

## VENTURE CAPITAL ASSET PROTECTION

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions and other terms of this Policy, the Company and the **Insured** agree as follows:

## 1. Insuring Clause

## 1. Management Liability Coverage

The Company shall pay, on behalf of each **Insured Person**, **Loss** for which the **Insured Person** is not indemnified by the **Organisation** and which the **Insured Person** becomes legally obligated to pay on account of any **Claim** first made against such **Insured Person**, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act**, but only if such **Claim** is reported to the Company in writing in the manner and within the time provided in Section 16 of this Policy.

## 2. Management Indemnification Coverage

The Company shall pay, on behalf of the **Organisation**, **Loss** for which the **Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, which the **Insured Person** becomes legally obligated to pay on account of any **Claim** first made against such **Insured Person**, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act**, but only if such **Claim** is reported to the Company in writing in the manner and within the time provided in Section 16 of this Policy.

## 3. Professional Liability Coverage

The Company shall pay, on behalf of any **Insured**, **Loss** arising solely out of **Private Equity Venture Investing** for which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against such **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act**, but only if such **Claim** is reported to the Company in writing in the manner and within the time provided in Section 16 of this Policy.

## 4. Outside Directorship Liability Coverage

The Company shall pay, on behalf of any **Insured Person**, **Loss** for which the **Insured Person** becomes legally obligated to pay on account of any **Claim** first made against such **Insured Person**, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** resulting from his or her **Outside Capacity**, but only if such **Claim** is reported to the Company in writing in the manner and within the time provided in Section 16 of this Policy.

## 5. Portfolio Company Outside Directorship Liability Runoff Extension

If during the **Policy Period** an **Insured Person** ceases serving in an **Outside Capacity**, then the insurance provided under Insuring Clause 4 of this Policy shall continue until the termination of this Policy, but only with respect to **Wrongful Acts** occurring prior to the time the **Insured Person** ceased serving in such **Outside Capacity**.

## 6. Spouses, Estates and Legal Representatives

Subject to the limitations, conditions, provisions and other terms of this Policy, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:

- a. the estates, heirs, legal representatives or assigns of such **Insured Person** who is deceased or against the legal representatives or assigns of an **Insured Person** who is incompetent, insolvent or bankrupt; and
- b. the lawful spouse of such **Insured Person** solely by reason of such spouse's status as a spouse or such spouse's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.

All terms and conditions of this Policy, including without limitation the Deductible Amount, applicable to **Loss** incurred by the **Insured Person**, shall also apply to loss incurred by the estates, heirs, legal representatives, assigns and spouses of such **Insured Person**. The coverage provided under this Section 6 shall not apply with respect to any loss arising from an act or omission by an **Insured Person's** estate, heirs, legal representatives, assigns or spouse.

7. **Extended Reporting Period** If this policy is terminated non-renewed for any reason, other than termination by the Company for non-payment of premium, then the **Principal Organisation** and the **Insured Persons** shall have the right, upon payment of the additional premium set forth in Item 5(A) of the Schedule, to an extension of the coverage granted by this Policy for **Claims** first made during the period set forth in Item 5(B) of the Schedule (the "Extended Reporting Period") following the effective date of termination or non-renewal, but only to the extent such **Claims** are for **Wrongful Acts** occurring before the effective date of termination or non-renewal. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute refusal to renew. The right to purchase an extension of coverage as described under this Section 7 shall lapse unless written notice of election to purchase the extension, together with payment of the additional premium due, is received by the Company within thirty (30) days after the effective date of termination or non-renewal. Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**. The entire additional premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period.

## 8. Exclusions Applicable to All Insuring Clauses

The Company shall not be liable for **Loss** on account of any **Claim** made against any **Insured**:

- a. based upon, arising from, or in consequence of any circumstance if written notice of such circumstance has been given, under any policy of which this Policy is a renewal or replacement, and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**, in whole or in part, as a result of such notice;
- b. based upon, arising from, or in consequence of any demand, suit or other proceeding pending against, or order, decree or judgment entered for or against any **Insured** on or prior to the Pending or Prior Date set forth in Item 6 of the Schedule, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
- c. brought or maintained by or on behalf of any **Insured** in any capacity except:
  - i. a **Claim** that is a derivative action brought or maintained on behalf of an **Organisation** by one or more persons who are not **Insured Persons** and who bring and maintain the **Claim** without the solicitation, assistance or participation of any **Insured Person**; or
  - ii. a **Claim** brought or maintained by a director, officer, general partner or managing member of an **Organisation** for the actual or alleged wrongful employment termination of a director, officer, general partner or managing member of such **Organisation**; or
  - iii. a **Claim** brought or maintained by an **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this Policy; or
  - iv. a **Claim** brought or maintained by all natural persons who were, now are, or shall be duly appointed to an **Advisory Board**, while acting in their capacity as a member or limited partner of a **Private Fund**; or
  - v. a **Claim** that is caused to be brought in the name of the **Organisation** pursuant to Section 397 or Section 398 of the Indian Companies Act, 1956, all as amended.

