fund and investment management services;
- (c) advice in connection with the management, operation, capital structure or financial administration of any **fund, holding company** or **outside entity**;
- (d) services performed as **general partner** or member of the Board of Managers of any other **company** formed as a limited partnership or limited liability company; or
- (e) any other services performed by or on behalf of any **company** that have been listed as **venture capital and private equity services** in an endorsement attached to this policy or which are specifically enumerated in the proposal form;

in each case performed by or on behalf of any **company** to any **fund, outside entity** or other entity listed as a client by endorsement attached to this policy, either pursuant to a written contract or as set forth in the **proposal form**.

### 4.57 Venture capital and private equity services claim

means a **claim**, made against an **insured** arising from **venture capital and private equity services**.

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### 4.58 Wrongful act

means any **wrongful managerial act** and/or **wrongful professional act**.

### 4.59 Wrongful managerial act

means any act error or omission committed, attempted or allegedly committed by an **insured person** while performing managerial and supervisory duties for the **company**.

### 4.60 Wrongful professional act

means any act error or omission committed, attempted or allegedly committed by an **insured** while performing **venture capital and private equity services**.

## 5. General Provisions

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### 5.1 Claims

#### (i) Reporting a claim or circumstance—rights and duties of insureds

- (a) **Claims:** An **insured** must, as a condition precedent to cover under this policy, give written notice of any **claim** to the **insurer**, as soon as practicable and either:
- (1) during the **policy period** or any applicable **discovery period**; or
  - (2) within sixty (60) days after the end of the **policy period** or any applicable **discovery period**, as long as such **claim** is reported no later than sixty (60) days after the date such **claim** was first made against an **insured**.
- (b) **Related claims:** If, during the **policy period** or during any applicable **discovery period**, written notice of a **claim** against an **insured** is given to the **insurer** pursuant to the terms and conditions of this policy, then: (i) any **claim** alleging, arising out of, based upon or attributable to the facts alleged in the **claim** previously notified to the **insurer**; and (ii) any **claim** alleging any **wrongful act** which is the same as or related to any **wrongful act** alleged in the previously notified **claim**, shall be considered made against the **insured** and reported to the **insurer** at the time the first notice was given.
- (c) **Circumstances:** If, during the **policy period**, an **insured** becomes aware of any facts or circumstances which may reasonably be expected to give rise to a covered **claim** against an **insured**, and the **insured** elects to report in writing to the **insurer**: (i) the circumstances of the potential **claim**, (ii) the reasons for anticipating the **claim** and its cover, and (iii) the full particulars as to dates, acts (including anticipated **wrongful act** allegations) and persons involved; then any **claim** which is subsequently made against an **insured** and reported in writing to the **insurer** alleging, arising out of, based upon or attributable to such

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circumstances, or alleging any **wrongful act** which is the same as or related to any **wrongful act** alleged in the previously notified circumstances, shall be considered first made against the **insured** and reported to the **insurer** at the time the facts or circumstances were first reported as required by this paragraph.

- (d) **Notice Address:** Notice of: (i) a **claim** or (ii) circumstances which may result in a **claim**, shall be given in writing by post or facsimile properly addressed to the **insurer** at the address indicated in Item 9 of the Schedule, and such notice should contain a reference to the Policy Number set forth on the cover of this policy. If posted, the date of posting shall constitute the date that notice was given, and proof of posting shall be sufficient proof of notice.
- (ii) **Defence/Consent:** The **insurer** does not, under this policy, assume any duty to defend. The **insureds** shall defend and contest any **claim** made against them. As a condition precedent to cover under this policy, the **insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, incur any **defence costs, investigation costs** or any costs granted under any Extension without the prior written consent of the **insurer**.

The **insurer** shall, excess of the retention, advance or pay covered **defence costs, investigation costs** or any costs granted under any Extension. Any payments advanced by the **insurer** shall be repaid to the **insurer** by each and every **insured**, severally according to their respective interests, in the event and to the extent that any such **insured** shall not be entitled under this policy to payment of such **loss**.

