

OLD REPUBLIC INTERNATIONAL CORP
Form DEF 14A
April 15, 2019

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Old Republic International Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Securities and Exchange Commission
450 Fifth Street, N.W.
Judiciary Plaza
Washington, D.C. 20549

April 5, 2019

RE: Old Republic International Corporation
Commission File No. 001-10607
Definitive Proxy Material

Dear Staff:

I am filing, pursuant to Rule 14a-6 of Regulation 14A under Sub-section 14 of the Securities Exchange Act of 1934, a definitive copy of the Notice, Proxy Statement and form of Voting Stock Proxy solicitation materials for the Annual Meeting of Shareholders of Old Republic International Corporation (the "Company") to be held on May 24, 2019. Definitive copies of the proxy materials, together with the Annual Report to Shareholders, will first be available to shareholders of the Company no earlier than April 15, 2019.

Pursuant to sub-part 232.101(b)(1) of Regulation S-T, the Company has elected not to submit its Annual Report to Shareholders in an electronic format. In accordance with Rule 14a-3(c), seven copies will be filed separately with the Commission.

Sincerely yours,

/s/ Joshua Larman

Joshua Larman
Counsel

NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

| | |
|-------------------------------|--|
| TIME AND DATE | 3:00 P.M. Central Daylight Time, Friday, May 24, 2019 Old Republic Building |
| PLACE | 22nd Floor Conference Center 307 N. Michigan Avenue Chicago, Illinois 60601 To elect five members of the Class 2 Board of Directors, each for a term of three years. To ratify the selection of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for 2019. |
| ITEMS OF BUSINESS | To vote in an advisory capacity concerning the Company’s executive compensation. To vote in an advisory capacity on a properly made proposal submitted by a shareholder. To transact such other business as may properly come before the meeting and any adjournment or postponement thereof. |
| RECORD DATE | You can vote if you are a shareholder of record on March 29, 2019. Our annual report to shareholders for 2018 is printed together with this proxy statement. |
| ANNUAL REPORT TO SHAREHOLDERS | The Company’s Forms 10-K, 10-Q and other reports to shareholders may also be accessed through our website at www.oldrepublic.com or by writing to Investor Relations at the Company address. |
| PROXY VOTING | It is important that your shares be represented and voted at the Annual Meeting of the Shareholders. You can vote your shares by completing and returning your proxy card, by voting on the Internet, or by telephone. |
| April 15, 2019 | By order of the Board of Directors John R. Heitkamp, Jr. Senior Vice President, General Counsel and Secretary |

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Proxy Statement

OLD REPUBLIC INTERNATIONAL CORPORATION

ANNUAL MEETING OF THE SHAREHOLDERS

May 24, 2019

GENERAL INFORMATION

This Proxy Statement is being furnished to the shareholders of Old Republic International Corporation, a Delaware insurance holding corporation (together with its subsidiaries, the “Company”, “Old Republic” or “ORI”), with its executive office at 307 North Michigan Avenue, Chicago, Illinois 60601. This Statement is furnished in connection with the solicitation of proxies by ORI’s Board of Directors for use at the Annual Meeting of the Shareholders to be held on May 24, 2019 and any adjournments thereof. The approximate date on which this proxy statement and the accompanying proxy are first being sent to the shareholders is April 15, 2019.

Your proxy may be revoked at any time before shares are voted by written notification addressed to the persons named therein as proxies, and mailed or delivered to the Company at the above address. All shares represented by effective proxies will be voted at the meeting and at any adjournments thereof.

If the enclosed proxy is properly executed and returned in time for voting, the shares represented thereby will be voted as indicated thereon. If no specification is made, the proxy will be voted by the Company’s proxy committee (whose members are listed on the proxy card) for: (a) the election of the director nominees named below (or substitutes thereof if any nominees are unable or refuse to serve); (b) the selection of the Company’s independent registered public accounting firm; (c) the advisory vote concerning the Company’s executive compensation as recommended by the Board of Directors; (d) against the submitted shareholder proposal, if made; and (e) in the discretion of the proxy committee upon any other matters which may properly come before the meeting.