However, this exclusion shall not apply to that part of **Loss** which constitutes **Defence Costs** solely and entirely in a jurisdiction other than the United States of America, its territories and possessions, and subject to the substantive and procedural laws of a jurisdiction other than the United States of America, its territories and possessions.

- d. for an actual or alleged violation of the responsibilities, obligations or duties imposed by the U.S. Employee Retirement Income Security Act of 1974, the Indian Employees Provident Fund and Miscellaneous Provisions Act, 1952, the Indian Employees State Insurance Act, 1948, the Indian Payment of Bonus Act, 1965, the Indian Payment of Gratuity Act, 1972, the Indian Maternity Benefits Act, the Indian Factories Act, 1947 and any subsidiary legislation, all as amended, or similar provisions of any country, state, territory or local statutory law or common law anywhere in the world, as respects, any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of an **Organisation**;
- e. for bodily injury, mental anguish or emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof. However, this Exclusion shall not apply to any

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**Claim** for mental anguish or emotional distress brought by an employee of an **Outside Entity** against an **Insured Person** in an **Outside Capacity**.

- f. for defamation, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault or battery;
- g. based upon, arising from, or in consequence of:
- i. any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, seepage, migration, dispersal, escape, treatment, removal or disposal of any **Pollutants**; or
- ii. any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise any **Pollutants**; or
  - a. any action taken in contemplation or anticipation of any such regulation, order, direction or request; or
  - b. any voluntary decision to do so,

including but not limited to any **Claim** for financial loss to the **Organisation**, its security holders or its creditors based upon, arising from or in consequence of any matter described in i. or ii. above;

- h. based upon, arising from, or in consequence of any dishonest or deliberately criminal or deliberately fraudulent act or omission or any wilful violation of any statute or regulation by such **Insured** if a judgment or other final adjudication adverse to such **Insured** establishes such dishonest or deliberately criminal or deliberately fraudulent act or omission or wilful violation;
- i. based upon, arising from, or in consequence of any **Claim** against a limited partner, acting in the capacity as a general partner of a **Private Fund**. However, this Exclusion shall not apply to an **Insured Person** otherwise covered under this Policy;
- j. based upon, arising from, or in consequence of the liability of a party, other than an **Insured**, assumed by such **Insured** pursuant to a contract, including without limitation any contract formed electronically pursuant to the Indian Information Technology Act, 2000 as amended, or otherwise, except liability for **Loss** that the **Insured** would have had in the absence of such contract;
- k. based upon, arising from, or in consequence of any breach of contract, if a judgment or other final adjudication adverse to such **Insured** establishes any intentional breach of contract;
- l. for an accounting of profits made from the purchase or sale by such **Insured** of securities of the **Organisation** within the meaning of Section 16 (b) of the U.S. Securities Exchange Act of 1934, the Indian Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 all as amended, or similar provisions of any country, state, territory or local statutory law or common law;
- m. gained any profit, remuneration or advantage to which such **Insured** was not legally entitled. However, this Exclusion shall not apply unless it is established in fact that such **Claim** was brought about or contributed to by an **Insured** having gained any profit, remuneration or advantage to which such **Insured** was not legally entitled; or
- n. made against an organisation that is a **Subsidiary** or against an **Insured Person** of such **Subsidiary** for any error, misstatement, misleading settlement, act, omission, neglect, breach of duty, breach of trust or breach of warranty of authority committed, attempted or allegedly committed or attempted at any time when the organization was not a **Subsidiary**.

## 9. Exclusions Applicable to Insuring Clause 4 Only

The Company shall not be liable for **Loss** on account of any **Claim** made against any **Insured Person** in his or her **Outside Capacity**:

- a. based upon, arising from, or in consequence of any **Wrongful Act** which occurred prior to the date coverage was granted for the **Insured Person**, or any **Wrongful Act** occurring subsequent to the date coverage was granted for the **Insured Person** which, together with a **Wrongful Act** occurring prior to such date, constitute Interrelated **Wrongful Acts**;

