

Commonwealth of Pennsylvania
State Employees' Retirement System

Name of Subscriber
(Please Print or Type)

THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE MUTUAL FUNDS LAW (2009 REVISION) OF THE CAYMAN ISLANDS, THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY U.S. STATE, EUROPEAN UNION, OR OTHER NON-U.S. JURISDICTION, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH LAWS, AND MAY NOT BE TRANSFERRED, ASSIGNED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND SUCH STATE SECURITIES LAWS AND IN ACCORDANCE WITH THE APPLICABLE PARTNERSHIP'S GOVERNING DOCUMENTS

H.I.G. BAYSIDE LOAN OPPORTUNITY FUND III (EUROPE-USS), L.P.
H.I.G. BAYSIDE LOAN OPPORTUNITY FEEDER FUND III (EUROPE-USS), L.P.

SUBSCRIPTION AGREEMENT

1. **Agreement of Subscriber to Become a Limited Partner.** The undersigned subscriber (the "Subscriber") hereby agrees to become a limited partner in either (but not both of) H.I.G. Bayside Loan Opportunity Fund III (Europe-US\$), L.P., an exempted limited partnership formed under the laws of the Cayman Islands (the "Main Fund") or H.I.G. Bayside Loan Opportunity Feeder Fund III (Europe-US\$), L.P., an exempted limited partnership formed under the laws of the Cayman Islands (the "Feeder Fund") and together with the Main Fund, or individually as the context requires, the "Partnership"), and to make aggregate cash contributions to the capital of the Partnership pursuant to a commitment in the aggregate amount accepted by H.I.G. Bayside Loan Advisors III (Europe-US\$), L.P., the general partner of the Partnership (the "General Partner"), as set forth on the signature page above the General Partner's signature on the acceptance page to this subscription agreement (this "Subscription Agreement"), which commitment shall in no event be more than the requested commitment amount set forth above the Subscriber's signature on the signature page to this Subscription Agreement, or, if the line for the commitment amount on the signature page above the General Partner's signature on the acceptance page is left blank, as set forth above the Subscriber's signature on the signature page (the "Commitment" and, collectively with the amounts that the other partners in the Partnership have agreed to contribute to the capital of the Partnership and, in each case, the General Partner has agreed to accept, the "Commitments"). The Subscriber agrees to fund its Commitment in such amounts and in such manner as called for by the General Partner, as provided in the Agreement of Exempted Limited Partnership of the Main Fund and the Agreement of Exempted Limited Partnership of the Feeder Fund, each as amended from time to time (collectively and individually, as the context requires, the "Partnership Agreement"). Unless otherwise defined herein, capitalized terms used in this Subscription Agreement will have the meanings given to

such terms in the Partnership Agreement. The General Partner may accept in its sole discretion all or any portion of the requested commitment amount set forth above the Subscriber's signature on the signature page to this Subscription Agreement and may accept all or any remaining portion of such requested commitment amount at one or more subsequent closings, in each case by delivery to the Partnership of a duplicate signature page hereto with respect to such remaining portion then accepted or notice to the Partnership of the execution thereof. Prompt notice of such acceptance also will be given to the Subscriber either by delivery of the General Partner's acceptance page to this Subscription Agreement signed by the General Partner or by notice of such execution. If so accepted, this Subscription Agreement may not be canceled, terminated or revoked by the Subscriber.

2. **Investor Qualification Statement and Tax Forms.** The attached Investor Qualification Statement that the Subscriber has completed (together with all similar and/or related statements and/or agreements required to be completed with respect to the Subscriber's Commitment (e.g., by certain direct or indirect owners or control persons or entities)), the "**Investor Qualification Statement**") and each of the tax forms that the Subscriber has delivered pursuant to Item 7 of the Instructions for Subscribers that accompany this Subscription Agreement (collectively, the "**Tax Forms**"), are incorporated herein by reference in their entirety and made a part hereof, and the Subscriber represents, warrants and agrees that all of the statements, answers and information in the Investor Qualification Statement and the Tax Forms are true and correct as of the date hereof, will be true and correct as of the date and/or dates of the acceptance of this subscription and, as of each such date, do not and will not omit to state any material fact necessary in order to make the statements contained therein not misleading.

3. **Representations, Warranties and Covenants of the Subscriber.** In connection with the Subscriber's agreement to subscribe for limited partnership interests in the Partnership, the Subscriber represents, warrants and agrees as of the date hereof and through and including each date that this Subscription Agreement is accepted in whole or in part by the General Partner as follows:

(a) **Authorization.**

- (i) If the Subscriber is a natural person or if beneficial ownership of the Subscriber is held by an individual through a revocable grantor trust, an individual retirement account or a self-directed employee plan, the Subscriber or the Subscriber's beneficial owner (as applicable) is at least twenty-one (21) years old and it is within the Subscriber's right, power and capacity to execute this Subscription Agreement and the Partnership Agreement, to invest in the Partnership and to fund its Commitment as contemplated by this Subscription Agreement and the Partnership Agreement. If the Subscriber lives in a community property state in the United States, either (1) the source of the Subscriber's Commitment will be the Subscriber's separate property and the Subscriber will hold the interest in the Partnership as separate property, or (2) the Subscriber has the authority alone to bind the community with respect to this Subscription Agreement, the Power of Attorney, the

Partnership Agreement and all agreements contemplated hereby and thereby.

- (ii) If the Subscriber is a corporation, limited liability company, partnership, trust, retirement system or other entity, the Subscriber is duly organized, formed or incorporated, as the case may be, under the jurisdiction set forth in the attached Investor Qualification Statement, and the Subscriber is authorized, empowered and qualified to execute this Subscription Agreement and the Partnership Agreement, to invest in the Partnership and to fund its Commitment as contemplated by this Subscription Agreement and the Partnership Agreement. The individual signing this Subscription Agreement, the Partnership Agreement and all agreements contemplated hereby and thereby on the Subscriber's behalf has been duly authorized to do so.

(b) Execution; Binding Obligation. The Subscriber agrees to execute the Partnership Agreement and the Power of Attorney simultaneously with the execution of this Subscription Agreement. The Partnership Agreement and the Power of Attorney shall become binding upon the Subscriber on the later of (i) the date of the Partnership Agreement and (ii) the date, if any, that the General Partner accepts this subscription in whole or in part. This Subscription Agreement is a valid and binding agreement, enforceable against the Subscriber in accordance with its terms. The Subscriber understands that, except as explicitly provided for by law in certain non-United States jurisdictions, the Subscriber is not entitled to cancel, terminate or revoke this Subscription Agreement or any of the powers conferred herein.

(c) No Conflict. The execution and delivery of this Subscription Agreement (including the Investor Qualification Statement), the Power of Attorney and the Partnership Agreement by the Subscriber, the consummation of the transactions contemplated hereby and the performance of the Subscriber's obligations under this Subscription Agreement, the Power of Attorney and the Partnership Agreement will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to the Subscriber, or any agreement or other instrument to which the Subscriber is a party or by which the Subscriber or any of its properties are bound, or any United States or non-United States permit, franchise, judgment, decree, statute, order, rule or regulation applicable to the Subscriber or the Subscriber's business or properties.

(d) Offering Materials and Other Information. The Subscriber has received and read a copy of the confidential Private Placement Memorandum of the Partnership, dated as of March 2012, as amended and supplemented on or prior to the initial acceptance date for this subscription (the "Private Placement Memorandum"), this Subscription Agreement and the Partnership Agreement (collectively, the "Offering Materials") and the Subscriber has relied on nothing other than the Offering Materials in deciding whether to make an investment in the Partnership. In addition, the Subscriber acknowledges that the Subscriber has been given the opportunity to (i) ask questions and

receive satisfactory answers concerning the terms and conditions of the offering, (ii) perform its own independent investigations and (iii) obtain additional information in order to evaluate the merits and risks of an investment in the Partnership and to verify the accuracy of the information contained in the Offering Materials. No statement, printed material or other information that is contrary to the information contained in the Offering Materials has been given or made by or on behalf of the General Partner and/or the Partnership to the Subscriber. The Subscriber has consulted to the extent deemed appropriate by the Subscriber with the Subscriber's own advisers as to the financial, tax, legal, accounting, regulatory and related matters concerning an investment in the Interests (as defined below) and on that basis understands the financial, tax, legal, accounting, regulatory and related consequences of an investment in the Interests, and believes that an investment in the Interests is suitable and appropriate for the Subscriber.

(e) No Registration of Interests. The Subscriber understands that the limited partnership interests subscribed for hereunder (the "Interests") have not been, and will not be, registered under the United States Securities Act of 1933, as amended (together with the rules promulgated thereunder, the "Securities Act"), or any state or non-United States securities laws, and are being offered and sold in reliance upon United States federal, state and applicable non-United States exemptions from registration requirements for transactions not involving a public offering. The Subscriber recognizes that reliance upon such exemptions is based in part upon the representations of the Subscriber contained in this Subscription Agreement (including the Investor Qualification Statement and the Tax Forms). The Subscriber represents and warrants that the Interests will be acquired by the Subscriber solely for the account of the Subscriber, for investment purposes only and not with a view to the distribution thereof. The Subscriber represents and warrants that the Subscriber (i) is a sophisticated investor with the knowledge and experience in business and financial matters to enable the Subscriber to evaluate the merits and risks of an investment in the Partnership, (ii) is able to bear the economic risk and lack of liquidity of an investment in the Partnership, (iii) has no need for liquidity for the term of, and beyond the term of the Partnership, and (iv) is able to bear the risk of loss of its entire investment in the Partnership. The Subscriber's Commitment, together with the Subscriber's other investments that are not readily marketable, is not disproportionate to the Subscriber's net worth.

(f) Regulation D and Regulation S under the Securities Act. The Subscriber either (i) is an "accredited investor" as that term is defined in Regulation D promulgated under the Securities Act ("Regulation D") or (ii) is not a "U.S. Person" as that term is defined in Rule 902 promulgated under the Securities Act ("Rule 902"). If the Subscriber is not a "U.S. Person" under the Securities Act, the Subscriber further represents, warrants and covenants that (A) the Subscriber is not subscribing for Interests for the account or benefit of any person that is a "U.S. Person" under the Securities Act, (B) the offer and sale of an Interest to the Subscriber constitute an "Offshore Transaction," as that term is defined in Rule 902 and/or has been made in conformity with Regulation D and (C) the Subscriber will resell the Interests, in whole or in part, only (1) in accordance with the provisions of applicable non-United States securities laws and regulations, applicable state securities laws and regulations and the Partnership Agreement and (2) in accordance with the provisions of Regulation S (Rules 901 through 905) promulgated

under the Securities Act and the "Preliminary Notes" (as that term is defined in Regulation S), pursuant to a registration under the Securities Act or pursuant to an available exemption from registration under the Securities Act.