Only those settlements, stipulated judgments and **defence costs, investigation costs and** costs granted under any Extension that have been consented to by the **insurer**, and judgments which the **insurer** was permitted to associate fully and effectively in the defence of, shall be recoverable as **loss** under the terms of this policy. The **insurer's** consent shall not be unreasonably withheld, provided that the **insurer** shall be entitled to associate fully and effectively in the defence and the negotiation of any settlement of any **claim** that involves or appears reasonably likely to involve the **insurer**.

If all **insureds** are able to dispose of all **claims** that are subject to one retention amount (inclusive of **defence costs**) for an amount not exceeding any applicable retention amount, then the **insurer's** consent shall not be required for such disposition.

- (iii) **Association/Cooperation:** The **insurer** shall have the right to associate fully and effectively with each and every **insured person** and the **company** in the defence of any **claim** that involves, or appears reasonably likely to involve the **insurer** including, but not limited to, negotiating a settlement. Each and every such **insured** shall give the **insurer** full cooperation and such information as it may reasonably require relating to the defence of any **claim** and the assertion of indemnification and contribution rights. Each and every obligation of such **insured** hereunder is a condition precedent to the coverage afforded by this policy.
- (iv) **Allocation:** The **insurer** will be liable only for **loss** to the extent that it arises from a covered **claim**. If a **claim** involves both covered and uncovered matters or persons under this policy, then the **insured** and the **insurer** shall use commercially

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reasonable efforts to determine a fair and equitable allocation of **loss** covered under this policy, on the basis of established judicial allocation principles which take into account the legal and financial exposures, and the relative benefits obtained by the relevant parties.

If the **insurer** and the **insured** cannot agree on allocation in accordance with this Section 5 (iv) within 14 days of any allocation issue first notified in writing to the **insured** by the **insurer**, then they agree to refer the determination to a **senior counsel**, whose decision shall be final and binding on all parties. The **senior counsel** is to determine the fair and equitable allocation as an expert, not as an arbitrator. The **insured** and the **insurer** shall be entitled to make written submissions to **senior counsel**. The **senior counsel** is to take account of the parties' submissions, but the **senior counsel** is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The **senior counsel's** expenses in providing such determination will be paid by the **insurer** and any such payments will not erode the **limit of liability** or **fund run-off limit**.

### (v) **Order of Payments**

The **insurer** will pay **loss** arising from a **claim** covered under this policy in the order in which such **loss** is presented to the **insurer** for payment. Should the **insurer**, at its sole and absolute discretion, determine that the **limit of liability** or **fund run-off limit** will not be sufficient to cover all such **loss**, the **insurer** shall pay **loss** in the following order:

- (i) **loss** of an **insured person** where the **company** has not indemnified such **insured person**;
- (ii) thereafter, with respect to any remaining balance of the applicable **limit of liability** or **fund run-off limit**, the **insurer** may, at its option, request the **policyholder** to elect in writing either to stipulate the order and the amounts in which **loss** is to be discharged, or to receive such balance to be held on behalf of any **insured** who has incurred such **loss**.

Subject to Section 3(i)(a) and 3(ii) (**limit of liability** and **fund run-off limit**), payment pursuant to this order of payments clause shall fully discharge the **insurer** from its obligations under this policy.

- (vi) **Fraudulent claims:** If the **insureds** shall give notice or claim cover for any **loss** under this policy knowing such notice or **claim** to be false or fraudulent as regards amounts or otherwise, such **loss** shall be excluded from cover under the policy, and the **insurer** shall have the right to avoid its obligations under or void this policy in its entirety.

## 5.2 **Attachment and limit of liability**

### (i) **Limit of liability** (for all **loss**)

Except in respect of loss under Extension 2.10 Fund Run-off Management Liability, the total (aggregate) amount payable by the **insurer** under this policy for all **loss** combined during the Policy Period shall not exceed the **limit of liability**

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In respect of Extension 2.10 Fund Run-off Management Liability, the total amount payable by the **insurer** for all **loss** combined during the Policy Period shall not exceed the **fund run-off limit**.