- b. based upon arising from, or in consequence of any **Wrongful Act** which occurs after the date such **Insured Person** ceases to be a director, officer, general partner, managing general partner, managing member, member of a Board of Managers, governor, **Advisory Board** member or equivalent executive of an **Organisation**;
- c. for any **Claim** brought or maintained by or on behalf of any **Outside Entity** or affiliate of the **Outside Entity** or one or more directors, officers, trustees, governors, board observers or equivalent executives of any **Outside Entity** except:
  - i. a **Claim** that is brought or maintained by or on behalf of a **Portfolio Company**, or its directors officers, trustees, governors, board observers or equivalent executives of the **Outside Entity**, and who bring and maintain such **Claim** without the solicitation aid, assistance or participation of any **Insured**;
  - ii. a **Claim** that is a derivative action brought or maintained on behalf of an **Outside Entity** by one or more persons who are not:

- (a) **Insured Persons**; or
- (b) directors, officers, trustees, governors, board observers or equivalent executives of the **Outside Entity**,

and who bring and maintain such **Claim** without the solicitation, assistance or participation of any such person; or

- iii. a **Claim** brought or maintained by:
  - (a) an **Insured Person**; or
  - (b) a director, officer, trustee, governor, board observer or equivalent executive of the **Outside Entity**, for contribution or indemnification, if such **Claim** results from another **Claim** covered under this Policy
- d. based upon, arising from, or in consequence of:
  - i. any litigation, arbitration, **Claim**, demand, cause of action, equitable, legal or quasi-legal proceeding, decree or judgment (collectively referred to as litigation) against the **Outside Entity** occurring prior to, or pending as of the date the **Insured Person** first serves in his or her **Outside Capacity**, of which the **Outside Entity** or the director, officer, trustee, governor, board observer or equivalent executive of the **Outside Entity** received notice or otherwise had knowledge as of such date; or
  - ii. any subsequent litigation arising from, or based on the same or substantially the same matters alleged in the prior or pending litigation in i. above; or
  - iii. any **Wrongful Act** of the **Outside Entity**, or the director, officer, trustee, governor, board observer or equivalent executive of the **Outside Entity**, which gave rise to such prior or pending litigation included in i. above.

## 10. Severability of Exclusions

With respect to the Exclusions herein, in order to determine if coverage is available:

- a. no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**; and
- b. only facts pertaining to or knowledge possessed by any past, present, or future chief financial officer, in-house general counsel, president, chief executive officer, chairperson, general partner, managing director or managing member of any **Organisation** shall be imputed to any **Organisation**.

## 11. Limit of Liability and Deductible

The Company's maximum liability for all **Loss** on account of each **Claim** covered under one or more of the Insuring Clauses shall be the Limit of Liability set forth in Item 3(A) of the Schedule. The Company's maximum aggregate liability for all **Loss** on account of all **Claims** first made during the **Policy Period**, whether covered under one or more Insuring Clauses, shall be the Aggregate Limit of Liability for each **Policy Period** set forth in Item 3(B) of the Schedule.

**Defence Costs** are part of, and not in addition to, the Limits of Liability set forth in Item 3 of the Schedule, and the payment by the Company of **Defence Costs** shall reduce and may exhaust such Limits of Liability.

The Company's liability under the Insuring Clauses shall apply only to that part of each covered **Loss** which is excess of the applicable Deductible Amount set forth in Item 4 of the Schedule. Such Deductible Amount shall be borne by the **Insureds** uninsured and at their own risk.

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If different parts of a single **Claim** are subject to different Deductible Amounts, then the applicable Deductible Amount shall be applied separately to each part of such **Claim**, but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount.

All **Related Claims** shall be treated as a single **Claim** first made on the date the earliest of such **Related Claims** was first made, or on the date the earliest of such **Related Claims** is treated as having been made in accordance with Section 16 of this Policy, regardless of whether such date is before or during the **Policy Period**.

The Limit of Liability available during the Extended Reporting Period (if exercised) shall be the remaining portion, if any, of the Company's maximum aggregate liability for all **Loss** on account of all **Claims** made during the immediately preceding **Policy Period**.

### 12. Non-Accumulation of Limits

If any **Loss** arising from any **Claim** made against any **Insured**, in the **Insured's** capacity as a director, officer, trustee, board observer or equivalent executive of a **Portfolio Company**, is insured under any other valid policy(ies) issued by a parent, subsidiary or affiliate of Federal Insurance Company, then payment under such policy(ies) on account of a **Claim** also covered under this Policy shall reduce, by the amount of the payment, the Company's Limit of Liability under this Policy with respect to such **Claim**.

### 13. Presumptive Indemnification

If the **Organisation**:

- fails or refuses, other than for reason of **Financial Impairment**, to indemnify the **Insured Person** for **Loss**; and
- is permitted or required to indemnify the **Insured Person** for such **Loss**, pursuant to the fullest extent permitted by law,

then, notwithstanding any other conditions, provisions or terms of this Policy to the contrary, any payment by the Company of such **Loss** shall be subject to:

- the applicable Insuring Clause Deductible Amount set forth in ITEM 4. of the Schedule; and
- all of the Exclusions in this Policy.