The Company has one class of voting stock outstanding - Common Stock, \$1.00 par value per share (“Common Stock”). On March 29, 2019, there were 302,921,681 shares of Common Stock outstanding and entitled to one vote each on all matters to be considered at the meeting. Shareholders of record as of the close of business on that date are entitled to notice of and to vote at the meeting. There are no cumulative voting rights with respect to the election of directors.

VOTING PROCEDURES

The Company’s Restated Certificate of Incorporation and Restated By-laws prescribe voting procedures for certain, but not all corporate actions. When no procedures are prescribed, the General Corporation Law of the State of Delaware applies. Matters presented at the Company’s Shareholder Meetings are decided as follows: (1) directors are elected by a plurality of the shares present in person or by proxy at the meeting and entitled to vote; (2) amendments to the Company’s Restated Certificate of Incorporation are determined by the affirmative vote of the majority of shares outstanding and entitled to vote, except for: (a) amendments that concern approval thresholds for plans of merger or other business transactions not unanimously approved by the Board of Directors, which require the approval of 80% of the shares entitled to vote, or (b) amendments that concern the number or terms of the Board of Directors, which require the approval of 66-2/3% of the shares entitled to vote; (3) shareholder action to repeal, alter, amend or adopt new by-laws, which require the approval of 66% of the shares entitled to vote; and (4) all other matters are determined by the affirmative vote of the majority of shares present in person or by proxy at the meeting and entitled to vote.

Under Delaware law, the votes at the Company’s Annual Meeting of the Shareholders will be counted by the inspectors of election appointed by the Chairman at the meeting. The inspectors are charged with ascertaining the number of shares outstanding, the number of shares present, whether in person or by proxy, and the validity of all proxies. The inspectors are entitled to rule on any voting challenges and are responsible for the tabulation of the voting results.

A quorum for the Company's Annual Meeting of the Shareholders is one third of the shares outstanding and entitled to vote appearing in person or by proxy at the meeting. Under Delaware law, abstentions are counted in determining the quorum of the meeting and as having voted on any proposal on which an abstention is voted. Therefore, on those proposals that require a plurality vote of the shares entitled to vote in person or by proxy at the meeting, the vote of an abstention has no effect. However, on those proposals that require an affirmative vote of at least a majority of shares present in person or by proxy at the meeting, the vote of an abstention has the effect of a vote against the proposal.

1

Shares beneficially owned but registered in the name of a broker or bank will be counted for the determination of a quorum for the meeting if there is a discretionary voting item on the meeting agenda within the meaning of section 402.08 of the New York Stock Exchange (“NYSE”) Listed Company Manual. If there is a discretionary item on the agenda and the broker or bank does not vote these shares (a “non-vote”), they will not be counted as having voted on the proposal. Therefore, on those proposals that require a plurality or at least a majority vote of the shares at the meeting that are entitled to vote, a non-vote will have no effect. However, on those proposals that require an affirmative vote of at least a majority of the shares outstanding that are entitled to vote, a non-vote has the effect of a vote against the proposal. If there are no discretionary voting items on the meeting agenda, shares beneficially held in the name of a broker or bank shall not be counted in determining a quorum. This year Item 2 is a discretionary voting item; all other items are non-discretionary.

Shareholders can simplify their voting and save Old Republic expense by voting by telephone or by Internet. If you vote by telephone or Internet, you need not mail back your proxy card. Telephone and Internet voting information is provided on your proxy card. A Control Number, located on the proxy card, is designed to verify your identity and allow you to vote your shares and confirm that your voting instructions have been properly recorded. If your shares are held in the name of a bank or broker, follow the voting instructions on the form you receive from that firm. To revoke a proxy given, or change your vote cast, by telephone or Internet, you must do so by following the directions on your proxy card, provided such changes are made by 11:59 PM, Eastern Daylight Time on May 23, 2019.

HOUSEHOLDING OF PROXIES

The Securities and Exchange Commission (“SEC”) has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for annual reports and proxy statements with respect to two or more shareholders sharing the same address by delivering a single annual report and/or proxy statement addressed to those shareholders. This process, which is commonly referred to as “householding,” potentially provides extra convenience for shareholders and cost savings for companies. The Company and some brokers who distribute annual reports and proxy materials may deliver a single annual report and/or proxy statement to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders.