(g) Investment Company Act Matters. The Subscriber understands that (i) the Partnership does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act"), and (ii) the Subscriber will not be afforded the protections provided to investors in registered investment companies under the Investment Company Act. Except as expressly indicated on the attached Investor Qualification Statement, the Subscriber was not formed or reformed (as interpreted under the Investment Company Act) for the specific purpose of making an investment in the Partnership, and, under the ownership attribution rules promulgated under Section 3(c)(1) of the Investment Company Act, no more than one person will be deemed a beneficial owner of the Subscriber's Partnership Interest. The Subscriber is a "qualified purchaser" as that term is defined under the Investment Company Act and the rules and regulations promulgated thereunder.

(h) Acknowledgement of Risks; Restrictions on Transfer. The Subscriber recognizes that (i) an investment in the Partnership involves certain risks, (ii) the Interests will be subject to certain restrictions on transferability as described in the Partnership Agreement and (iii) as a result of the foregoing, the marketability of the Interests will be severely limited. The Subscriber agrees that it will not transfer, sell, assign, pledge, mortgage or otherwise dispose of all or any portion of the Interests in any manner that would violate the Partnership Agreement, the Securities Act or any United States federal or state or non-United States securities laws or subject the Partnership or the General Partner or any of its affiliates to regulation under the Investment Company Act or additional regulation under the United States Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Advisers Act"), the rules and regulations of the United States Securities and Exchange Commission or the laws and regulations of any United States federal, state or municipal authority or any non-United States governmental authority having jurisdiction thereover.

(i) Additional Investment Risks. The Subscriber is aware that (i) the Partnership has no financial or operating history, (ii) investment returns set forth in the Private Placement Memorandum or in any supplemental letters or materials thereto are not necessarily comparable to or indicative of the returns, if any, that may be achieved on investments made by the Partnership, (iii) the General Partner or a person or entity selected by the General Partner (which may be a manager, member, shareholder, partner or affiliate thereof) will receive substantial compensation in connection with the management of the Partnership, and (iv) no United States federal, state or local or non-United States agency, governmental authority or other person has passed upon the Interests or made any finding or determination as to the fairness of this investment.

(j) No Public Solicitation of Subscriber. The Subscriber confirms that it is not subscribing for any Interest as a result of any form of general solicitation or general advertising, including (i) any advertisement, article, notice or other communications

published in any newspaper, magazine or similar media (including any internet site that is not password protected) or broadcast over television or radio or (ii) any seminar or meeting whose attendees were invited by any general solicitation or general advertising.

(k) Investment Advisers Act Matters. H.I.G. Capital, LLC, an affiliate of Bayside Capital, Inc., the management company of the Partnership, is registered as an investment adviser under the Investment Adviser Act. The Subscriber, as well as any other direct or indirect beneficial owner of the Subscriber that would be identified as a "client" under Rule 205-3 of the Investment Advisers Act, is a "qualified client" within the meaning of the Investment Advisers Act and the rules and regulations promulgated thereunder, and *either* (i) has a net worth (excluding for natural persons, the value of such person's primary residence less the indebtedness secured by such residence, up to the estimated fair market value of such residence) in excess of \$2,000,000 (including, for natural persons, assets held jointly with such person's spouse) *or* (ii) is making a direct or indirect Commitment of at least \$1,000,000 *or* (iii) is a "qualified purchaser" as such term is defined under the Investment Company Act and the rules and regulations promulgated thereunder. The Subscriber agrees that the General Partner and the Partnership may provide in any electronic medium (including via email or website access) any disclosure or document that is required by applicable securities laws to be provided to the Subscriber. In addition, the Subscriber hereby agrees that the board or committee designated in the Partnership Agreement to provide Investment Advisers Act approvals on behalf of the Subscriber, including, without limitation, any approvals required under Section 206(3) of the Investment Advisers Act and any consent to a transaction which would result in the "assignment" (within the meaning of the Investment Advisers Act) of the General Partner's interest in the Partnership, is appointed and authorized to do so on behalf of the Subscriber.

(l) Tax Status of Flow-Through Subscriber. If the Subscriber is a partnership, a limited liability company treated as a partnership for United States federal income tax purposes, a grantor trust (within the meaning of §§671-679 of the United States Internal Revenue Code of 1986, as amended (the "Code")) or an S corporation (within the meaning of §1361 of the Code) (each a "Flow-Through Entity"), the Subscriber represents and warrants that either:

- (i) no person or entity will own, directly or indirectly through one or more Flow-Through Entities, an interest in the Subscriber such that more than 70% of the value of such person's or entity's interest in the Subscriber is attributable to the Subscriber's investment in the Partnership; *or*
- (ii) if one or more persons or entities will own, directly or indirectly through one or more Flow-Through Entities, an interest in the Subscriber such that more than 70% of the value of such person's or entity's interest in the Subscriber is attributable to the Subscriber's investment in the Partnership, neither the Subscriber nor any such person or entity has or had any intent or purpose to cause such person (or persons) or entity (or entities) to invest in the

Partnership indirectly through the Subscriber in order to enable the Partnership to qualify for the 100-partner safe harbor under Treasury Regulation §1.7704-1(h).

(m) ERISA Status of Subscriber. The Subscriber represents and warrants that (i) except as disclosed by the Subscriber to the General Partner in the attached Investor Qualification Statement, the Subscriber is not (A) an "employee benefit plan" that is subject to Part 4 of Subtitle B of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (B) an individual retirement account or annuity ("IRA") that is subject to Section 975 of the Code, or (C) a fund of funds, an insurance company separate account or an insurance company general account or another entity (such as a group trust), in each case whose underlying assets are deemed under United States Department of Labor rules and regulations that address the applicability of ERISA to entities in which employee benefit plans invest, including § 2510.3-101 *et seq.*, as amended and modified by Section 3(42) of ERISA, to include "plan assets" of any "employee benefit plan" or IRA (each a "benefit plan investor"), (ii) if the Subscriber is a benefit plan investor, neither the General Partner nor any of its affiliates acted as a "fiduciary" within the meaning of Section 3(21) of ERISA with respect to the purchase of any Interest by the Subscriber and (iii) the purchase of the Subscriber's Interest has been duly authorized in accordance with its governing documents. The Subscriber understands that the Partnership will *not* be a "venture capital operating company" as defined in the United States Department of Labor Regulations §2510.3-101 *et seq.*, as amended.

(n) Plan Investors. If the Subscriber is a benefit plan investor (as defined above), a governmental plan as defined in Section 3(32) of ERISA or a non-U.S. employee benefit plan or other retirement account (collectively referred to in this subparagraph as a "Plan Investor"), the Subscriber represents and warrants that on the date hereof:

- (i) the decision to commit assets of the Plan Investor for investment in the Partnership was made by fiduciaries independent of the Partnership, General Partner and any of their agents, representatives or affiliates, which fiduciaries (x) are duly authorized to make such investment decision and have not relied on any advice or recommendations of the Partnership, General Partner or any of their agents, representatives or affiliates and (y) in consultation with their advisers, have carefully considered the impact of ERISA, the Code, and the regulations, rules, procedures and judicial decisions thereunder, and any applicable foreign, state or local law substantially similar to ERISA or Section 4975 of the Code or otherwise applicable to the Plan Investor ("Similar Law"), on an allocation of assets to the Partnership;
- (ii) none of the Partnership, the General Partner or any of their agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Plan Investor's commitment

of assets to the Partnership, nor has the Partnership, the General Partner or any of their agents, representatives or affiliates rendered individualized investment advice to the Plan Investor based upon the Plan Investor's investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Partnership and the investment program thereunder;

- (iii) it understands that none of the Partnership, the General Partner or any of their agents, representatives or affiliates will be acting as a fiduciary under ERISA, the Code or any Similar Law to the Plan Investor with respect to the Partnership or the assets of the Plan Investor invested in the Partnership;
- (iv) if the Partnership or the General Partner, on behalf of the Partnership, concludes in its discretion that it is probable that the continuation of any Plan Investor as an investor in the Partnership would either of itself or as a contributing factor result in all or any portion of the assets of the Partnership being deemed to constitute "plan assets" of the Plan Investors for the purposes of ERISA, Section 4975 of the Code or any Similar Law, the Partnership or the General Partner, on behalf of the Partnership, shall take such actions as it deems necessary or appropriate to mitigate, prevent or cure such adverse consequences, taking into account the interests of the Partnership and all partners in the Partnership as a whole, including, without limitation, in the Partnership's or the General Partner's (on behalf of the Partnership) discretion, causing an immediate redemption of some or all of any Plan Investor's Interest in the Partnership;
- (v) the terms of this Subscription Agreement and the Partnership Agreement, including all appendices and attachments hereto and thereto and the Partnership's contemplated investment program, comply with the instruments and guidelines governing such Plan Investor, and the Subscriber shall promptly advise the Partnership and the General Partner in writing of any changes of which it becomes aware in any governing law or any regulations thereunder or interpretations thereof affecting the duties, responsibilities, liabilities or obligations of the Partnership, General Partner or any of their agents, representatives or affiliates with respect to the Plan Investor;
- (vi) the Plan Investor's acquisition and holding of the Interests comply with ERISA, the Code and any Similar Law and do not and will not constitute a non-exempt prohibited transaction under ERISA, the Code or any Similar Law; and

(vii) it agrees that it will provide additional information reasonably requested by the Partnership, or the General Partner for purposes of complying with ERISA or any Similar Law.

(o) Anti-Money Laundering Matters. The Subscriber acknowledges that the Partnership seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of these efforts, the Subscriber represents, warrants and agrees that: (i) no part of the funds used by the Subscriber to acquire the Interests or to satisfy its capital commitment obligations with respect thereto has been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene United States federal or state or non-United States laws or regulations, including anti-money laundering laws and regulations and (ii) no capital commitment, contribution or payment to the Partnership by the Subscriber and no distribution to the Subscriber shall cause the Partnership or the General Partner to be in violation of any applicable anti-money laundering laws or regulations including, without limitation, Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the United States Department of the Treasury Office of Foreign Assets Control regulations. The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in the Partnership Agreement, any side letter or any other agreement, to the extent required by any anti-money laundering law or regulation, the Partnership and the General Partner may prohibit additional capital contributions, restrict distributions or take any other reasonably necessary or advisable action with respect to the Interests, and the Subscriber shall have no claim, and shall not pursue any claim, against the Partnership, the General Partner or any other Person in connection therewith.