Provided always that where the **loss** arises from the same **wrongful act** or related **wrongful acts**,

- (a) then the maximum amount payable by the **insurer** will be limited to the greater of the remaining **limit of liability** or the remaining **fund run-off limit** as stated in Item 3(i)(a) and 3(ii) of the Schedule, and
- (b) such limits shall not accumulate.

**Defence costs, investigation costs** and costs granted pursuant to any Extension specified in Item 3(i) of the Schedule are part of and are not payable in addition to the **limit of liability** or **fund run-off limit**.

The inclusion of more than one **insured person** under this policy does not operate to increase the total amount payable by the **insurer** under this policy.

Any **claim** or **claims** arising out of, based upon or attributable to the same **wrongful act** or a series or repeated or related **wrongful acts** shall be considered to be a single **claim** for the purposes of this policy.

The **limit of liability** or **fund run-off limit** for the **discovery period** shall be part of, and not in addition to, the **limit of liability** or **fund run-off limit** for the **policy period**. Further, a **claim** which is made subsequent to the **policy period** or a **discovery period** (if applicable) and which, pursuant to the General Provisions of this policy, is considered made during the **policy period** or a **discovery period**, shall also be subject to the one aggregate **limit of liability** or one aggregate **fund run-off limit** as stated in Item 3(i)(a) and 3(ii) of the Schedule.

### (ii) Retention

For each **claim**, the **insurer** shall only be liable for the amount of **loss** arising from a **claim** which is in excess of the applicable retention amounts stated in Items 4(a), 4(b), 4(c), 4(d), 4(e) and 4(f) of the Schedule. Such retention amounts must, with regard to all **indemnifiable loss**, be borne by a **company** and/or an **insured person** and, except as provided below with respect to **outside entity director loss**, remain uninsured. Extensions are subject to the retention. The retention amount specified in:

- (a) Item 4(a) applies to **loss** arising out of any **securities claim** made or based on **wrongful acts** committed in or made in the **U.S.**;
- (b) Item 4(b) applies to **loss** arising out of any **securities claim** to which retention in Item 4(a) does not apply.
- (c) Item 4(c) applies to **loss** arising out of any **claim** against an **outside entity director**;
- (d) Item 4(d) applies to **loss** that arises out of any **employment practices claim** made or based on **wrongful acts** committed in the **U.S.**;

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- (e) Item 4(e) applies to **loss** that arises out of any **venture capital and private equity services claim**; and
- (f) Item 4(f) applies to **loss** that arises out of any **claim** to which none of Items 4(a) through 4(e) apply.

A single retention amount shall apply to **loss** arising from all **claims** alleging the same **wrongful act** or related **wrongful acts**.

The retention amount applicable to each and every **claim** against any **outside entity director** may be reduced by: (i) indemnification of covered **loss** provided by an **outside entity**; and (ii) any payments of covered **loss** by insurance provided to such **outside entity** in connection with its **directors'** liability.

In the event a **company** refuses to pay an applicable **retention** due to **insolvency**, then the **insurer** shall commence advancing **defence costs** of **insured persons** within the **retention** pursuant to the other terms, conditions and exclusions of this policy; provided, however, that the **insurer** shall be entitled to pursue recovery of the amount of **defence costs** advanced within the **retention** from or through the **company** pursuant to Section 5.9 Subrogation of this policy.

In the event a **claim** triggers more than one of the **retention** amounts stated in Items 4(a), 4(b), 4(c), 4(d), 4(e) and 4(f) of the Schedule, then, as to that **claim**, the highest of such **retention** amounts shall be deemed the **retention** amount applicable to **loss** (to which a **retention** is applicable pursuant to the terms of this policy) arising from such **claim**.

With regard to all **non-indemnifiable loss**, the **retention** shall not apply except for the **insurer's** right to recover **defence costs** advanced within the **retention** from the **company** pursuant to Section 5.9 Subrogation of this policy.