### 14. Defence and Settlement

It shall be the duty of the **Insured** and not the duty of the Company to defend any **Claim** made against the **Insured**.

The Company may make any investigation it deems necessary and may, with the written consent of the **Principal Organisation**, on behalf of the **Insured**, make any settlement of a **Claim** it deems expedient.

The **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall in no event be liable for any element of **Loss** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Company's prior written consent. Provided the **Insured** complies with the obligations set forth in the next two paragraphs, the Company shall not unreasonably withhold any such consent.

With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this Policy, the Company shall have the right and shall be given the opportunity to effectively associate with, and to be consulted in advance by, the **Insured** regarding the investigation, defence and settlement of such **Claim**, including but not limited to selecting appropriate defence counsel and negotiating any settlement.

The **Insured** agrees to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agrees that in the event of a **Claim** the **Insured** shall do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

The Company shall advance **Defence Costs** as provided under Section 15 of this Policy on a current basis. Any advancement of **Defence Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this Policy.

### 15. Allocation

HDFC ERGO General Insurance Company Limited. IRDAI Reg No.146  
CIN : U66030MH2007PLC177117. Registered & Corporate Office: 1st Floor, HDFC House, 165/166 Backbay Reclamation, H.T.Parekh Marg, Churchgate, Mumbai - 400 020.

If both **Loss** covered by this Policy and loss not covered by this Policy are incurred, either because a **Claim** against the **Insured** includes both covered and uncovered matters or covered and uncovered parties, then the **Insured** and the Company shall allocate such amount between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of the parties to covered and non-covered matters and, in the event of a settlement in such **Claim**, also based upon the relative benefits to the parties from such settlement. The Company shall not be liable under this policy for the portion of such amount allocated to non-covered loss.

If the **Insured** and the Company agree on an allocation of **Defence Costs**, then the Company shall advance on a current basis **Defence Costs** allocated to covered **Loss**. If the **Insured** and the Company cannot agree on an allocation:

- no presumption as to allocation shall exist in any arbitration, suit or other proceeding;
- the Company shall advance on a current basis **Defence Costs** which the Company believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined; and
- the Company, if requested by the **Insured**, shall submit the dispute to binding arbitration. The arbitration shall be conducted in Mumbai. The provisions of the Indian Arbitration and Conciliation Act, 1996 and the rules framed thereunder shall apply except with respect to the selection of the arbitration panel, which shall consist of one arbitrator appointed by the **Insured**, one arbitrator appointed by the Company, and a third independent arbitrator selected by the first two arbitrators. If either the **Insured** or the Company fails to appoint their respective arbitrators within thirty (30) days after the request by the **Insureds**, then such arbitrator(s) shall be appointed in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. If the first two arbitrators fail to agree on the third arbitrator within thirty (30) days following the appointment of the second arbitrator, then the third arbitrator shall be appointed in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996.

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

As a condition of any payment of **Defence Costs** the Company may, at its sole option, require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defence Costs** paid to or on behalf of any **Insured** if it is finally determined that **Loss** incurred by such **Insured** would not be covered.

### 16. Reporting and Notice

The **Insured** shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company written notice of any **Claim** as soon as practicable, but in no event more than sixty (60) days after the earlier of the following dates:

- the date on which any **Organisation's** chief financial officer, in-house general counsel, president, chief executive officer, chairperson, general partner, managing director or managing member first becomes aware that the **Claim** has been made; or
- if this Policy is not renewed by the Company, the termination date of the **Policy Period** or, if exercised, the Extended Reporting Period.

If during the **Policy Period** an **Insured**:

- becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company; or
- receives a written request to toll or waive a statute of limitations applicable to **Wrongful Acts** occurring before or during the **Policy Period** and gives written notice of such request and of such alleged **Wrongful Acts** to the Company,

then any **Claim** subsequently arising from the circumstances referred to in i. above or from the **Wrongful Acts** referred to in ii. above, shall be deemed to have been first made during the **Policy Period** in which the written notice described in i. or ii. above was first given by an **Insured** to the Company, provided any such subsequent **Claim** is reported to the Company as set forth under this Section 16. With respect to any such subsequent **Claim**, no coverage under this Policy shall apply to loss incurred prior to the date such subsequent **Claim** is actually made.