(p) FATCA Matters. The Subscriber acknowledges that, to the extent applicable, the Partnership Group will seek to comply with the Foreign Account Tax Compliance Act provisions of the Code and any rules, regulations, forms, instructions or other guidance issued in connection therewith (the "FATCA Provisions"). In furtherance of these efforts, the Subscriber agrees to promptly deliver any additional documentation or information, and updates thereto as applicable, which the Partnership Group may request in order to comply with the FATCA Provisions. The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in the Partnership Agreement, any side letter or any other agreement, the failure to promptly comply with such requests, or to provide such additional information, may result in the withholding of amounts with respect to, or other limitations on, distributions made to the Subscriber and such other reasonably necessary or advisable action by the Partnership Group or the General Partner with respect to the Interests (including, without limitation, required withdrawal), and the Subscriber shall have no claim, and shall not pursue any claim, against the Partnership, the General Partner or any other Person in connection therewith.

(q) Privacy Notice. If a natural person (or an entity that is an "alter ego" of a natural person (e.g., a revocable grantor trust, an individual retirement account or an estate planning vehicle)), the Subscriber has received and read a copy of the initial privacy notice with respect to the General Partner's collection and maintenance of non-public personal information regarding the Subscriber, and the Subscriber hereby requests

and agrees, to the extent permitted by applicable law, that the General Partner shall refrain from sending to the Subscriber (i) an annual privacy notice, as contemplated by 16 CFR Part 313, §313.5 (the Federal Trade Commission's Final Rules regarding the Privacy of Consumer Financial Information (the "FTC's Final Privacy Rules")), provided that the General Partner shall keep an annual privacy notice with the books and records of the business and such annual privacy notice shall be available to the Subscriber upon its request, and (ii) any other information regarding the customer relationship, as contemplated by 16 CFR Part 313, §313.9(c)(2) (the FTC's Final Privacy Rules). The Subscriber understands that, at any time subsequent to the date hereof, it may elect to receive any information contemplated by clauses (i) and (ii) above, but only to the extent that the General Partner is required by applicable law to deliver such information, by providing reasonable prior written notice to the General Partner to such effect.

(r) Confidentiality. The Subscriber acknowledges and agrees that (i) it has received and will in the future receive Confidential Information regarding the Main Fund, the Feeder Fund, the General Partner, the Management Company, and each of their respective affiliates, any Parallel Investment Fund, each Alternative Investment Vehicle, each general partner, manager or other control person of the foregoing Persons and each existing or prospective Portfolio Company and its subsidiaries as well as the other Partners and Feeder Fund partners (collectively, the "Partnership Entities") as well as the other Partners and partners of any Parallel Investment Fund, (ii) such Confidential Information contains trade secrets and is proprietary, (iii) disclosure of such Confidential Information to third parties is not in the best interest of any of the Partnership Entities or the Partners and (iv) disclosure of such Confidential Information would cause substantial harm and damages to the Partnership Entities and the Partners. The Subscriber hereby represents and warrants that, except as previously disclosed to the General Partner in writing, (A) it is not subject to any law, statute, governmental rule or regulation or judicial or governmental order, judgment or decree requiring it to disclose any information or materials (whether or not Confidential Information) relating to any of the Partnership Entities or the other Partners to any Person(s) and (B) it is not required by any law, statute, governmental rule or regulation or judicial or governmental order, judgment or decree or any agreement or contract to obtain any consent or approval prior to agreeing to be bound by the confidentiality covenant set forth in the Partnership Agreement. The Subscriber hereby represents and warrants that except as previously disclosed in writing to the General Partner, it has taken all actions and obtained all consents necessary to enable it to comply with the provisions of Section 7.13 of the Partnership Agreement. The Subscriber hereby agrees that it will not use any Confidential Information it receives for any purpose other than monitoring and evaluating its investment in the Partnership. Any information provided to a Person at the direction or request of the Subscriber shall be treated for purposes hereof and for purposes of the Partnership Agreement as instead having been provided to such Person by the Subscriber, and such deemed disclosure by the Subscriber shall be subject to all of the limitations and other provisions in the Partnership Agreement relating to Confidential Information.

(s) Credit Facility Security.

- (i) The Subscriber agrees that any loans, guarantees, credit facilities or other indebtedness of the Partnership (each, a "Credit Facility"), may be secured by (A) a pledge by the Partnership of all or a portion of the aggregate unfunded Commitments of all Partners and by a pledge by the Partnership of the Subscriber's pledge set forth in Section 3(t) hereof and (B) a pledge by the General Partner of its interest in the Partnership and the rights of the General Partner contained in the Partnership Agreement, including, without limitation, the right to call for additional Capital Contributions pursuant to Section 3.1 of the Partnership Agreement and to enforce all remedies against a Defaulting Partner that fails to fund its unfunded Commitment pursuant thereto and in accordance with the terms of the Partnership Agreement and such Partner's subscription agreement. All such rights granted to one or more lenders shall apply to its agents and its successors and assigns.
- (ii) In connection with any Credit Facility, the Subscriber agrees that, subject to the other terms of the Partnership Agreement and this Subscription Agreement, (A) if the lender under such Credit Facility or the General Partner shall so request, the Subscriber, shall, with a minimum of fourteen (14) days advance notice to the Subscriber, confirm to such lender the amount of the Subscriber's Commitment and unfunded Commitment and any other relevant matters relating to the Partnership Agreement and this Subscription Agreement (including that the Subscriber's Commitment and unfunded Commitment obligations are unconditional), (B) the Subscriber will honor capital calls made by such lender acting in the name of the General Partner in accordance with the terms of the Partnership Agreement without deduction, offset, counterclaim or defense, but in no event shall such waiver prevent the Subscriber from asserting a separate cause of action against the Partnership, (C) the Subscriber will, at the time of its admission as a limited partner to the Partnership or as otherwise requested by the lender or the General Partner, execute a letter in a form reasonably required by such lender confirming the foregoing and its obligations under the Partnership Agreement and this Subscription Agreement and agreeing to use reasonable best efforts to provide (x) such financial information and reports as may be reasonably requested by the lender or (y) any similar confirmation letter required by a lender under a Credit Facility, (D) at the time of the Subscriber's admission as a limited partner to the Partnership or as otherwise requested by the lender or the General Partner, the Subscriber will provide to such lender copies of its formation documents (or similar documents reasonably acceptable to the lender under any Credit Facility) and (E) at the time of the

Subscriber's admission as a limited partner to the Partnership or as otherwise requested by the lender or the General Partner, the Subscriber shall provide to such lender legal opinions or other evidence of corporate authority reasonably requested by such lender.

(t) Security Interest. To secure the Subscriber's obligations and liabilities to the Partnership, the Subscriber hereby grants to the Partnership and its assigns a security interest, in the Subscriber's interest in the Partnership and any proceeds thereof. In addition to the remedies provided in the Partnership Agreement and this Subscription Agreement, the Subscriber agrees that the General Partner may at any time avail itself of any or all legal remedies that may be available to a secured creditor under the laws of any applicable jurisdiction to compel payment by the Defaulting Partner of any unfunded Commitment with respect to such interest in the Partnership, other amounts due under the Partnership Agreement, reasonable court costs, damages, expenses and attorneys' fees. The Subscriber acknowledges and agrees that, if it becomes a Defaulting Partner and any Person purchases its interest in the Partnership, it shall be relieved of its obligation to make any payment due under the Partnership Agreement only to the extent such payments are actually made by the purchaser.

(u) Additional Representations for Non-U.S. Subscribers. If the Subscriber is not a United States Person, the Subscriber hereby makes those additional representations applicable to residents of the Subscriber's country of residence as specified in Appendix I to this Subscription Agreement, which shall be incorporated into, and be a part of, this Subscription Agreement.

4. Miscellaneous Provisions.

(a) Indemnification. To the fullest extent permitted by applicable law, the Subscriber agrees to indemnify and hold harmless the Partnership, the General Partner, the Management Company and each manager, officer, director, shareholder, partner or member of the General Partner and/or the Management Company and each other Person that controls, is controlled by, or is under common control with, any of the foregoing within the meaning of Section 15 of the Securities Act, from and against any and all losses, claims, damages, expenses and liabilities relating to or arising out of (i) any breach of any representation, warranty or certification, or any breach of or failure to comply with any covenant or undertaking, made by or on behalf of the Subscriber in this Subscription Agreement (including the Investor Qualification Statement and the Tax Forms) or in any other document furnished by the Subscriber to any of the foregoing in connection with acquiring the Interests or (ii) any action for securities laws violations instituted by or on behalf of the Subscriber that is finally resolved by judgment against the Subscriber.

(b) Representations and Warranties; Additional Information. The Subscriber represents and warrants that all of the answers, statements and information set forth in this Subscription Agreement (including the Investor Qualification Statement and the Tax Forms) are true and correct on the date hereof and will be true and correct as of the date,

if any, that the General Partner accepts this Subscription Agreement, in whole or in part. The Subscriber agrees to notify the General Partner promptly of any change that may cause any answer, statement or information set forth in this Subscription Agreement (including the Investor Qualification Statement and the Tax Forms) to become untrue or misleading in any material respect, and to provide such additional information that the General Partner requests from time to time and deems necessary to determine (i) the eligibility of the Subscriber to hold an Interest or participate in certain Partnership investments, (ii) the Partnership's or the General Partner's compliance with applicable regulatory (including tax) requirements or (iii) the Partnership's tax status. The Subscriber also agrees to provide the Partnership all information that otherwise may be reasonably requested by the General Partner in connection with compliance with applicable law by the General Partner, the Partnership, its Portfolio Companies and their respective affiliates, including, without limitation, all applicable anti-money laundering laws and regulations and all applicable laws, rules and regulations relating to FATCA. The Subscriber further represents and warrants that, except for any alterations to this Subscription Agreement that have been clearly marked on or prior to the date of acceptance of this Subscription Agreement or otherwise have been specifically identified in writing and accepted by the General Partner on or prior to the date of acceptance of this Subscription Agreement, the Subscriber has not altered or otherwise revised this Subscription Agreement in any manner from the version initially received by the Subscriber. The Subscriber acknowledges that it participated in, or had the meaningful opportunity to participate in, the negotiations and drafting of this Subscription Agreement. In the event an ambiguity or question of intent or interpretation arises, this Subscription Agreement shall be construed to be the product of meaningful negotiations between the General Partner and the Subscriber and no presumption or burden of proof shall arise favoring or disfavoring either of them by virtue of the authorship of any of the provisions of this Subscription Agreement. All representations, covenants and agreements of the Subscriber set forth in this Subscription Agreement or in any writing or certificate delivered in connection with this Subscription Agreement shall survive without limitation (including the acceptance of the Subscriber as a limited partner of the Partnership, the cessation of the Subscriber as a limited partner of the Partnership and the dissolution of the Partnership).

