

## Private Equity Application

This is a proposal form for a claims made policy. Amounts incurred as Costs of Defense shall reduce the Limit of Liability available to pay judgments or settlements and shall also be applied against the retention. This Policy does not provide for any duty by the Insurer to defend those insured under the Policy.

Named Insured: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Internet Website Address: \_\_\_\_\_

The Executive Officer designated as agent of the Insured Organizations and of all Insured Persons to receive any and all notices from the Insurer or their authorized representative concerning this insurance:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

### Part I – BACKGROUND INFORMATION

1. The firm has continuously operated since: \_\_\_\_\_
2. Are there any Operating Entities whose operations do not support an Investment Fund. If “Yes”, please provide details below. ☐ Yes ☐ No
3. Is an offering document, private placement memorandum or similar document prepared for each Investment Fund for purposes of soliciting investors? ☐ Yes ☐ No ☐ N/A
4. Are all investors in an Investment Fund subject to the same partnership terms? If “No”, please identify the investor(s) and describe the nature of any side letters or agreements: ☐ Yes ☐ No ☐ N/A
5. On a percentage basis, how much committed capital has been contributed by high net worth individuals other than capital contributed by Insured Persons? ☐ < 5%  
☐ ≥ 5% but < 10%  
☐ ≥ 10%
6. Has any investor failed to make any capital contributions? If “Yes”, please explain the circumstances and any resolutions agreed upon by the Insureds. ☐ Yes ☐ No
7. Have there ever been any disputes over an Insureds’ obligation to return distributions pursuant to a clawback provision? If “Yes”, please explain the circumstances and note any resolutions agreed upon by the investors. ☐ Yes ☐ No ☐ N/A

8. Has any Insured received a distribution or special dividend from any reorganization/recapitalization of a Portfolio Company? ☐ Yes ☐ No
9. Will any Insured Organization sponsor a new Investment Fund within the next 18 months? If “Yes”, please describe the proposed Investment Fund’s investment strategy and the anticipated fund size. ☐ Yes ☐ No
10. Have any Portfolio Companies filed for bankruptcy during the prior 18 months or is any Portfolio Company considering filing for bankruptcy protection during the next 18 months? If “Yes”, please provide details below. ☐ Yes ☐ No

## Part II – POLICIES AND PROCEDURES

11. Are prospective investments subject to review and voting by an investment committee or similar committee prior to making the investment? ☐ Yes ☐ No
12. Does any investor other than an Insured have any control over investment decisions? If “Yes”, please explain. ☐ Yes ☐ No
13. Are third party advisors engaged to validate or provide Portfolio Company valuation opinions? ☐ Yes ☐ No
14. Are all investments in compliance with their respective Investment Fund’s agreements? If “No”, please identify the investment and indicate whether or not the investors agreed to such investment. ☐ Yes ☐ No
15. Are all term sheets reviewed by the General Counsel or outside counsel prior to finalizing an investment transaction? ☐ Yes ☐ No
16. With respect to Portfolio Company securities, are all Insured Persons subject to a written insider trading policy that prohibits trading in securities on the basis of non-public information? ☐ Yes ☐ No
17. Are Portfolio Companies required to purchase D&O Liability Insurance? ☐ Yes ☐ No
18. Is D&O run-off coverage purchased or is indemnification provided by any individual or organization, other than an Insured, to Insured Persons who have served in Outside Positions of Portfolio Companies that have been divested or liquidated? ☐ Yes ☐ No
19. Does any Insured Person monitor and/or maintain information on Portfolio Company D&O Liability Insurance where Insured Persons serve in Outside Positions? ☐ Yes ☐ No
20. Are Portfolio Company D&O policies reviewed for adequacy in terms of capacity, insurer quality and coverage? ☐ Yes ☐ No ☐ N/A
21. Is communication by Insured Persons with media sources restricted or monitored? ☐ Yes ☐ No

### Part III – OUTSIDE DIRECTORSHIP POSITIONS

22. Does any Insured Person maintain the position of director, officer, board observer, member of a creditor committee, member, manager, trustee, member of an advisory board or other equivalent executive or management position on the board of any entity other than a Portfolio Company or a Non-Profit Entity? If “Yes”, please schedule the position(s) below if coverage is to be considered for such positions. (Please note that coverage for Wrongful Acts by an Insured Person serving in such capacity does not apply unless specifically scheduled on an endorsement to this Policy.) ☐ Yes ☐ No
23. Does any Insured Person maintain the position of director, officer, board observer, member of a creditor committee, member, manager, trustee, member of an advisory board or other equivalent executive or management position on the board of any Portfolio Company in which an Investment Fund has divested all financial interests in such entity? If “Yes”, please schedule the position(s) below. (Please note that coverage for ongoing Wrongful Acts does not apply to such directorship positions unless specifically scheduled in an endorsement to this Policy.) ☐ Yes ☐ No
24. Are consultants or other similar individuals engaged to represent an Insured Organization on a Portfolio Company’s board of directors? If “Yes”, please schedule the individual(s) and the corresponding Portfolio Company(s) below. ☐ Yes ☐ No
25. Does any Insured Person maintain an Outside Position on a publicly-traded Portfolio Company? If “Yes”, please schedule Outside Position(s) below. ☐ Yes ☐ No