The **Insured** shall, as a condition precedent to exercising any right to coverage

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under this Policy, give to the Company such information and cooperation as the Company may reasonably require, and shall include in any notice under this Section 16 a description of the **Claim**, circumstances, the nature of any alleged **Wrongful Acts**, the nature of the alleged or potential damage, the names of all actual or potential claimants, the names of all actual or potential defendants, and the manner in which such **Insured** first became aware of the **Claim** or circumstances.

### 17. Notice

Notice to the Company under this Policy shall be given in writing addressed to:

**(a) for notice of Claim or circumstances which could give rise to Claim:**

Claims Department  
Attention: D&O/E&O Claims Manager  
HDFC ERGO General Insurance Company Limited  
6th Floor, Leela Business Park, Andheri-Kurla Road,  
Andheri-East, Mumbai 400 059, India

**(b) for all other notices:**

Department of Financial Institutions Manager  
HDFC ERGO General Insurance Company Limited  
6th Floor, Leela Business Park, Andheri-Kurla Road,  
Andheri-East, Mumbai 400 059, India  
Telephone No. +91 22 6638 3600  
Facsimile No. +91 22 6638 3699

Such notice shall be effective on the date of receipt by the Company at such address.

### 18. Other Insurance

With respect to coverage provided by Insuring Clause 1, 2 and 3, if any **Loss** under this Policy is insured under any other valid and collectible insurance policy(ies), then this Policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the applicable retention (or deductible) and limit of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy. Any payment by **Insureds** of a retention or deductible under such other insurance shall deplete, by the amount of such payment, the applicable Deductible Amount under this Policy.

With respect to coverage provided by Insuring Clause 4, this Policy shall be specifically excess of any indemnity (other than the indemnity provided by the **Organisation**) or insurance available to such **Insured Person** by reason of serving in an **Outside Capacity**, including any indemnity or insurance available from or provided by the **Outside Entity**.

### 19. Changes in Exposure

#### Acquisition or Creation of Another Organisation

If before or during the **Policy Period** the **Organisation**:

- a. acquires securities or voting rights in another organisation or creates another organisation, which as a result of such acquisition or creation becomes a **Subsidiary** or **Investment Holding Company**; or
- b. acquires another organisation by merger into or consolidation with an **Organisation**,

then such other organisation and its **Insured Persons** shall be **Insureds** under this Policy, but only with respect to **Wrongful Acts** or **Interrelated Wrongful Acts** where all or part of such acts occurred after such acquisition or creation unless the Company agrees, after presentation of a complete proposal and all other appropriate information, to provide coverage by endorsement for **Wrongful Acts** occurring before such acquisition or creation.

If the fair value of all cash, securities, assumed indebtedness and other consideration paid by the **Organisation** for any such acquired organisation, new **Subsidiary** or new **Investment Holding Company** exceeds fifteen percent (15%) of the total assets of the **Principal Organisation** (as reflected in the most recent audited consolidated financial statements of such organisation and the **Principal Organisation**, respectively, as of the date of such acquisition or creation), then the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable, but in no event later than sixty (60) days after the date of such acquisition or creation, together

with such information as the Company may require and shall pay any reasonable additional premium required by the Company. If the **Principal Organisation** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Company, then coverage for such acquired or created organisation and its **Insured Persons** shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation.

### 20. Acquisition of Principal Organisation By Another Organisation

If:

- a. the **Principal Organisation** or a **Private Fund** merges into or consolidates with another organisation;
- b. another organisation, or person or group of organisations or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organisations or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors, select general partners or managing members of the **Principal Organisation** or a **Private Fund**;
- c. the **Principal Organisation** completely ceases to actively engage in its primary business ("cessation"); or
- d. **Financial Impairment** occurs,

then coverage under this Policy shall continue until termination of this Policy but only with respect to **Claims** where all or part of the **Wrongful Acts** or **Interrelated Wrongful Acts** occurred prior to such merger, consolidation, acquisition, cessation or **Financial Impairment**. The **Principal Organisation** shall give written notice of such merger, consolidation, acquisition, cessation or **Financial Impairment** to the Company as soon as practicable, together with such information as the Company may require. The full annual premium for the **Policy Period** shall be deemed fully earned immediately upon the occurrence of any event outlined in a. through d. above.

### 21. Cessation of Subsidiaries

If during the **Policy Period**, an organisation ceases to be a **Subsidiary**, then coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this Policy, but only with respect to **Claims** for **Wrongful Acts** occurring prior to the date such organisation ceased to be a **Subsidiary**.