(c) Partnership Advisers. The attorneys, accountants and other experts who perform services for the General Partner may also perform services for the Main Fund, Feeder Fund, any Parallel Investment Fund, the Management Company and/or their respective affiliates. It is contemplated that any such dual representation, if commenced, will continue. The General Partner may, without the consent of any Limited Partner, execute on behalf of the Partnership any consent to the representation of the Partnership that counsel may request pursuant to the rules of professional conduct in the applicable jurisdiction. The General Partner has retained Greenberg Traurig, LLP ("GT") and Maples and Calder ("Maples") (as to matters of Cayman Islands law only) in connection with the formation of the Partnership and may retain GT and/or Maples as legal counsel in connection with the management and operation of the Partnership, including, without limitation, making, holding and disposing of investments. Neither GT nor Maples will represent the Subscriber or any other Limited Partner or prospective limited partner of the Partnership, unless the General Partner and such Limited Partner or prospective limited

partner otherwise agree, in connection with the formation of the Partnership, the offering of the Interests, the management and operation of the Partnership or any dispute that may arise between any Limited Partner, on one hand, and the General Partner and/or the Partnership on the other hand (the "Partnership Legal Matters"). If the Subscriber wishes counsel on any Partnership Legal Matter, the Subscriber will retain its own independent counsel with respect thereto and will pay all fees and expenses of such independent counsel. The Subscriber agrees that GT and/or Maples may represent the General Partner and/or the Partnership in connection with the formation of the Partnership and any and all other Partnership Legal Matters (including, without limitation, any dispute between the General Partner and the Subscriber or any other Partner). The Subscriber acknowledges and agrees that (i) GT's and Maples' representation of the General Partner is limited to the specific matters with respect to which they have been retained and consulted by such persons, (ii) there may exist other matters that could have a bearing on the Partnership, the Partnership's investments and portfolio companies, the General Partner and/or their affiliates as to which GT or Maples has been neither retained nor consulted, (iii) neither GT nor Maples undertakes to monitor the compliance of the General Partner and its affiliates with the investment program and other investment guidelines and procedures set forth in the Private Placement Memorandum and the Partnership Agreement, nor does GT and Maples monitor compliance by the Partnership, the General Partner and/or their affiliates with applicable laws, unless in each case GT or Maples has been specifically retained to do so, (iv) neither GT nor Maples investigates or verifies the accuracy and completeness of information set forth in the Private Placement Memorandum concerning the Partnership, the General Partner or any of their respective affiliates and personnel or investments or portfolio companies and (v) except for any opinions specifically set forth in a signed opinion letter issued by GT or Maples, GT and Maples are not providing any advice, opinion, representation, warranty or other assurance of any kind as to any matter to any limited partner of the Partnership.

(d) Successors and Assigns. This Subscription Agreement may not be assigned, except in accordance with the provisions of the Partnership Agreement. This Subscription Agreement, to the extent accepted by the General Partner, will be binding upon the Subscriber's heirs, legal representatives, successors and assigns. This Subscription Agreement shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of the Subscriber and the General Partner.

(e) Governing Law. This Subscription Agreement will be governed by and construed in accordance with the laws of the Cayman Islands (without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than the Cayman Islands); *provided, however*, that any determination with respect to any act or omission constituting gross negligence, willful malfeasance or being commercially reasonable under this Subscription Agreement shall be determined in accordance with the laws of the State of Delaware, United States.

(f) Jurisdiction; Venue; Jury Trial. To the fullest extent permitted by applicable law, any action or proceeding brought by the Subscriber against the General Partner or the Management Company (or their respective direct or indirect owners,

officers, directors, managers or employees in their capacity as such, or in any related capacity) or the Partnership, or relating in any way to this Subscription Agreement, the Partnership Agreement or other Offering Materials, shall be brought and enforced in the courts of the State of Florida located in Miami-Dade County or (to the fullest extent subject matter jurisdiction exists therefore) the United States District Court for the Southern District of Florida and, to the extent permitted by applicable law, the Subscriber irrevocably submits to the non-exclusive jurisdiction of both courts in respect of any action or proceeding between it and the General Partner or the Management Company (or their respective direct or indirect owners, officers, directors, managers or employees in their capacity as such, or in any related capacity) or the Partnership, or relating in any way to this Subscription Agreement, the Partnership Agreement or other Offering Materials. The Subscriber irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of Florida located in Miami-Dade County or the United States District Court for the Southern District of Florida and any claim that any such action or proceeding brought in either court has been brought in an inconvenient forum. THE SUBSCRIBER AND THE GENERAL PARTNER, ON BEHALF OF ITSELF AND THE PARTNERSHIP, IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION OR PROCEEDING BY OR AGAINST THE GENERAL PARTNER, THE MANAGEMENT COMPANY (OR THEIR RESPECTIVE DIRECT OR INDIRECT OWNERS, OFFICERS, DIRECTORS, MANAGERS OR EMPLOYEES IN THEIR CAPACITY AS SUCH, OR IN ANY RELATED CAPACITY) OR THE PARTNERSHIP, OR IN ANY WAY RELATING TO THIS SUBSCRIPTION AGREEMENT, THE PARTNERSHIP AGREEMENT OR OTHER OFFERING MATERIALS.

(g) Severability. Each provision of this Subscription Agreement, including each representation made in the Investor Qualification Statement incorporated herein, shall be considered severable. If it is determined by a court of competent jurisdiction that any provision of this Subscription Agreement is invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Subscription Agreement.

(h) Counterparts. This Subscription Agreement may be executed in one or more counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery by facsimile or electronic transmission of an executed counterpart of any signature page to this Subscription Agreement or other documents (including the Power of Attorney, IQS or Tax Forms) to be executed hereunder or pursuant hereto shall have the same effectiveness as delivery of a manually executed counterpart thereof, and no party shall raise the use of facsimile or electronic transmission of a signature page hereto or thereto as a defense against the formation or enforceability of a contract, and each party hereto forever waives such defense. Sections 8 and 19(3) of the Electronic Transactions Law (2003 Revision) shall not apply to this Subscription Agreement.

(i) Exhibits. Each exhibit or schedule hereto shall be considered incorporated into this Subscription Agreement.

(j) Notice. All notices, demands or other communications to be given and delivered under or by reason of the provisions of this Subscription Agreement shall be in writing and shall be deemed to have been given when delivered in accordance with the notice provisions of the Partnership Agreement.

IN WITNESS WHEREOF, the Subscriber has executed and unconditionally delivered this Subscription Agreement as a Deed on March 6, 2013.

FOR COMPLETION BY ALL SUBSCRIBERS:

Subscriber's Commitment Amount: \$ 50 million

Please indicate to which Partnership the Subscriber is subscribing for a limited partner interest by checking one of the boxes below.

- H.I.G. Bayside Loan Opportunity Fund III (Europe-US\$), L.P.
- H.I.G. Bayside Loan Opportunity Feeder Fund III (Europe-US\$), L.P.

Subscriber's Formal Notice Information:
(to be used for formal notice)

Address:
Commonwealth of Pennsylvania
State Employees' Retirement System
30 N. Third Street, Suite 150
Harrisburg, PA 17101

Attention: _____
Phone No.: _____
Fax No.: _____
E-mail: _____

Subscriber's Other Contact Information if different than Formal Notice Information:
(e.g., home, business or main office)

Address: _____
Attention: _____
Phone No.: _____
Fax No.: _____
E-mail: _____

FOR COMPLETION BY SUBSCRIBERS WHO ARE NATURAL PERSONS:
(i.e., individuals)

Subscriber's Name: _____
(print or type)

Subscriber's Signature: _____
(signature)

Subscriber's Social Security No.: _____

Spouse's Signature: _____
(signature)

(only required if subscription is being made by a husband and wife as joint tenants)

FOR COMPLETION BY SUBSCRIBERS WHO ARE NOT NATURAL PERSONS:
(i.e., corporations, partnerships, limited liability companies, trusts or other entities)

Subscriber's Name: Commonwealth of Pennsylvania
State Employees' Retirement System
(print or type)

By: _____
(signature of authorized representative)

Name: Nicholas J. Maiale
(print or type name of authorized representative)

State of Pennsylvania
County of Dauphin

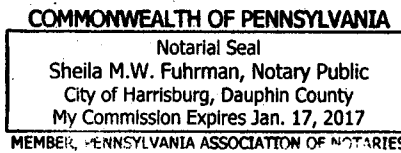
Title: Chairman
(print or type title of authorized representative)

Subscriber's Tax Identification No.: _____

SUBSCRIBED AND SWORN to
before me this 6th day
of March, 2013.

Sheila M. Fuhrman
Notary Public

My Commission Expires: 01/17/2017





**Commonwealth of Pennsylvania State
Employees' Retirement System**

Name of Subscriber
(Please Print or Type)

H.I.G. BAYSIDE LOAN OPPORTUNITY FUND III (EUROPE-US\$), L.P.

**SUBSCRIPTION AGREEMENT
GENERAL PARTNER ACCEPTANCE PAGE
(To Be Completed by the General Partner)**

H.I.G. Bayside Loan Advisors III (Europe-US\$), L.P., the general partner of H.I.G. Bayside Loan Opportunity Fund III (Europe-US\$), L.P. (the "Partnership"), hereby accepts the foregoing subscription on behalf of the Partnership either for (a) the Commitment set forth below or (b) if the Commitment below is left blank, then the Subscriber's requested Commitment amount set forth above the Subscriber's signature on its signature page to the Subscription Agreement, and admits the Subscriber to the Partnership as a Limited Partner.