### Part IV – PROFESSIONAL SERVICES

26. Does any Insured charge a Portfolio Company fees or other compensation for Professional Services? ☐ Yes ☐ No ☐ N/A
27. Are Professional Services rendered to any party other than an Insured Organization or Portfolio Company? If “Yes, please explain nature of the Professional Services provided and to whom such services are provided. ☐ Yes ☐ No ☐ N/A
28. If any Insured Organization is a Securities Broker or Dealer, are services provided to any party other than an Insured Organization? ☐ Yes ☐ No ☐ N/A
29. Does any Insured provide securities underwriting or valuation services for any Portfolio Company? ☐ Yes ☐ No

### Part V – EMPLOYMENT PRACTICES INFORMATION

30. (1) Total number of employees: \_\_\_\_\_  
(2) Provide the number of employees whose employment has been terminated by an Insured in the past year:  
a. Investment Professionals: \_\_\_\_\_  
b. Administrative Personnel: \_\_\_\_\_

31. List the three states with the largest number of employees:

(1)	State: _____	Number of Employees: _____
(2)	State: _____	Number of Employees: _____
(3)	State: _____	Number of Employees: _____

If any employees are working outside of the United States, please note the country and corresponding number of employees in each location.

32. Does the Named Insured or any Insured Organization have a Human Resources Department? If “No”, please describe below how human resource functions are administered. ☐ Yes ☐ No

33. Does the Named Insured or any Insured Organization have a human resources manual? If “Yes”, does this manual contain policies and procedures addressing the following areas: ☐ Yes ☐ No

(a) Compliance with the Americans with Disabilities Act? ☐ Yes ☐ No

(b) Compliance with Title VII of the U.S. Civil Rights Act of 1964 and the 1991 Civil Rights Act? ☐ Yes ☐ No

(c) Prohibited discriminatory practices in hiring, promotion, and compensation? ☐ Yes ☐ No

(d) Employee performance evaluations? ☐ Yes ☐ No

(e) Employee disciplinary actions and discharge? ☐ Yes ☐ No

(f) Sexual harassment and the work environment? ☐ Yes ☐ No

(g) Employee grievance reporting and resolution processes? ☐ Yes ☐ No

If “No” to any of the above, please provide details below.

#### Part VI – PRIOR ACTIVITIES

34. Have there been during the last five years, or are there now pending, any civil, criminal, administrative or arbitration proceedings (including but not limited to any proceeding initiated before the Equal Employment Opportunity Commission) or any investigation brought against:

(a) the Named Entity or any organization proposed for coverage under this Policy? ☐ Yes ☐ No

(b) any person proposed for coverage under this Policy? ☐ Yes ☐ No

If “Yes” to any of the above, provide details below.

**IT IS AGREED THAT ANY CLAIM ARISING FROM ANY PRIOR OR PENDING PROCEEDING OR INVESTIGATION IS EXCLUDED FROM THE PROPOSED COVERAGE.**

35. Is the undersigned or any person proposed for coverage under this insurance aware of any fact, circumstance or situation involving the Named Entity, any Operating Entity or any other person proposed for coverage under this insurance which he or she has reason to believe might result in any future Claim under the Policy to which this Proposal Form will be attached? If ☐ Yes ☐ No  
“Yes”, please provide details below.

**IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS, ANY CLAIM SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM COVERAGE.**

**Part VII – INSURANCE INFORMATION**

36. Please provide the following insurance information:

Coverage	Insurer	Limit	Retention	Premium	Policy Period
Private Equity or General Partners' Liability					
Employment Practices Liability					
Professional Liability					

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was reported by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Also provide: Agent name \_\_\_\_\_ License number \_\_\_\_\_

IOWA APPLICANTS:

Submitted by \_\_\_\_\_ Date \_\_\_\_\_  
(PRODUCER)

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO NEW MEXICO APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance containing any materially false information, or conceals for the purpose of misleading and fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars (\$5,000.00) and the stated value for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and payment of a fine of up to \$15,000.

The undersigned Executive Officer of the Named Insured declares that to the best of his or her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information to facilitate the proper and accurate completion of this Proposal Form. The undersigned further agrees that if any significant adverse change in the condition of the applicant is discovered between the date of this Proposal Form and the effective date of the Policy, which would render this Proposal Form inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately. The signing of this Proposal Form does not bind the undersigned to purchase the insurance.

**This Proposal form must be signed by an Executive Officer<sup>1</sup> of the Named Insured.**

Signature	Title	Date
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Please provide the following information:

1. A completed Investment Fund schedule (Attached)
2. A copy of the following document(s) for each Investment Fund proposed for coverage:
  - a. Most recent year-end audited financial statements including notes
  - b. Most recent interim financial statements (unaudited statements are acceptable)
  - c. Most recent quarterly report prepared for investors
  - d. Offering memorandum or Private Placement memorandum
3. With respect to Insured Organizations, a copy of any available organizational charts
4. A schedule of Outside Positions (Please provide ticker symbol of any publicly-traded Portfolio Companies)
5. A schedule of Portfolio Company D&O insurance (if available)
6. A copy of the Employee Handbook and Human Resource Manual
7. A sample contract for Professional Services provided to third parties (if applicable)
8. A representative sample of an Investment Fund's indemnification provision

<sup>1</sup> The Policy defines Executive Officer as the functional equivalent of a chief executive officer, chief financial officer or general counsel regardless of actual title or position.

**NOTE:** This Proposal including any material submitted herewith shall be treated in the strictest confidence.

Investment Fund	Year Established	Type	Committed Capital	Status	Total Number of Portfolio Companies	Active Portfolio Companies	Inception-to-Date IRR	Approximate Percentage of Investors from prior Fund
		Fund of Funds - Private Equity		Winding Down				