Once you have received notice from your broker or the Company that your broker or the Company will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. You may request to receive promptly at any time a separate copy of our annual report or proxy statement by sending a written request to the Company at the above address, attention Investor Relations, or by visiting our website, www.oldrepublic.com and downloading this material.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate annual report and proxy statement in the future, please notify your broker if your shares are held in a brokerage account, or if you hold registered shares, the Company’s transfer agent, EQ Shareowner Services, P.O. Box 64874, St. Paul, MN 55164, phone number 800-401-1957.

OTHER MATTERS FOR THE ANNUAL MEETING OF THE SHAREHOLDERS

The Company knows of no matters, other than those referred to herein, that will be presented at the meeting. If, however, any other appropriate business should properly be presented at the meeting, the proxies named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

EXPENSES OF SOLICITATION

All expenses incident to the solicitation of proxies by the Company will be paid by the Company. In addition to solicitation by mail, the Company has retained D. F. King & Company of New York City, to assist in the solicitation of proxies. Fees for this solicitation are expected to be approximately \$9,000. The Company intends to reimburse brokerage houses and other custodians, nominees and fiduciaries for reasonable out of pocket expenses incurred in forwarding copies of solicitation material to beneficial owners of Common Stock held of record by such persons. In a limited number of instances, regular employees of the Company may solicit proxies in person or by telephone.

PRINCIPAL HOLDERS OF SECURITIES

The following tabulation shows with respect to (i) each person who is known to be the beneficial owner of more than 5% of the Common Stock of the Company; (ii) the Company's Employees Savings and Stock Ownership Plan (ESSOP); (iii) each director and executive officer of the Company (including nominees); and (iv) all directors and executive officers, as a group: (a) the total number of shares of Common Stock beneficially owned as of March 29, 2019, except as otherwise noted, and (b) the percent of the class of Common Stock so owned:

| Title of Class | Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | | | Percent of Class(*) | |
|---|--|---|---|------------------------------------|---------------------|----------------------|
| Common Stock Shareholders' beneficial ownership of more than 5% of the Common Stock and the ESSOP ownership | BlackRock, Inc. 55 East 52 nd Street New York, New York 10022 | 31,855,862 | | | (1) 10.5 | |
| | The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355 | 27,297,773 | | | (1) 9.0 | |
| | State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111 | 21,981,051 | | | (1) 7.3 | |
| | Old Republic International Corporation Employees Savings and Stock Ownership Trust 307 N. Michigan Avenue Chicago, Illinois 60601 | 15,055,318 | | | (2) 5.0 | |
| Common Stock | Name of Beneficial Owner | Shares Subject to Stock Options(*) | Shares Held by Employee Plans(*) (2)(3) | Other Shares Beneficially Owned(*) | Total | Percent of Class (*) |
| | Steven J. Bateman | 0 | 0 | 15,412 | 15,412 | ** |
| | Harrington Bischof | 0 | 0 | 20,239 | 20,239 | (4) ** |
| | Jimmy A. Dew | 0 | 122,269 | 745,657 | 867,926 | (5) 0.3 |
| | John M. Dixon | 0 | 0 | 21,061 | 21,061 | ** |
| | Charles J. Kovalski | 0 | 0 | 5,586 | 5,586 | ** |
| | Spencer LeRoy III | 0 | 0 | 100,686 | 100,686 | (6) ** |
| | Peter B. McNitt(***) | 0 | 0 | 0 | 0 | ** |
| | Karl W. Mueller | 198,000 | 20,151 | 22,009 | 240,160 | 0.1 |