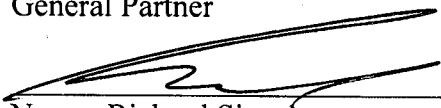
Commitment: \$ 50,000,000.00

Dated: **May 10, 2013**

H.I.G. BAYSIDE LOAN ADVISORS III
(EUROPE-US\$), L.P.

By: H.I.G. Europe Capital Partners GP, Ltd.
Its: General Partner

By:


Name: Richard Siegel
Title: Authorized Signatory

**APPENDIX I
TO SUBSCRIPTION AGREEMENT**

Additional Representations for Non-U.S. Persons

As used herein, the term "Interests" shall mean limited partner interests in the Partnership and the term "Subscriber" shall mean the person or entity executing the Subscription Agreement as the "Subscriber" to which this Appendix I is attached.

SUBSCRIBERS IN BAHRAIN

The Subscriber represents, warrants and acknowledges that the offering and sale of the Interests has been made outside of Bahrain.

SUBSCRIBERS IN CANADA

The Subscriber represents and warrants that (a) the Subscriber has fully and truthfully completed the Supplemental IQS for Canadian Subscribers attached hereto and (b) the Subscriber has not received any general advertising materials relating to the Interests.

SUBSCRIBERS IN THE CAYMAN ISLANDS

The Subscriber represents, warrants and acknowledges that it is not a member of the public in the Cayman Islands.

SUBSCRIBERS IN FRANCE

The Subscriber represents, warrants and acknowledges that the Subscriber was not solicited by any person in relation to the Subscriber's investment in the Partnership and the purchase of the Interests, and the Subscriber requested the Private Placement Memorandum, the Partnership Agreement, this Agreement, the Power of Attorney and any other offering materials on the Subscriber's own initiative.

SUBSCRIBERS IN GREECE

The Subscriber acknowledges that (a) the Subscriber is participating in the offer and sale of the Interests as a result of the Subscriber's unsolicited request and not as a result of any publicity, advertisement, marketing or general announcement to the public, and (b) to the best of the Subscriber's knowledge, no such publicity, advertisements, marketing or announcements have been made in the course of the offering and sale of the Interests.

SUBSCRIBERS IN HONG KONG

The Subscriber represents and warrants that it is a professional investor within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

SUBSCRIBERS IN ITALY

The Subscriber represents, warrants, acknowledges and agrees that either: (a) (i) the Partnership is not an "Undertaking for Collective Investment in Transferable Securities" in compliance with the requirements of E.U. Directive 85/611, as amended, and the Partnership has not been and will not be authorized by the Bank of Italy for distribution in Italy; (ii) the Subscriber has directly contacted the Partnership or the General Partner on the Subscriber's own initiative; (iii) the Private Placement Memorandum, the Partnership Agreement, this Agreement and any other offering materials have been sent to the Subscriber at the Subscriber's express request; and (iv) the Subscriber shall not transfer any Interests to any other Italian resident investor; or (b) (i) the Subscriber has been approached or solicited outside Italy and (ii) any acts for the consummation of the transaction (the execution of the Partnership Agreement, Power of Attorney and this Agreement and the payments in response to capital calls) are taking place and will continue to take place outside Italy.

SUBSCRIBERS IN JAPAN

The Subscriber represents, warrants, acknowledges and agrees that (a) in addition to all other restrictions on transfer, the Subscriber shall not transfer its Interests to more than one investor in Japan and (b) the Subscriber is in compliance with any applicable filing requirements under the Foreign Exchange and Foreign Trade Law and other applicable laws of Japan.

SUBSCRIBERS IN KUWAIT

The Subscriber acknowledges that the Partnership Agreement and this Agreement will be executed and this Agreement accepted by the Partnership outside Kuwait, and that the sale of the Interests will take place outside of Kuwait.

SUBSCRIBERS IN MEXICO

The Subscriber represents and acknowledges that (a) the Subscriber became aware of the offering of the Interests through personal communication with the General Partner and not through mass means of communication and (b) the Interests have neither been registered with the National Registry of Securities (Registro Nacional de Valores) maintained by the National Banking and Securities Commission of Mexico (Comisión Nacional Bancaria y de Valores) (the "CNBV") nor approved by the CNBV.

SUBSCRIBERS IN SINGAPORE

The Subscriber represents and warrants that it is an institutional investor within the meaning of Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or a person referred to in Section 275 of the SFA.

SUBSCRIBERS IN SWITZERLAND

The Subscriber represents and warrants that it is an institutional investor with professional treasury management within the meaning of the Circular Letter 03/1 (as amended) issued by the Swiss Banking Commission (Commission fédérale des banques).

SUBSCRIBERS IN TAIWAN (REPUBLIC OF CHINA)

The Subscriber represents and warrants that it is a qualified investor under the ruling issued by the Republic of China Securities and Futures Bureau, Financial Supervisory Commission under the Securities Investment Trust and Consulting Act and the Rules Governing Offshore Funds.

SUBSCRIBERS IN THE UNITED KINGDOM

The Subscriber represents and warrants that either: (a) the Subscriber is an "investment professional," as defined in article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Financial Promotion Order") (which category includes (i) persons authorized under the Financial Services and Markets Act 2000; (ii) persons exempt from the requirement to be so authorized; (iii) persons whose ordinary activities involve them in investing in such funds for the purposes of a business carried on by them or who it is reasonable to expect will do so for the purposes of a business carried on by them; and (iv) governments, local authorities and *international organizations*), (b) the Subscriber is a high net worth company, unincorporated association etc, as defined in article 49 of the Financial Promotion Order (which category includes (i) a body corporate which has called-up share capital or net assets of (x) where such body corporate has more than 20 members or is a subsidiary undertaking of a parent undertaking which has more than 20 members, not less than £500,000, and (y) in the case of any other body corporate, not less than £5 million; (ii) unincorporated associations and partnerships having net assets of not less than £5 million; and (iii) trustees of trusts where the aggregate value of the cash and investments which form part of the trust's assets (before deducting the amount of its liabilities) is £10 million or more, or has been £10 million or more at any time during the year immediately preceding the date on which the Partnership was first promoted to the trustee), or (c) the Subscriber is a person to whom the Partnership has otherwise lawfully been promoted in accordance with the relevant provisions of the Financial Promotion Order.

Commonwealth of Pennsylvania
State Employees' Retirement System

Name of Subscriber
(Please Print or Type)

H.I.G. BAYSIDE LOAN OPPORTUNITY FUND III (EUROPE-USS), L.P.
H.I.G. BAYSIDE LOAN OPPORTUNITY FEEDER FUND III (EUROPE-USS), L.P.

POWER OF ATTORNEY

The undersigned hereby constitutes, appoints and grants H.I.G. Bayside Loan Advisors III (Europe-USS), L.P., a Cayman Islands exempted limited partnership and the general partner of the Partnership,¹ and each other person or entity that is or becomes a general partner of the Partnership after the Partnership's initial closing date (collectively, the "General Partner") with full power to act as its true and lawful representative, agent and attorney-in-fact, in its name, place and stead, to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish (so long as such person or entity continues to be a general partner of the Partnership) the following:

1. a statement pursuant to Section 9 of the Exempted Limited Partnership Law (2011 Revision) of the Cayman Islands, as amended from time to time, filed with the Registrar of Exempted Limited Partnership of the Cayman Islands (a "Certificate") for the Partnership, an exempted limited partnership, in which the General Partner is the general partner and in which the undersigned is named as a limited partner, and any formation certificates or documents for any alternative investment vehicle created pursuant to the Agreement,² as amended from time to time (each, an "AIV"), including, without limitation, any partnership agreement, operating agreement, limited liability company agreement, shareholders agreement, memoranda of association and articles of association or similar governing document;
2. any amendment to, modification to, restatement of or cancellation of, the Agreement or any Certificate or AIV document described in clause 1 above to which the undersigned has consented or to which the consent of the undersigned is not required in accordance with the terms of the Agreement or applicable AIV document, including the substitution of an authorized and permitted transferee of a limited partner pursuant to the applicable Agreement;
3. all instruments, side letters, documents, certificates and consents that may from time to time be necessary or advisable to effectuate, implement and continue the valid and subsisting

¹ For purposes hereof, "Partnership" shall refer to the applicable entity (either H.I.G. Bayside Loan Opportunity Fund III (Europe-USS), L.P., a Cayman Islands exempted limited partnership or H.I.G. Bayside Loan Opportunity Feeder Fund III (Europe-USS), L.P., a Cayman Islands exempted limited partnership) in which the undersigned is admitted as a limited partner.

² For purposes hereof, "Agreement" shall refer to the applicable partnership agreement (either the Agreement of Exempted Limited Partnership of H.I.G. Loan Opportunity Fund, L.P. or the Agreement of Exempted Limited Partnership of H.I.G. Loan Opportunity Cayman Fund, L.P.) that governs the Partnership in which the undersigned is admitted as a limited partner.

existence of the Partnership or any AIV or admit any additional partners or members thereto, except where such action requires the express approval of the Limited Partners hereunder;

4. all instruments, documents, certificates and consents that may be necessary or advisable in the sole discretion of the General Partner to effectuate the provisions of Section 3.4 of the Agreement;

5. any bills of sale or other appropriate transfer documents necessary or advisable to effectuate transfers of a Regulated Partner's or a Defaulting Partner's interest in the Partnership pursuant to Section 7.7 or Section 7.9, as the case may be, of the Agreement or of a similar interest pursuant to the comparable provisions of the governing documents for any AIV;

6. all instruments, documents, certificates and consents that may be necessary or advisable to effectuate the dissolution, liquidation, winding-up and termination of the Partnership or any AIV or to effectuate any amendment, restatement or modification to or cancellation of the Partnership's certificate of limited partnership;

7. all instruments, documents and certificates that the General Partner determines to be appropriate in connection with the formation or operation of any Parallel Investment Fund or AIV and the transfer of the undersigned's interest in the Partnership to any such AIV, including the admission of the undersigned to any such AIV;

8. all amendments of the Agreement duly made and adopted in accordance with the Agreement;

9. such other documents or instruments as may be required under the laws of the United States, any state thereof, the Cayman Islands or any other jurisdiction; and

10. subscription agreements, accession agreements or deeds of adherence or any other such agreements, including, without limitation, the Agreement or any transfer agreement, on behalf of such Limited Partner, between the Partnership, the General Partner and any persons (each a "New Limited Partner") being admitted by the General Partner to the Partnership as a limited partner (or such other parties as may be appropriate) in such form and on such terms and conditions as the General Partner considers in its sole discretion necessary or appropriate to admit any New Limited Partner to the Partnership and to effect the continuation of the Agreement between the Partners and any New Limited Partners, and the rights and obligations of the parties thereto, whether by an amendment, restatement, novation or otherwise.