### 22. Creation of Another Private Fund

If during the **Policy Period**, an **Organisation** sponsors or creates another private investment fund engaged in substantially similar activities as any **Private Fund** scheduled in Item 2 of the Schedule, then such newly sponsored or created private investment fund and its **Insured Persons** shall be **Insureds** under this Policy for a period of sixty (60) days from the date of sponsorship or creation, but only with respect to **Wrongful Acts** or **Interrelated Wrongful Acts** where all or part of such acts occurred after such sponsorship or creation. The **Principal Organisation** shall give written notice of such sponsorship or creation to the Company as soon as practicable, but in no event later than sixty (60) days after the date of such sponsorship or creation, together with such information as the Company may require and shall pay any reasonable additional premium required by the Company. If the **Principal Organisation** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Company, then coverage for such sponsored or created private investment fund and its **Insured Persons** shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation.

### 23. Representations and Severability

In issuing this Policy, the Company has relied upon the statements, representations and information in the **Proposal** for this Policy. All of the **Insureds** acknowledge and agree that all such statements, representations and information:

- a. are true and accurate;
- b. were made or provided in order to induce the Company to issue this policy; and
- c. are material to the Company's acceptance of the risk to which this policy applies.

In the event that any of the statements, representations or information in the **Proposal** are not true and accurate, this policy shall be void with respect to:

- i. any **Insured** who knew as of the effective date of the **Proposal** the facts that were not truthfully and accurately disclosed (whether or not the **Insured** knew of such untruthful disclosure in the **Proposal**) or to whom knowledge of such facts is imputed; and



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- ii. the **Organisation** under Insuring Clause 2 to the extent it indemnifies an **Insured Person** who had such actual or imputed knowledge.

For purposes of the preceding paragraph

- (a) the knowledge of any **Insured Person** who is a past, present or future chief financial officer, in-house general counsel, president, chief executive officer, chairperson, general partner, managing director or managing member of any **Organisation** shall be imputed to such **Organisation** and its **Subsidiaries**;
- (b) the knowledge of the persons who signed the **Proposal** for this policy shall be imputed to all of the **Insureds**; and
- (c) except as provided in (a) above, the knowledge of an **Insured Person** who did not sign the **Proposal** shall not be imputed to any other **Insured**.

### 24. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated, to the extent of such payment, to all the **Insured's** rights of recovery, and the **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit in the name of the **Insured**.

### 25. Action Against the Company

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or organisation shall have any rights under this Policy to join the Company as party to any action against any **Insured** to determine such **Insured's** liability, nor shall the Company be impleaded by such **Insured** or the **Insured's** legal representatives. Nothing herein shall be construed as a waiver by the Company of this obligation of compliance, or any part thereof, absent any express written consent by the Company to such waiver.

### 26. Bankruptcy or Insolvency

Bankruptcy, winding-up, receivership or insolvency of an **Insured** or the estate of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights under this Policy.

### 27. Authorisation Clause

By acceptance of this Policy, the **Principal Organisation** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of **Claim** or termination, the payment of premiums, and the receiving of return premiums that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy, and each **Insured** agrees that the **Principal Organisation** shall act on their behalf.

### 28. Alteration or Assignment

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to this Policy which is signed by a duly authorised employee of the Company.

### 29. Termination of Policy

This Policy shall terminate at the earliest of the following times:

- in the event of non-payment of premium, in which case the Policy shall be void ab initio; or
- upon receipt by the **Principal Organisation** of a written notice of termination from the Company for any other reason, stating when thereafter termination shall be effective; or
- upon receipt by the Company of written notice of termination from the **Principal Organisation**; or
- upon expiration of the **Policy Period** as set forth in Item 7 of the Schedule; or
- sixty (60) days after receipt by the **Principal Organisation** of the Company's written notice of nonrenewal. Such notice shall be in

conformance with applicable laws and regulations; or

- at such other time as may be agreed upon by the Company and the **Principal Organisation**.

The Company shall refund the unearned premium computed at the customary short rate if the Policy is terminated by the **Principal Organisation**. Under any other circumstances the refund shall be calculated pro rata.

The Company shall have no obligation to renew this policy upon its expiration or termination.

### 30. Valuation and Foreign Currency

All premiums, limits, deductibles, **Loss**, and other amounts under this Policy are expressed and payable in Indian currency. If judgment is rendered, settlement is denominated or any element of **Loss** under this Policy is stated in a currency other than Indian Rupees, then payment under this Policy shall be made in Indian Rupees at the interbank cross rate of exchange indicated by the Reserve Bank of India on the date the final judgment is entered, the amount of the settlement is agreed upon or any element of **Loss** is due.

### 31. Coverage Territory

Coverage shall extend anywhere in the world.

### 32. Choice of Law And Jurisdiction

The construction, interpretation, meaning and enforcement of the provisions of this Policy shall be determined in accordance with and governed by the laws of India. Except as otherwise provided in Section 15, any disputes relating to the construction, interpretation meaning and enforcement of this Policy, shall be submitted to the exclusive jurisdiction of the Indian courts.