Directors' and Executive Officers' (including nominees) Beneficial Ownership

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| | | | | | |
|--|-----------|---------|-----------|-----------|---------|
| R. Scott Rager | 340,000 | 85,783 | 2,500 | 428,283 | 0.1 |
| Glenn W. Reed | 0 | 0 | 5,000 | 5,000 | ** |
| Craig R. Smiddy | 47,000 | 12,424 | 6,720 | 66,144 | ** |
| Arnold L. Steiner | 0 | 0 | 752,438 | 752,438 | (7) 0.3 |
| Fredricka Taubitz | 0 | 0 | 19,000 | 19,000 | ** |
| Charles F. Titterton | 0 | 0 | 22,813 | 22,813 | (8) ** |
| Dennis Van Mieghem | 0 | 0 | 17,800 | 17,800 | (9) ** |
| Steven R. Walker | 0 | 0 | 60,000 | 60,000 | (10)** |
| Rande K. Yeager | 146,500 | 46,953 | 45,297 | 238,750 | 0.1 |
| Aldo C. Zucaro | 740,000 | 640,185 | 1,260,080 | 2,640,265 | 0.9 |
| Directors and Executive Officers, as a group (20) | 1,622,275 | 994,677 | 3,178,909 | 5,795,861 | 1.9 |

*Calculated pursuant to Rule 13d-3(d) of the Securities Exchange Act of 1934. Unless otherwise stated below, each such person has sole voting and investment power with respect to all such shares. Under Rule 13d-3(d), shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but are not deemed outstanding for the purpose of calculating the percentage owned by each other person listed. None of the options shown for executive officers were exercised prior to the Company's record date and therefore are not eligible to vote at the Annual Meeting of the Shareholders.

**Less than one-tenth of one percent.

***Mr. McNitt joined the Board on January 30, 2019.

(1) Reflects the number of shares as of December 31, 2018 shown in the most recent Schedule 13G filings with the SEC. BlackRock, Inc. has reported sole voting for 30,455,586 shares and sole dispositive power for 31,855,862 shares. The Vanguard Group has reported that it has sole and shared voting power for 137,736 and 32,495 shares, respectively and sole and shared dispositive power for 27,152,997 shares and 144,776 shares, respectively. State Street Corporation has reported that it has shared voting power for 20,902,629 shares and shared dispositive power for 21,981,051 shares.

(2) Reflects the number of shares held as of December 31, 2018 as follows:

(a) Under the terms of the Old Republic International Corporation Employees Savings and Stock Ownership Plan ("ESSOP"), a participant is entitled to vote the Company Common Stock held by the ESSOP, the shares of which have been allocated to the participant's account. The Executive Committee of the Company is authorized to vote the Company Common Stock held by the ESSOP until such time as the shares of such stock have been allocated to a participant's account or where a participant fails to exercise his or her voting rights. In these regards, the Executive Committee may be deemed to have sole investment power with respect to unallocated stock and shared power for allocated stock held by the ESSOP.

In addition to the ESSOP, the Old Republic International Employees Retirement Plan holds an aggregate of (b) 2,964,150 shares of the Company's Common Stock not included in this table. The voting of these shares is controlled, directly or indirectly in a fiduciary capacity, by the Executive Committee.

The trustees of the Company's Baseline Security Plan ("BSP"), on December 31, 2018, owned an aggregate of (c) 728,016 shares of the Company Common Stock. These shares are not included in this table, because each participant is entitled to vote the shares of the Company's Common Stock held by the BSP that have been allocated to their account.

American Business & Mercantile Insurance Mutual Inc. ("ABM") and its subsidiary own 1,268,700 shares of the (d) Company's Common Stock. ABM is a mutual insurer controlled by its policyholders and indirectly by the Company through management agreements, the ownership of its surplus notes, and by directors and officers who are employees of the Company.

Includes only the shares that have been allocated to the employer matching and employee savings accounts of the director or executive officer as a participant in the ESSOP. Excludes those shares for which the director or (3) executive officer may be deemed to have investment and voting power as a result of being a member of the Executive Committee. These numbers include shares of the Company's Common Stock held by the BSP for Mr. Rager.

(4) Includes 8,437 shares held in an IRA trust for Mr. Bischof's benefit.

(5) Includes 315,908 shares owned by Mr. Dew's wife and 93,682 shares held in an IRA trust for Mr. Dew.

(6) Includes 40,587 shares held in IRA or Roth IRA trusts for Mr. LeRoy's benefit.

Includes 270,237 shares owned by Mr. Steiner directly, 391,000 shares held in trust for Mr. Steiner's children, for (7) which he is a co-trustee, and 91,201 shares held by the Steiner Foundation for which Mr. Steiner disclaims beneficial ownership.