### 5.3 Other insurance and indemnification

Unless otherwise required by law, cover under this policy is provided only as excess over any other applicable liability insurance, self-insurance programme, or other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the **limit of liability** or **fund run-off limit** provided by this policy. This policy shall not cover **defence costs** of any **claim** where another insurance policy imposes upon another insurer a duty to defend such **claim**. Cover for **employment practices claims** is provided as specifically excess of any employment practices liability insurance policy or policies.

A **company** shall be deemed to be permitted to indemnify or advance so long as such indemnification or advancement is not prohibited under the laws of its jurisdiction of formation. The **company** agrees that it will provide such indemnification and advance **defence costs**, and if necessary, make in good faith any application for court approval to provide such indemnification.

In the event of a **claim** against an **insured person** arising out of his or her service as an **outside entity director**, cover as is afforded by this policy shall be specifically excess of: (i) indemnification provided by any **outside entity**; (ii) any valid and

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collectible insurance provided to an **outside entity** or its **outside entity director**, and (iii) the applicable **retention**.

### 5.4 Policy purchase and administration

#### (i) Notice and authority

It is agreed that the **policyholder** shall act on behalf of each and every **insured** with respect to: (1) negotiating the terms and conditions of and binding cover; (2) exercising any and all rights of **insureds** under this policy; (3) all notices; (4) premiums; (5) endorsements to this policy; (6) **discovery period** rights; (7) the appointment of solicitors or attorneys to defend a **claim**; (8) dispute resolution; and (9) the receipt of all amounts payable to an **insured** by the **insurer** under this policy; provided, however, that the foregoing shall not apply to an **insured person's** right to recover **non-indemnifiable loss** under Insuring Clauses 1.1 (a) and 1.2 of this policy.

#### (ii) Severability and Non-Rescindability

##### (a) Severability

This policy covers each **insured person** for its own individual interest.

No statements made by or on behalf of an **insured person** or breach of any term of this policy, or any information or knowledge possessed by an **insured person**, shall be imputed to any **insured person** for the purpose of determining whether any **insured person** is covered under this policy.

For the purposes of determining the applicability of Exclusion 3.1, the conduct of any **insured** shall not be imputed to any other **insured person**.

With respect to Insuring Clauses 1.3:

only statements made by or on behalf of, or any breach of any term of this policy, or any information or knowledge possessed by any past, present or future: chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent position) of the **policyholder**, **subsidiary**, or **general partner** shall be imputed to all **companies**

For the purposes of determining the applicability of Exclusion 3.1, only the conduct of any past, present or future: chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent position) of the **policyholder**, **subsidiary**, or **general partner** shall be imputed to all **companies**.

##### (b) Non-Rescindability

This policy is not avoidable or rescindable in whole or in part and the **insurer** shall have no other remedy with respect to any misrepresentation or non-disclosure by any **insured** in connection with this policy, except for any fraudulent misrepresentation or fraudulent non-disclosure where established



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by final adjudication of a judicial or arbitral tribunal, or any written admission by or on behalf of any **insured**.

### (iii) Changes in status

**Insureds:** Cover under this policy with respect to a **claim** made against any **company** or any **insured person** only applies to **wrongful acts** committed or allegedly committed after the effective time that such **company** became a **company** or such **insured person** became an **insured person**, and prior to the effective time that such **company** ceases to be a **company** or such **insured person** ceases to be an **insured person**. A **company** ceases to be a **company** when the **policyholder** no longer maintains **management control** of such entity either directly or indirectly through one or more of the **policyholder's subsidiaries**.

**Portfolio Entities:** Coverage as is afforded under this policy with respect to any: (1) **venture capital and private equity services claim** in connection with **venture capital and private equity services** provided to a **portfolio company**; (2) **claim** against an **outside entity director** of a **portfolio company**; or (3) any **securities claim** involving **securities** representing equity in or debt of a **portfolio company**, shall only apply for **wrongful acts** committed or allegedly committed prior to the effective time that such **portfolio company** ceases to be a **portfolio company**. An entity ceases to be a **portfolio company** when a **fund** no longer maintains a debt or equity interest in such entity.