The undersigned hereby empowers each attorney-in-fact acting pursuant hereto to determine in its sole discretion the time when, purpose for and manner in which any power herein conferred upon it shall be exercised, and the conditions, provisions and covenants of any instruments or documents which may be executed by it pursuant hereto; provided that the powers of attorney granted herein shall only be exercised in accordance with the Agreement and clauses 1 through 10 above. The powers of attorney granted herein are coupled with an interest in favor of the General Partner, shall secure a proprietary interest of the General Partner of the performance of an obligation owed to the General Partner and (a) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death, incapacity, disability, insolvency or dissolution of the undersigned regardless of whether the Partnership or the General

Partner has notice thereof and (b) shall survive the delivery of an assignment by the undersigned of the whole or any portion of its interest in the Partnership, except that if the assignee thereof has been approved for admission to the Partnership as a substitute limited partner, this Power of Attorney given by the assignor shall survive the delivery of the assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect the substitution. The powers of attorney granted herein shall not be deemed to constitute a written consent of the undersigned for purposes of Section 13.1 of the Agreement.

This Power of Attorney may be exercised by such attorney-in-fact and agent for the undersigned as well as all other Limited Partners (or any of them) by a single signature of the General Partner acting as attorney-in-fact with or without listing the undersigned and all of the other Limited Partners executing an instrument. Any Person dealing with the Partnership may conclusively presume and rely upon the fact that any instrument referred to above, executed by such attorney-in-fact and agent, is authorized and binding, without further inquiry. If required, the undersigned shall execute and deliver to the General Partner, within five (5) business days after receipt of a request therefor, such further designations, powers of attorney or other instruments as the General Partner shall determine to be necessary for the purposes hereof, in each case as consistent with the provisions of the Partnership Agreement.

Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Agreement.

This Power of Attorney shall be executed as a deed and shall be governed and construed in accordance with the laws of the Cayman Islands.

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Signature Page Follows Immediately

IN WITNESS WHEREOF, the undersigned has executed and unconditionally delivered this Power of Attorney as a Deed on the date set forth below.

Dated March 16, 2013

**FOR COMPLETION BY SUBSCRIBERS WHO ARE NATURAL PERSONS:
(i.e., individuals)**

Subscriber's Name: _____
(print or type)

Subscriber's Signature: _____
(signature)

Subscriber's Social Security No.: _____

Spouse's Signature: _____
(only required if subscription is being made by a husband and wife as joint tenants)
(signature)

**FOR COMPLETION BY SUBSCRIBERS WHO ARE NOT NATURAL PERSONS:
(i.e., corporations, partnerships, limited liability companies, trusts or other entities)**

Subscriber's Name: Commonwealth of Pennsylvania State Employees' Retirement System
(print or type)

By: _____
(signature of authorized representative)

Name: Nicholas J. Maiale
(print or type name of authorized representative)

State of Pennsylvania
County of Dauphin

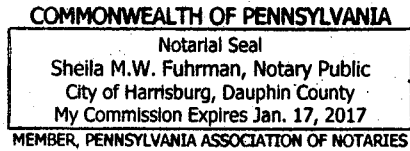
Title: Chairman
(print or type title of authorized representative)

Subscriber's Tax Identification No.: _____

SUBSCRIBED AND SWORN to before me this 6th day of March, 2013.

Sheila M. Fuhrman
Notary Public

My Commission Expires: 01/17/2017



Commonwealth of Pennsylvania
State Employees' Retirement System

Name of Subscriber
(Please Print or Type)

INVESTOR
QUALIFICATION STATEMENT
FOR ENTITIES¹

Part I. Regulation D and Regulation S Matters.

(a) If the Subscriber is *not* a natural person, a revocable grantor trust (the sole settlor (i.e., grantor) of which is a natural person), an individual retirement account or annuity of a natural person or a self-directed employee benefit plan of a natural person (i.e., is, instead, a corporation, partnership, limited liability company, trust or other entity), please indicate with an "X" the category or categories that accurately describe the Subscriber and qualify it as an "accredited investor" pursuant to Regulation D promulgated under the United States Securities Act of 1933, as amended and in effect as of the date hereof (the "Securities Act"):

- _____ (1) a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;
- _____ (2) a broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended;
- _____ (3) an insurance company as defined in Section 2(13) of the Securities Act;
- _____ (4) an investment company registered under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act");
- _____ (5) a business development company as defined in Section 2(a)(48) of the Investment Company Act;
- _____ (6) a Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the United States Small Business Investment Act of 1958, as amended;
- X (7) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;

¹ For purposes hereof, "Partnership" means, as applicable, H.I.G. Bayside Loan Opportunity Fund III (Europe-US\$), L.P., a Cayman Islands exempted limited partnership or H.I.G. Bayside Loan Opportunity Feeder Fund III (Europe-US\$), L.P., a Cayman Islands exempted limited partnership.

(8) an employee benefit plan within the meaning of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and (check all subcategories that apply):

_____ (A) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser,

_____ (B) the employee benefit plan has total assets in excess of \$5,000,000, or

_____ * (C) such plan is a self-directed plan with investment decisions made solely by persons that are "accredited investors";

**See Section (b) below*

_____ (9) a private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Advisers Act");

(10) one of the following entities which was not formed for the specific purpose of making an investment in the Partnership and which has total assets in excess of \$5,000,000:

_____ (A) a corporation, limited liability company or partnership;

_____ (B) an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended; or

_____ (C) a Massachusetts or similar business trust;

_____ (11) a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring limited partnership interests of the Partnership, whose purchase of the limited partnership interests offered is directed by a person with such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in such limited partnership interests; or

_____ * (12) an entity in which all of the equity owners are "accredited investors."

**See Section (b) below*

(b) If the Subscriber is an accredited investor for the reason described in Part I(a)(8)(C) above, **a separate Investor Qualification Statement must be submitted for each person making investment decisions for the Subscriber.** If the Subscriber is an accredited investor for the reason described in Part I(a)(12) above, **a separate Investor Qualification Statement must be submitted for each stockholder, partner, member or other**

beneficial owner of the Subscriber. *In the event the Subscriber is an accredited investor for any of the reasons referenced in this paragraph, the Subscriber may be required to enter into a letter agreement with the Partnership restricting direct and indirect transfers of beneficial interests in the Subscriber to accredited investors.*

(c) If the Subscriber described in Part I(a) is subscribing for a limited partnership interest in the Partnership, is not a "U.S. Person" as defined in Rule 902 of Regulation S and set forth on Appendix B hereto, and is not acquiring a limited partnership interest in the Partnership for the benefit of a U.S. Person, please mark this box with an "X": .

Part II. Investment Company Act Matters.

- (a) The Subscriber is one of the following:
- (1) an "investment company," as defined in Section 3 of the Investment Company Act, registered or required to be registered under the Investment Company Act; or
- (2) a "business development company," as defined in Section 2(a)(48) of the Investment Company Act.

_____ True False

- (b) The Subscriber would be an "investment company" as defined in Section 3(a) of the Investment Company Act if it were not exempt from such definition due to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

_____ True False

- (c) If the answer to Part II(a) or (b) above is "True," the Subscriber's commitment to the Partnership is less than ten percent (10%) of the Partnership's committed capital committed by all of its limited partners (leave blank if the answers to both Part II(a) and (b) above are "False").

_____ True _____ False

- (d) If the answer to Part II(c) above is "False," the number of direct or indirect beneficial owners of the Subscriber's securities as interpreted under the Investment Company Act (other than short-term paper, as such term is interpreted under the Investment Company Act) is _____ (leave blank if the answer to Part II(c) above is "True" or blank).

If at any time during the term of the Partnership any statement in Part II(a), (b), (c), or (d) shall no longer be accurate if made at such time, the Subscriber shall promptly notify the general partner of the Partnership (the "General Partner").

- (e) The Subscriber was not formed or reformed (as interpreted under the Investment Company Act) for the purpose of acquiring limited partnership interests of the Partnership.

True False

- (f) The Subscriber's commitment to the Partnership is less than forty percent (40%) of the Subscriber's assets (including committed capital).

True False

- (g) The Subscriber has made investments prior to the date hereof or intends to make investments in the near future and each beneficial owner of interests in the Subscriber has shared and will share in the same proportion in each such investment (e.g., no beneficial owner of the Subscriber may vary its interests in different investments made by or on behalf of the Subscriber).

True False

- (h) The governing documents of the Subscriber require that each beneficial owner of the Subscriber including, but not limited to, shareholders, partners and beneficiaries, participate through his, her or its interest in the Subscriber in all of the Subscriber's investments and that the profits and losses from each such investment are shared among such beneficial owners in the same proportions as all other investments of the Subscriber. No such beneficial owner may vary his, her or its share of the profits and losses or the amount of his, her or its contribution for any investment made by the Subscriber.

True False

- (i) The Subscriber is not managed as a device for facilitating individual investment decisions of its beneficial owners, but rather is managed as a collective investment vehicle (e.g., no beneficial owner of the Subscriber has the right to "opt out" of an investment or has individual discretion over the amount of his, her or its investment).

True False

Part III. Investment Advisers Act Matters. (Note that the ability to give a response of "True" to each of questions (b), (c) and (d) below that apply qualifies the Subscriber as a "qualified client" under the Investment Advisers Act.)

(a) The Subscriber is:

(1) an entity which is registered as an "investment company" under the Investment Company Act, or which would be an "investment company" as defined in Section 3(a) of the Investment Company Act if it were not exempt from such definition due to Section 3(c)(1) of the Investment Company Act; and/or

_____ True X False

(2) a "business development company" as defined in Section 202(a)(22) of the Investment Advisers Act.

_____ True X False

(b) If the Subscriber answered "False" to each part of Part III(a) above, the Subscriber (i) has a net worth in excess of \$2,000,000, (ii) is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act or (iii) is making a commitment to the Partnership of at least \$1,000,000.