(8) Includes 6,775 shares held in IRA and SEP-IRA trusts for Mr. Titterton's benefit.

(9) Includes 12,125 shares held in an IRA trust for Mr. Van Mieghem's benefit.

(10) Includes 26,000 shares held in IRA and SEP-IRA trusts for Mr. Walker's benefit, and 22,000 shares held by his wife.

ITEM 1
ELECTION OF DIRECTORS

The following table lists the nominees and continuing directors of the Company. Five Class 2 directors are to be elected at the Annual Meeting of the Shareholders for a term of three years and until their successors are elected and qualified. The nominees are current directors standing for re-election. It is intended that, in the absence of contrary specifications, votes will be cast pursuant to the enclosed proxies for the election of such nominees. Should any of the nominees become unable or unwilling to accept nomination or election, it is intended that, in the absence of contrary specifications, the proxies will be voted for the balance of those named and for a substitute nominee or nominees. However, the Company does not expect such an occurrence. All of the nominees have consented to be slated and to serve as directors if elected.

Mr. Charles J. Kovaleski was elected a Class 3 director in August 2018. Mr. Kovaleski shall stand for election as a director, in due course, with the other members of Class 3 in 2020. Mr. Kovaleski is a retired attorney and was with Attorneys' Title Insurance Fund, Orlando, Florida from 1980 to 2009. He also served as an officer with one of the Company's subsidiaries between 2009 and 2016. Mr. Kovaleski is not considered independent and is not a member of any committees.

Mr. Peter B. McNitt was elected a Class 1 director in January 2019. Mr. McNitt shall stand for election as a director with the other members of Class 1 in 2021. Mr. McNitt is the retired Vice Chair of BMO Harris Bank. He qualifies as an independent director, and was named a member of the Audit and the Compensation Committees when he was elected.

Messrs. Kovaleski and McNitt were both known at various times by several of the Company directors and the Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO") prior to their election. The Governance and Nominating Committee approved the selection of each, and each was unanimously elected by the Board of Directors. No third party

was involved in the recruitment or selection of Mr. Kovaleski and Mr. McNitt as a director and no fee was paid to any individual or entity in connection with such selection. Given the reasons and background information cited next to each nominee's name below, the Board of Directors believes that each of the nominees and the other continuing directors are eminently qualified to serve Old Republic's shareholders and other stakeholders.

Name Age Positions with Company, Business Experience and Qualifications

Nominees for Election: CLASS 2 (Term to expire in 2022)

Steven J. Bateman 60 Director since 2017. An audit partner with the accounting firm of PricewaterhouseCoopers LLP until his retirement, he had a 37 year career as an auditor and business advisor for a large number of organizations engaged in all major insurance fields. During that period of time, he gained a wealth of knowledge and experience in the business and the risk factors associated with the insurance industry. His background and experience will harmonize extremely well with the Company's business and the Board's governance objectives.

Jimmy A. Dew 78 Director since 1980. Formerly Vice Chairman of Old Republic's subsidiary, Republic Mortgage Insurance Company ("RMIC"), of which he was a co-founder in 1973. His knowledge of RMIC gained in an executive capacity since its founding and his long service on Old Republic's Board make him fully conversant with the insurance industry and its risk factors.

John M. Dixon 79 Director since 2003. Formerly Chief Executive Partner with the law firm of Chapman and Cutler, Chicago, Illinois until his retirement in 2002. His qualifications include his extensive background as an attorney and his knowledge of corporate law and the risk factors of corporations like the Company.

Glenn W. Reed 66 Director since 2017. Mr. Reed served as a Managing Director of The Vanguard Group, Inc., one of the world's largest asset-management firms until his retirement from the firm in 2017. While at Vanguard, Mr. Reed had overall responsibility for Vanguard's corporate finance and mutual fund finance functions, most recently heading up the firm's Strategy division. Prior to joining Vanguard in 2007, he served as general counsel for a multi-line health and life insurance company following a 21-year career in the partnership of the Chicago-based law firm of Gardner, Carton & Douglas (now Drinker Biddle). This long-term experience and deep knowledge gained in these fields of endeavor harmonize extremely well with the Company's business needs and the Board's governance objectives.