### 33. Conformity

The provisions of this Policy shall be read subject to the provisions of any statute governing construction of this Policy and if the provisions of this Policy are inconsistent with the statute then the provisions of this Policy shall be deemed to be amended so as to comply with the statute.

### 34. Definitions

When used in this Policy:

**Advisory Board** means any board or committee formed pursuant to and identified in the partnership agreement or operating agreement or articles or memorandum of association of an **Organisation**.

**Claim** means:

- a written demand for monetary damages;
- a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading;
- a criminal proceeding commenced by a summons or charge; or
- a formal administrative proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured** for a **Wrongful Act**, including any appeal therefrom.

A **Claim** shall be deemed to have been made against an **Insured** on the date such **Insured** first received written demand for monetary damages, the date that notice of a judicial or administrative proceeding is served upon such **Insured** in any country, state, territory or local court or administrative agency, or the date such **Insured** first received written notice regarding the filing of a notice of charges, formal investigative order or similar document from a country, state, territory or local regulatory agency.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal counsels' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers, general partners, managing general partners, managing members, members of a Board of Managers or Board of Directors, governors or employees of the **Organisation**) incurred in defending or investigating **Claims** and the premium for appeal, attachment or similar bonds.

**Financial Impairment** means the status of the **Organisation** resulting from:

- the appointment by any country, state or territory official, agency or court, or by any creditor, of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the

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**Organisation;** or

- b. the **Organisation** becoming a debtor in possession under the United States bankruptcy law, the Indian Provisional Insolvency Act, the 1920, Indian Presidency Towns Insolvency Act, 1908 or an equivalent status under the laws of any other country.

**Insured** means the **Organisation** and any **Insured Person**.

**Insured Capacity** means the position or capacity described in the definition of "**Insured Person**" held by any **Insured Person** but shall not include any position or capacity in any organisation other than the **Organisation**, even if the **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity.

**Insured Person** means:

- a. all natural person(s) who were, now are, or shall be member(s) of any **Advisory Board**, provided such members is indemnified by an **Organisation**;
- b. all natural person(s) who were, now are, or shall be directors, officers, general partners, managing general partners, managing members, members of a Board of Managers, governors or equivalent executives in an **Organisation**;
- c. with respect to any **Organisation** formed outside the United States of America, any equivalent executive position described in items 1 and 2 above, under applicable law in any country other than the United States of America;
- d. employees of an **Organisation**, but solely for coverage provided by Insuring Clause 3, Professional Liability Coverage.

**Interrelated Wrongful Acts** means all **Wrongful Acts** based upon, arising from, or in consequence of the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.

**Investment Holding Company** means any organisation which is created or acquired for the sole purpose of acquiring the securities, debentures or voting rights representing the present right to vote for election of directors or to select managing partners or managing members of a **Portfolio Company** and in which a **Private Fund** owns or controls greater than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors or to select general partners or managing members. **Investment Holding Company** shall not include any **Portfolio Company**.

**Loss** means the total amount that any **Insured Person** (for purposes of **Insuring Clauses** 1, 2 and 4) or the **Organisation** (for purposes of **Insuring Clause** 3) becomes legally obligated to pay on account of any covered **Claim** including, but not limited to, damages, judgments, settlements, pre-judgment and post-judgment interest and **Defence Costs**.

**Loss** does not include:

- a. any amount not indemnified by the **Organisation** for which the **Insured Person** is absolved from payment by reason of any covenant, agreement or court order;
- b. any amount incurred by the **Organisation** (including its board of directors, any committee of the board of directors, or its general partners) in connection with the investigation or evaluation of any **Claim** or potential **Claim** by or on behalf of the **Organisation**;
- c. fines, penalties, sanctions or taxes imposed by law, including but not limited to punitive or exemplary damages, or the multiplied portion of any multiplied damage award; or
- d. any amount not insurable under the law pursuant to which this Policy is construed; or
- e. with the exception of **Defence Costs**, actual principal, interest, or other monies either paid, accrued or due as a result of any loan, lease, extension of credit or equity contribution; or
- f. any amount allocated to non-covered loss pursuant to Section 15 of this policy; or
- g. any amount incurred by an **Insured** in a proceeding or investigation that is not then a **Claim** even if such:
- i. amount also benefits the defence of a covered **Claim**; or
- ii. proceeding or investigation subsequently gives rise to a **Claim**.