X True _____ False

(c) If the Subscriber answered "True" to any part of Part III(a) above (a "Look-Through Entity"), each equity owner of the Subscriber (i) has a net worth² (including, for natural persons, assets held jointly with such person's spouse) in excess of \$2,000,000, (ii) is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act or (iii) is making a direct or indirect commitment to the Partnership of at least \$1,000,000.

_____ True _____ False

(d) If the Subscriber is a Look-Through Entity and any direct or indirect equity owner of the Subscriber is also a Look-Through Entity, each equity owner of such direct or indirect equity owner (i) has a net worth³ (including, for natural persons, assets held jointly with such person's spouse) in excess of \$2,000,000, (ii) is a "qualified purchaser" as defined in

² For purposes of this item, "net worth" means the excess of total assets at fair market value, including cash, stock, securities, personal property and real estate (other than your primary residence), over total liabilities (other than a mortgage or other debt secured by your primary residence). In the event that the amount of any mortgage or other indebtedness secured by your primary residence exceeds the fair market value of the residence, that excess liability should also be deducted from your net worth. Any mortgage or indebtedness secured by your primary residence incurred within 60 days before the time of the sale of the securities offered hereunder, other than as a result of the acquisition of the primary residence, shall also be deducted from your net worth.

³ See note 2 above for a calculation of net worth.

Section 2(a)(51)(A) of the Investment Company Act or (iii) is making a direct or indirect commitment to the Partnership of at least \$1,000,000.

_____ True

_____ False

Part IV. Qualified Purchaser Matters.

(a) Please indicate with an "X" the category or categories, if any, that accurately describe the Subscriber and qualify it as a "qualified purchaser" as defined under the Investment Company Act:

X (1) an entity acting for its own account or the accounts of other qualified purchasers, that: (i) was not formed or reformed for the specific purpose of acquiring the securities offered by the Partnership; and (ii) which in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in Investments;⁴

_____ (2) a trust: (i) that was not formed or reformed for the specific purpose of acquiring the securities offered by the Partnership; and (ii) as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a qualified purchaser as described in clause (a)(1) or (a)(3) or is a natural person who owns at least \$5,000,000 of Investments;

*See Section (b) below

_____ (3) a company as defined in Section 2(a)(8) of the Investment Company Act⁵ that: (i) was not formed or reformed for the specific purpose of acquiring the securities offered by the Partnership; (ii) owns not less than \$5,000,000 in Investments; and (iii) is owned, directly or indirectly, only by or for two or more natural persons who are related as siblings or spouses (including former spouses), or direct lineal descendants by birth or adoption; spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons (a "Family Company");

*See Section (b) below

⁴ See Appendix A to this Investor Qualification Statement for the definition of "Investments." In determining whether a company is a qualified purchaser pursuant to Part IV(a)(1) there may be included Investments owned by majority-owned subsidiaries of the company, Investments owned by a company (the "Parent Company") of which the company is a majority-owned subsidiary, or by a majority-owned subsidiary of the company and other majority-owned subsidiaries of the Parent Company.

⁵ Section 2(a)(8) of the Investment Company Act defines a "company" as "a corporation, a partnership, an association, a joint-stock company, a trust, a fund, or any organized group of persons whether incorporated or not; or any receiver, trustee in a case under Title 11 of the United States Code or similar official or any liquidating agent for any of the foregoing, in his capacity as such."

- _____ (4) a company in which each beneficial owner of such company's securities is a qualified purchaser;

*See Section (b) below

X

- (5) a qualified institutional buyer as defined in paragraph (a) of Section 230.144A(a) under the Code of Federal Regulations (the "CFR"), acting for its own account, the account of another qualified institutional buyer or the account of a qualified purchaser provided: (i) a dealer described in paragraph (a)(1)(ii) of Section 230.144A of the CFR owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated persons of the dealer; and (ii) a plan referred to in paragraph (a)(1)(D) or (a)(1)(E) of Section 230.144A of the CFR or a trust fund referred to in paragraph (a)(1)(F) of Section 230.144A of the CFR that holds the assets of such a plan, will not be deemed to be acting for its own account if investment decisions with respect to the plan are made by the beneficiaries of the plan, except with respect to investment decisions made solely by the fiduciary, trustee or sponsor of such plan; or

- _____ (6) the Subscriber is not a "qualified purchaser" as defined under the Investment Company Act.

(b) **If the Subscriber is a qualified purchaser for the reason described in Part IV(a)(2) above,** a separate Investor Qualification Statement must be submitted for each trustee, or other person authorized to make decisions with respect to the trust and each settlor or other person who has contributed assets to the trust. **If the Subscriber is a qualified purchaser for the reason described in Part IV(a)(3) above,** additional information regarding the direct and indirect owners of the Family Company may need to be provided to the General Partner. **If the Subscriber is a qualified purchaser for the reason described in Part IV(a)(4) above,** a separate Investor Qualification Statement must be submitted for each beneficial owner of the Subscriber's securities. *In the event the Subscriber is a qualified purchaser for the reasons referenced in Part IV(a)(3) or Part IV(a)(4), the Subscriber may be required to enter into a letter agreement with the Partnership restricting direct and indirect transfers of beneficial interests in the Subscriber to, in the case of Part IV(a)(3), qualified family members and, in the case of Part IV(a)(4), qualified purchasers.*

(c) If the Subscriber is a company formed on or before April 30, 1996 that relies on the exceptions provided for in Section 3(c)(1) or 3(c)(7) of the Investment Company Act to be exempt from registration as an investment company under the Investment Company Act (an "excepted investment company"), the Subscriber hereby represents and warrants that all consents required under the Investment Company Act to the Subscriber's treatment as a qualified purchaser have been obtained.⁶

⁶ The Investment Company Act and the rules and regulations thereunder require that (i) all "beneficial owners" of outstanding securities (other than "short-term paper") of such Subscriber that acquired their interests on or before April 30, 1996, and (ii) all "beneficial owners" of any other excepted investment company that is a "beneficial owner" of outstanding securities (other than "short-term paper") of such Subscriber that acquired their

Part V. Miscellaneous Matters.

(a) Benefit Plan Matters. The Subscriber hereby notifies the General Partner and the Partnership that the following statements are true as indicated:

- (1) The Subscriber is an employee benefit plan that is subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

_____ Yes No

- (2) The Subscriber is an individual retirement account or annuity or other plan that is subject to Section 4975 of the Code (an "IRA").

_____ Yes No

- (3) The Subscriber is an insurance company general account whose underlying assets are deemed under ERISA and applicable regulations to include "plan assets" of one or more "employee benefit plans" subject to ERISA.

_____ Yes No

If Yes, the percentage of the Subscriber's assets that are deemed to be "plan assets" is and will continue to be **no more than** _____% (specify maximum percentage).

- (4) The Subscriber is an entity, account or other pooled investment fund, such as a fund of funds or group trust, whose underlying assets are deemed under United States Department of Labor regulations at § 2510.3-101 et seq., as amended by Section 3(42) of ERISA (the "Plan Asset Regulation"), to include "plan assets" of any "employee benefit plan" subject to ERISA or IRA.

_____ Yes No

If Yes, the percentage of the Subscriber's assets that are deemed to be "plan assets" is and will continue to be **no more than** _____% (specify maximum percentage).

interests in such other excepted investment company on or before April 30, 1996, consent to such treatment. Terms in quotes in the preceding sentence refer to such terms as interpreted under the Investment Company Act. The unanimous consent of all trustees, directors or general partners of a beneficial owner which is a trust or company referred to in Part IV(a)(2) or Part IV(a)(3) shall constitute consent of a beneficial owner for purposes of this Part IV(c).

- (5) The Subscriber is an entity, account or other pooled investment fund, such as a fund of funds or group trust, that may now or in the future have equity investors, partners, members, beneficiaries, or other beneficial owners that are "employee benefit plans" subject to ERISA or IRAs, but whose underlying assets are not currently deemed under the Plan Asset Regulation to include "plan assets" of any "employee benefit plan" subject to ERISA or IRA because investment by "employee benefit plans" is not "significant" (currently defined as 25% or more of any class of the vehicle's equity interests disregarding interests held by fund managers or their affiliates) or the Subscriber complies with another applicable exception under the Plan Asset Regulation.

_____ Yes No

If Yes, the Subscriber complies with and intends to continue to comply with (Check applicable exception under the Plan Asset Regulations):

_____ the "significant participation" exception. The current percentage the Subscriber's underlying assets that are held by "employee benefit plans" is _____ and will continue to be no more than _____ % (specify maximum percentage).

_____ the Venture Capital Operating Company exception

_____ the Real Estate Operating Company exception

_____ another applicable exception under the Plan Asset Regulation (Please specify, including where the Subscriber is permitted to rely on multiple exceptions)

- (b) Is the Subscriber a governmental plan as defined in Section 3(32) of ERISA?

Yes _____ No

- (c) Is the Subscriber a non-U.S. employee benefit plan or other retirement account?

_____ Yes No

(d) Is any fiduciary or other affiliate of the Subscriber a person that has discretionary authority or control, provides investment advice for a fee (direct or indirect), with respect to the Partnership? For purposes of the foregoing, (i) an "affiliate" of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person and (ii) "control" means the power to influence the management policies of such person or influence the investments of such person.

_____ Yes No

(e) Notifications. The Subscriber hereby notifies the General Partner and the Partnership that it is (check any and all that apply):

- _____ (1) a Limited Partner subject to the "BHCA" (as defined in the Agreement of Exempted Limited Partnership of the Partnership (the "Partnership Agreement")), but is investing under Section 4(k) of the BHCA and is thus not a "BHCA Limited Partner" (as defined in the Partnership Agreement);
- _____ (2) a "BHCA Limited Partner" (as defined in the Partnership Agreement);
- (3) a "Tax Exempt Partner" (as defined in the Partnership Agreement);
- _____ (4) a "Foundation Partner" (as defined in the Partnership Agreement);
- _____ (5) an "ERISA Partner" (as defined in the Partnership Agreement); and/or
- _____ (6) not a United States person under §7701(a)(30) of the United States Internal Revenue Code of 1986, as amended.