Dennis P. Van Mieghem 78 Director since 2004. A CPA by training, he was the Partner in charge of the National Insurance Tax Practice of the accounting firm of KPMG LLP until his 1998 retirement. With this background, he brings significant experience and knowledge of the insurance industry and its risk factors to Old Republic's Board.

Continuing Directors: CLASS 3 (Term expires in 2020)

Charles J. Kovaleski 70 Director since August 2018. Retired as an attorney, he was formerly with Attorneys' Title Insurance Fund, Orlando, Florida as well as an officer with one of the Company's Title subsidiaries for many years. He brings extensive general business experience to Old Republic's Board particularly in real estate and title insurance.

Arnold L. Steiner 81 Director since 1974. Retired for more than five years from Steiner Bank, Birmingham, Alabama of which he was President and a substantial owner. He has long and significant experience in financial businesses and has extensive knowledge of the Company and its risk factors.

Fredricka Taubitz 75 Director since 2003. A CPA by training, she was until 2000 Executive Vice President and Chief Financial Officer of Zenith National Insurance Corp. Until 1985, she was a partner with the accounting firm of Coopers & Lybrand (now PricewaterhouseCoopers LLP). During her long professional career she has gained significant experience in, and knowledge of, the business and the risk factors associated with the insurance industry.

Aldo C. Zucaro 80 Director since 1976. Chairman of the Board and Chief Executive Officer of the Company and various subsidiaries since 1993. A CPA by training, he brings a significant background as a former insurance specialist partner with Coopers & Lybrand (now PricewaterhouseCoopers LLP), and

long-term experience with the insurance industry in general, and the Company in particular, since 1970.

Continuing Directors: CLASS 1 (Term expires in 2021)

| | | |
|-------------------------|----|--|
| Harrington Bischof | 84 | Director since 1997. President of Pandora Capital Corporation since 1996. Formerly Senior Advisor with Prudential Securities, Inc. and prior to that, a senior investment banker with the firms of Merrill, Lynch & Co. and White, Weld & Co. His experience in business, investment banking, and international finance are of significant value to the Company's corporate governance. |
| Spencer LeRoy III | 73 | Director since 2015. Until his retirement in 2014, he was Senior Vice President, Secretary and General Counsel of the Company since 1992. Prior to that, he was a partner with the law firm of Lord, Bissell and Brook, now known as Locke Lord LLP. His legal career involved all aspects of insurance, corporate governance and financial-related matters. Mr. LeRoy has a long and significant legal experience and extensive knowledge of the Company and its risk factors. |
| Peter B. McNitt | 64 | Director since January 30, 2019. He is the retired Vice Chair of BMO Harris Bank; a position he held since 2006. Prior to that, he led BMO Harris' U.S. Corporate Banking as Executive Vice President and U.S. Investment Banking as Executive Managing Director. He has long-term experience and deep knowledge gained during his more than 40 year-long career. His wide range of responsibilities focused on the delivery of the full breadth of wealth, and commercial and investment banking services to customers. |
| Charles F. Titterton | 77 | Director since 2004. Formerly Director - Insurance Group with Standard & Poor's Corp. ("S&P") until 2003. He has significant business experience and knowledge of the risk factors connected with the insurance industry by virtue of his long career as a lending officer with a major banking institution and with S&P. |
| Steven R. Walker | 74 | Director since 2006. Formerly Senior Counsel and Partner with Leland, Parachini, Steinberg, Matzger & Melnick, LLP, attorneys, San Francisco, California. He has significant experience as both an attorney and a business manager during a long career focused on the title insurance industry. |

BOARD OF DIRECTORS' RECOMMENDATION

The Board of Directors recommends a vote FOR the Class 2 directors listed above. Proxies solicited by the Board of Directors will be voted in favor of the election of these nominees unless shareholders specify to the contrary. The results of this vote shall be disclosed in a filing made with the SEC shortly after the Annual Meeting of the Shareholders and will be available for review on the Company's website, www.oldrepublic.com.