**Organisation** means:

- a. each **Private Fund**;
- b. the entity general partner or entity managing general partner of each **Private Fund** that is organised as a limited partnership or limited liability partnership;
- c. the entity managing member of each **Private Fund** that is organised as a limited liability company;
- d. the entity management company identified in the partnership agreement or operating agreement of a **Private Fund**, whether organised as a stock corporation, general partnership, limited liability partnership or limited liability company incorporated anywhere in the world;
- e. any **Subsidiary** of items a. through d. above;
- f. any Investment Holding Company.

**Outside Capacity** means service by an **Insured Person** as a director, officer, trustee, governor, board observer, or equivalent executive in an **Outside Entity**, at the request or direction of an **Organisation**.

**Outside Entity** means:

- a. any Society registered under the Indian Societies Registration Act or the relevant state acts in India as pertaining to the registration of societies and/or any charity registered (or exempted) under the Indian Trust Act or the relevant state acts in India as pertaining to the registration of trusts, all as amended;
- b. a **Portfolio Company** which is not registered or approved, upon notice of issuance, for direct or indirect trading on a national securities exchange or not authorised or approved for authorisation, upon notice of issuance, for quotation in the U.S. NASDAQ system or equivalent system, or anywhere in the world; or
- c. a **Portfolio Company** during the **Policy Period** which is registered or approved, upon notice of issuance, for direct or indirect trading on a national securities exchange, or authorised or approved for authorisation, upon notice of issuance, for quotation in the U.S. NASDAQ system or equivalent system anywhere in the world. However, coverage shall only extend to **Wrongful Acts** occurring within thirty (30) days after the date of registration or approval for quotation; or
- d. a **Portfolio Company** scheduled by endorsement to this Policy.

**Policy Period** means the period of time specified in Item 7 of the Schedule, subject to prior termination in accordance with Section 29. If the period is less than or greater than one(1) year, then the Limits of Liability specified in Item 3 of the Schedule shall be the Company's maximum liability under this Policy for the entire period.

**Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or Central or State Pollution Control Board in India or a country, state, territory, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products and any noise.

**Portfolio Company** means any organisation in which one or more **Private Fund** or **Investment Holding Company**, separately or in combination, own or control, or propose to own or control, outstanding securities, debentures or voting rights representing the present right to vote for election of directors or to select general partners or managing members.

**Principal Organisation** means the entity named in ITEM 1 of the Schedule, as legally constituted at the inception of this Policy.

**Private Equity Venture Investing** means:

- a. the formation, capitalisation, operation, or management, of a **Private Fund** by an **Insured**; and
- b. any act performed by an **Insured** for a **Portfolio Company** or proposed **Portfolio Company**, of a **Private Fund** arising from the extending or refusal to extend credit or granting or refusal to grant a loan or any transaction in the nature of a loan; and
- c. an **Insured's** investment in, formation, capitalisation or disposition of, or rendering of management, investment, administrative economic or financial advice (other than tax or legal services rendered for compensation) to a **Portfolio Company** or proposed **Portfolio Company**.

**Private Fund** means any pooled investment vehicle scheduled under Item 2 of the

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Schedule.

**Proposal** means all signed proposals, including attachments and materials incorporated therein, submitted by the **Insured** to the Company for this Policy or any Policy issued by the Company of which this Policy is a direct or indirect renewal or replacement. All such proposals, attachments and materials are deemed attached to, incorporated into and made a part of this Policy.

**Related Claims** means all **Claims** for **Wrongful Acts** and **Interrelated Wrongful Acts**.

**Subsidiary** means any organisation, at or prior to inception of this Policy, in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors or to select general partners or managing members is owned or controlled, directly or indirectly, in any combination, by one or more **Organisations**. **Subsidiary** shall not include any **Portfolio Company**.

**Wrongful Act** means:

- a. for purposes of Insuring Clauses 1 and 2, any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, before or during the **Policy Period**, by an **Insured Person**, individually or otherwise, in an **Insured Capacity**;
- b. for purposes of Insuring Clause 3, any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, before or during the **Policy Period**, by an **Organisation**, an employee of an **Organisation** or an **Insured Person** in an **Insured Capacity**;
- c. for purposes of Insuring Clause 4, any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, before or during the **Policy Period**, by an **Insured Person** in an **Outside Capacity**.

For the purposes of these definitions, the singular includes the plural and the plural includes the singular, unless otherwise indicated.

Any person who has a grievance against the Company, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998 (Ombudsman Rules). Proviso to Rule 16(2) of the Ombudsman Rules however, Limits compensation that may be awarded by the Ombudsman, to the lower of compensation necessary to cover the loss suffered by the insured as a direct consequence of the insured peril or Rs. 20 lakhs Rupees Twenty Lakhs Only) inclusive of ex-gratia and other expenses. A copy of the said Rules shall be made available by the Company upon prior written request by the Insured.