(f) Type of Entity. The Subscriber represents that it is:

- _____ (1) a corporation;
- _____ (2) a general partnership;
- _____ (3) a limited partnership;
- _____ (4) a limited liability company;
- _____ (5) an unincorporated agency or instrumentality of the government of _____ (specify city, state, province, country and/or other jurisdiction);
- _____ (6) a trust of the following type: _____ (e.g., charitable remainder trust, etc.); or
- (7) the following other form of entity: State Government Pension Plan

(g) Jurisdiction of Organization. The Subscriber represents that its jurisdiction of organization is Commonwealth of Pennsylvania.

(h) Domicile. The Subscriber represents that its principal place of business is located in Pennsylvania (specify state or non-U.S. jurisdiction, including the applicable city, province or other subdivision thereof).

The Subscriber hereby represents and warrants that all of the answers, statements and information set forth in this Investor Qualification Statement are true and correct on the date hereof and will be true and correct as of each date, if any, that the subscription set forth in the Subscription Agreement to which this Investor Qualification Statement is attached is accepted, in whole or in part, by the General Partner. The Subscriber hereby agrees to provide such additional information related to the foregoing as is requested by the General Partner and to notify the General Partner promptly of any change that may cause any answer, statement or information set forth in this Investor Qualification Statement to become untrue in any material respect.

* * * * *

IN WITNESS WHEREOF, the Subscriber has executed this Investor Qualification Statement on the date set forth below.

Dated March 6, 2013

Subscriber's Name: Commonwealth of Pennsylvania State Employees' Retirement System
(print or type)

By: _____
(signature of authorized representative)

Name: Nicholas Maiale
(print or type name of authorized representative)

Title: Chairman
(print or type title of authorized representative)

Subscriber's Tax Identification No.: _____

Subscriber's Wire Transfer Instructions: See Attached Wiring Instructions
Bank Name: _____
Bank Location: _____
ABA Routing Number (for U.S. Banks): _____
Swift Code (for non-U.S. Banks): _____
Account Number: _____
Reference: _____

APPENDIX A
To Individual and Entity Investor Qualification Statements

Definition of "Investment" for purposes of the Investment Company Act

For purposes of determining whether the Subscriber qualifies as a "qualified purchaser" under the Investment Company Act, the term Investments¹ means:

(1) Securities (as defined by Section 2(a)(1) of the Securities Act), other than securities of an issuer that controls, is controlled by, or is under common control with the Subscriber, unless the issuer of such securities is: (A) an investment company, a company that would be an investment company but for an exclusion provided by Sections 3(c)(1) through 3(c)(9) of the Investment Company Act or the exemptions provided by Section 270.3a-6 or 270.3a-7 of CFR, or a commodity pool; (B) a company that files reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or has a class of securities that are listed on a "designated offshore securities market" as such term is defined by Regulation S under the Securities Act; or (C) a company with shareholders' equity of not less than \$50 million (determined in accordance with generally accepted accounting principles) as reflected on the company's most recent financial statements, provided that such financial statements present the information as of a date within 16 months preceding the date on which the Subscriber will acquire the securities of the Partnership;

(2) Real estate held for investment purposes. Real estate shall not be considered to be held for investment purposes by the Subscriber if it is used by the Subscriber or a Related Person (A) for personal purposes or as a place of business, or (B) in connection with the conduct of the trade or business of the Subscriber or a Related Person, provided that real estate owned by the Subscriber if the Subscriber is engaged primarily in the business of investing, trading or developing real estate in connection with such business may be deemed to be held for investment purposes. Residential real estate shall not be deemed to be used for personal purposes if deductions with respect to such real estate are not disallowed by Section 280A of the Code. A "Related Person" means a person who is related to the Subscriber as a sibling, spouse or former spouse, or is a direct lineal descendant or ancestor by birth or adoption of the Subscriber or is a spouse of such descendant or ancestor; provided that, in the case of a Family Company, a

¹ For purposes of determining whether the Subscriber is a qualified purchaser, the aggregate amount of Investments owned and invested on a discretionary basis by the Subscriber will be the Investments' fair market value on the most recent practicable date, or their cost; *provided that:* (i) in the case of Commodity Interests (as defined in paragraph 3 of this Appendix A), the amount of Investments will be the value of the initial margin or option premium deposited in connection with such Commodity Interests; and (ii) in each case, deduct from the amount of Investments owned by the Subscriber the following amounts, as applicable: (a) the amount of any outstanding indebtedness incurred to acquire or for the purpose of acquiring the Investments owned by the Subscriber (including, in the case of any joint Investments, any outstanding indebtedness incurred by the spouse to acquire or for the purpose of acquiring the Investments) and (b) in addition to the amount specified in clause (a) of this sentence with respect to a Family Company (described in Part IV(a)(3) of the Investor Qualification Statement for Entities), the amount of outstanding indebtedness incurred by an owner of the Family Company to acquire or for the purpose of acquiring such Investments.

Related Person includes any owner of the Family Company and any person who is a Related Person of such owner;

(3) Commodity Interests held for investment purposes. "Commodity Interests" means commodity futures contracts, options on commodity futures contracts, and options on physical commodities which are traded on or subject to the rules of any contract market designated for trading such transactions under the Commodity Exchange Act and the rules thereunder or any board of trade or exchange outside the United States, as contemplated in Part 30 of the rules under the Commodity Exchange Act. A Commodity Interest owned by the Subscriber who is engaged primarily in the business of investing, reinvesting, or trading in Commodity Interests in connection with such business may be deemed to be held for investment purposes;

(4) Physical Commodities held for investment purposes. "Physical Commodity" means any physical commodity with respect to which a Commodity Interest is traded on or subject to the rules of any contract market designated for trading such transactions under the Commodity Exchange Act and the rules thereunder or any board of trade or exchange outside the United States, as contemplated in Part 30 of the rules under the Commodity Exchange Act. A Physical Commodity owned by the Subscriber who is engaged primarily in the business of investing, reinvesting, or trading in Physical Commodities in connection with such business may be deemed to be held for investment purposes;

(5) To the extent not securities, financial contracts (as such term is defined in Section 3(c)(2)(B)(ii) of the Investment Company Act) entered into for investment purposes. A financial contract entered into by the Subscriber who is engaged primarily in the business of investing, reinvesting, or trading in financial contracts in connection with such business may be deemed to be held for investment purposes;

(6) If the Subscriber is a commodity pool or company that would be an investment company except that it is relying on an exception provided in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, any amounts payable to the Subscriber pursuant to a firm agreement or similar binding commitment pursuant to which a person has agreed to acquire an interest in, or make capital contributions to, the Subscriber upon the demand of the Subscriber; and

(7) Cash and cash equivalents (including in currencies other than the US dollar) held for investment purposes, including: (A) bank deposits, certificates of deposit, bankers acceptances and similar bank instruments held for investment purposes; and (B) the net cash surrender value of an insurance policy.

APPENDIX B
To Individual and Entity Investor Qualification Statements

Definition of "U.S. Person" for purposes of the Securities Act

"U.S. Person" means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a U.S. Person;
- (iv) Any trust of which any trustee is a U.S. Person;
- (v) Any agency or branch of a non-United States entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
 - (A) Organized or incorporated under the laws of any non-United States jurisdiction; and
 - (B) Formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Regulation D) who are not natural persons, estates or trusts.

However, the following are not U.S. Persons:

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if:
 - (A) An executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and
 - (B) the estate is governed by non-United States law;
- (iii) Any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;

(iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(v) Any agency or branch of a U.S. Person located outside the United States if:

(A) The agency or branch operates for valid business reasons; and

(B) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations and their agencies, affiliates and pension plans.

Privacy Notice¹

H.I.G. Bayside Loan Advisors III (Europe-USS), L.P.²
H.I.G. Bayside Loan Opportunity Fund III (Europe-USS), L.P.
H.I.G. Bayside Loan Opportunity Feeder Fund III (Europe-USS), L.P.

Our Commitment to Your Privacy: We are sensitive to the privacy concerns of our individual limited partners. We have a long-standing policy of protecting the confidentiality and security of information we collect about you. We are providing you with this notice to help you better understand why and how we collect certain personal information, the care with which we treat that information, and how we use that information.

Sources of Non-Public Information: In connection with forming and operating our private investment funds for our limited partners, we collect and maintain non-public personal information from the following sources:

- Information we receive from you in conversations over the telephone, in voicemails, through written correspondence, via e-mail or in subscription agreements, investor questionnaires, applications or other forms;
- Information about your transactions with us or others; and
- Information captured on our website, including registration information and any information captured via "cookies."

Disclosure of Information: We do not disclose any non-public personal information about you to anyone, except as permitted or required by law or regulation and to service providers.

Former Limited Partners: We maintain non-public personal information of our former limited partners and apply the same policies that apply to current limited partners.

Information Security: We consider the protection of sensitive information to be a sound business practice, and to that end we employ physical, electronic and procedural safeguards to protect your non-public personal information in our possession or under our control.

Further Information: We reserve the right to change our privacy policies and this Privacy Notice at any time. The examples contained within this notice are illustrations only and are not intended to be exclusive. This notice complies with the privacy provisions of Regulation S-P under the U.S. Gramm-Leach-Bliley Act. You may have additional rights under other non-U.S. or U.S. laws that may apply to you.

¹ This Privacy Notice is intended only for individuals and certain entities that are essentially "alter egos" of individuals (e.g., revocable grantor trusts, IRAs or certain estate planning vehicles).

² This Privacy Notice is also being provided to you on behalf of, and with respect to, all management companies and fund general partners affiliated with such entities.

Pennsylvania State Employees Retirement System – Correspondence Chart

MELLON TRUST
WIRE INSTRUCTIONS

Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

| | | |
|--|---|---|
| Print or type See Specific instructions on page 2. | Name (as shown on your income tax return) Commonwealth of Pennsylvania State Employees' Retirement System | |
| | Business name/disregarded entity name, if different from above | |
| | Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ | |
| | <input type="checkbox"/> Exempt payee | |
| | <input checked="" type="checkbox"/> Other (see instructions) ▶ state governmental pension | |
| Address (number, street, and apt. or suite no.) 30 North Third Street, Suite 150 | | Requester's name and address (optional) |
| City, state, and ZIP code Harrisburg, PA 17101-1716 | | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| | | | | |
|--|--|--|--|--|
| Social security number | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> </tr> </table> | | | | |
| | | | | |
| Employer identification number | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> </tr> </table> | | | | |
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|---|-----------------------|
| Sign Here | Signature of U.S. person <i>Laura R. Beckle, Admin. Officer</i> | Date ▶ <i>2/26/13</i> |
|------------------|---|-----------------------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.