### (iv) Changes in risk during the policy period/bankruptcy

- (a) **Transactions:** If during the **policy period**, a **transaction** takes place, then the cover provided under this policy is amended to apply only to **wrongful act(s)** committed prior to the effective date of the **transaction**. This policy may not be cancelled after the effective time of the **transaction**, and the entire **full annual premium** for this policy shall be deemed earned as of such time.
- (b) **Going Public/Listing/Listing Status Changes:** If during the **policy period**, a **company** or any **outside entity** begins or pursues: (i) any public offering of its **securities** in any jurisdiction, whether its **securities** are already traded or not; (ii) the new listing of its **securities** on any exchange; or (iii) modifying the listing status or level of any of its **securities**, including, but not limited to, changing from a 144A (or equivalent) offering to a Depository Receipt (DR) or direct listing; or increase any level DR to a higher level DR or a direct listing, then:
- (1) the **policyholder** shall, as soon as the information is publicly available, but not less than 30 days prior to the effective time of such public offering, listing or listing modification, provide to the **insurer** written notice of such public offering, listing or listing level modification, together with full particulars and any requested underwriting information, including, but not limited to: any descriptive documents filed with any government, self-regulatory organisation or other regulatory body that regulates, in part or in whole, the purchase or sale



or offer to purchase or sell such **securities** (including, but not limited to, the U.S. Securities and Exchange Commission), and a listing of the exchanges upon which the **company's** or **outside entity's securities** are to be traded or do trade; and

- (2) the insurer shall be entitled to amend the terms and conditions of this policy midterm or on renewal, and charge additional premium to reflect the increase in exposure. Further, coverage shall be afforded to any **insured** under this policy for: (a) any **company** that takes any action set forth in Clauses (i), (ii), or (iii) above, or (b) in respect of any such action by an **outside entity**, is conditioned upon compliance with this Clause, including, but not limited to the **policyholder** paying when due any additional premium required by the **insurer** relating to such change. Otherwise, this policy does not provide cover in connection with **claims** alleging, arising out of, based upon or attributable to any public offering of **securities** by a **company**, an **outside entity** or an affiliate of the foregoing, or a purchase or sale of such **securities** subsequent to such public offering.

- (c) Bankruptcy or **insolvency** of any **company** or any **insured persons** shall not relieve the **insurer** of any of its obligations hereunder.

## 5.5 Assignment

This policy and any rights hereunder cannot be assigned without the prior written consent of the **insurer**.

## 5.6 Cancellation

This policy may be cancelled only for non-payment of premium.

## 5.7 Scope, jurisdiction and governing law

Where legally permissible, this policy shall apply to any **claim** made against any **insured** anywhere in the world.

Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of England and Wales.

## 5.8 Disputes

### (i) Dispute resolution

A dispute between the **insurer** and the **policyholder** regarding any aspect of this policy which cannot be resolved by agreement between them within six months shall be referred to a mutually agreed mediator. If the dispute remains unresolved after mediation, it shall be resolved by arbitration in the London Court of International Arbitration (LCIA).

## Policy Wording

### (ii) **Action against insurer**

Except as provided in the preceding Dispute Resolution clause, no action shall lie against the **insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, or until the amount of the **insured's** obligation to pay shall have been finally determined either by judgment against such **insured** after actual trial or by written agreement of the **insured**, the claimant and the **insurer**.

Any person or entity or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or entity shall have any right under this policy to join the **insurer** as a party to any action against any **insured** or **company** to determine the **insured's** liability, nor shall the **insurer** be impleaded by any **insured person**, his or her spouse or legally recognised domestic partner, any **company** or any legal representative of the foregoing.

### (iii) **Period of limitation**

Proceedings for the recovery of any liability or **defence costs** under this policy shall not be brought after the expiration of the minimum period of limitation permitted by law of England and Wales.

### (iv) **Defence costs**

In the event that an **insured** and the **insurer** disagree over the amount of any **defence costs** advancement, then the **insurer** shall advance **defence costs** which the **insurer** determines to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

## 5.9 **Subrogation**

In the event of any payment under this policy, the **insurer** shall be subrogated to the extent of such payment to all of each and every **company's** and **insured person's** rights of recovery thereof, and each such **company** and **insured person** shall execute all papers required and shall do everything that may be necessary, including, without limitation, the assertion of indemnification or contribution rights, to secure such rights including the execution of any and all documents necessary to enable the **insurer** to effectively bring suit in the name of each such **company** and each such **insured person**. In no event, however, shall the **insurer** exercise its rights of subrogation against an **insured person** under this policy unless Exclusion 3.1 applies to such **insured person**. The **insurer** shall not exercise against any **fund** any rights of indemnity which an Insured has under the terms of any contract with that **fund**.

In the event that the **insurer** shall for any reason pay **indemnifiable loss** on behalf of any **insured**, the **insurer** shall have the contractual right hereunder to recover from the **company** the amount of such **loss** equal to the amount of the **retention** not satisfied by the **company**, and shall be subrogated to the rights of the **insureds** hereunder.

## Policy Wording

In its sole discretion, the **insurer** may, in writing, waive any of its rights set forth in this Subrogation Clause.

### 5.10 Plurals, headings and titles

The descriptions in the headings and titles of this policy are solely for convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in bold typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.

### 5.11 Contracts (Rights of Third Parties) Act 1999

Nothing in this policy is intended to confer a directly enforceable benefit on any third party other than each **insured**, whether pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

### 5.12 Complaints

We believe you deserve courteous, fair and prompt service. If there is any occasion when our service does not meet your expectations please contact us using the appropriate contact details below and provide the Policy/Claim Number and the name of the Policyholder/Insured Person to help us deal with your comments quicker.

Claims related complaints:  
 Head of Financial Lines & Professions Claims – Claims Manager  
 58 Fenchurch Street, London, EC3M 4AB  
 Telephone: +44 (0)207 063 5418  
 Email: [claims.fl2@aig.com](mailto:claims.fl2@aig.com)  
 Online: [www.aig.com/uk](http://www.aig.com/uk) (please select “contact” followed by “your feedback”)

All other complaints:  
 Customer Relations Unit  
 AIG Europe Limited, 2-8 Altyre Road, Croydon CR9 2LG  
 Telephone: +44 (0) 208 649 6666  
 Facsimile: +44 (0) 208 680 7330  
 Email: [uk.customer.relations@aig.com](mailto:uk.customer.relations@aig.com)  
 Online: [www.aig.com/uk](http://www.aig.com/uk) (please select “contact” followed by “your feedback”)

We will acknowledge the complaint within 5 business days of receiving it, keep you informed of progress and do our best to resolve matters to your satisfaction within 8 weeks. If we are unable to do this you may be entitled to refer the complaint to the Financial Ombudsman Service (FOS) who will review your case. We will provide full details of how to do this when we provide our final response letter addressing the issues raised.

The FOS will not consider a complaint if you:

- (i) have not provided us with the opportunity to resolve it, or
- (ii) are a business with more than 10 employees and a group annual turnover of more than €2 million; or
- (iii) are a trustee of a trust with a net asset value of more than £1 million or;
- (iv) are a charity with an annual income of more than £1 million.

## Policy Wording

The FOS can be contacted at:  
Financial Ombudsman Service,  
South Quay Plaza, 183 Marsh Wall, London E14 9SR  
Telephone: 08000 234 567  
(free for people phoning from a "fixed line", e.g. a landline at home)  
Or: 0300 123 9 123  
(free for mobile phone users who pay a monthly charge for calls to numbers starting 01 or 02)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Following this complaint procedure does not affect your right to take legal action.

### 1.1. **Financial Services Compensation Scheme**

The Insurer is covered by the Financial Services Compensation Scheme (FSCS). The Insured may be entitled to compensation from the scheme in the unlikely event that the Insurer cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Further information is available from the FSCS.

Financial Services Compensation Scheme, 7th Floor Lloyds Chambers, Portsoken Street, London E1 8BN

Telephone: 020 7892 7300

Fax: 020 7892 7301

E-mail: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

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