**CORPORATE GOVERNANCE:
BINDING ORGANIZATION, PURPOSE, AND LONG-TERM STRATEGY**

Old Republic is Organized as a for-profit, shareholder-owned insurance holding company chartered under the General Corporation Law of the State of Delaware. As a holding company, it has no operations of its own; rather its primary assets are the stock and debt instruments issued by its many subsidiaries. Nearly all of its consolidated business is conducted through 29 insurance underwriting subsidiaries which are chartered in 11 states and three foreign jurisdictions, most notably in Canada. The Company also owns the equity and debt securities of over 100 other subsidiaries. Each of these subsidiaries is charged with producing revenues, managing risk, and providing claims management and other services for the insurance underwriting subsidiaries and outside parties.

This typical organizational structure ensures that Old Republic remains firmly established as a legal person with an indefinite life. Shareholders-long- or short-term investors in the Company's shares-are not the direct owners of its assets or properties. Their rights are limited by Delaware law, which provides that shareholders delegate to the board of directors the responsibility for controlling, directing, and using those assets and properties based on the directors' business judgment. In purchasing, holding, or selling shares of Old Republic common stock, shareholders can do so with confidence that the board of directors' successful, long-standing governance practices are guided by its charter and bylaws, which they consistently observe.

Our insurance subsidiaries are vested with a public trust. Accepting premiums and insurance-related fees from policyholders and other buyers of related services forms the basis of this trust. This makes policyholders critically important stakeholders. They depend on the subsidiaries' ability to meet their just obligations of financial indemnity over long periods of time. In observance of these relationships, state insurance laws impose certain requirements on insurance companies to dutifully protect the legitimate interests of policyholders, as well as the community at large. As a result, Old Republic is by necessity governed for the long run envisaged by the long-term promises of financial indemnity, and the public trust imbued in its insurance subsidiaries. Together with the principles and practices contained in the charter and bylaws, governance is intended to purposefully ensure the following:

- Operation of the business within the law, with integrity, and in a socially responsible manner
- Maintenance of the business's competitive position to enable the continued growth of economic value in a fairly balanced way for the interests of all stakeholders

Old Republic's Purpose is clearly stated in our mission statement: to provide quality insurance security and related services to businesses, individuals, and public institutions, and be a dependable long-term steward of the trust that policyholders, shareholders, and other important stakeholders place in us. Our Lodestar embodies the Company's mission by binding organization, purpose, and long-term strategy into a coordinated whole.

We pursue our mission and purpose in light of the long-standing principles and practices of 1) our governance, 2) our service culture, 3) our value system, 4) the institutional memory that binds successive generations of managers, and 5) respectful appreciation of our people and the intellectual capital they bring to managing our wide-ranging business. In operating a business within America's free enterprise system, we're keenly focused on achieving two interrelated outcomes over time:

- A. Create long-term value for all stakeholders, including shareholders, policyholders, our people, and the American community at large. We believe that this desired outcome is best achieved by:
- Continuously enhancing the Company's competitive position, which increases its economic value to all stakeholders in a cohesive and socially responsible manner.
 - Steadily building the sustainability of the business's competitiveness and earnings prospects. This adds to our financial and intellectual capital while at the same time:
 - Providing a necessary financial cushion to support insurance obligations in the event they prove greater than anticipated.
 - Enhancing the Company's ability to handle its insurance risk-bearing and dispersing functions to meet society's increasing demands for protecting the property and other values that a growing economy produces.

We use all of these means to achieve our purpose and help meet the community's long-term expectations of economic growth, sustainable employment, and a rising tax base to accomplish social goals.

- B. Create long-term value for long-term shareholders, whose interests are aligned with our Mission as they provide and support the retention of paid-in capital and the accumulated earnings retained in the business. We measure this value creation by these interrelated financial outcomes:
- The consecutive 10-year compound annual total returns provided by Old Republic's common stock performance in the marketplace. This is calculated as the annual combination of the change in market value and the reinvested cash dividend we pay.
 - The consecutive 10-year compound annual total returns seen in Old Republic's common stock book value. This is calculated as the annual combination of the change in book value per share, plus our cash dividend.
 - The consecutive 10-year annual total return on shareholders' equity. This is calculated by dividing net operating income (excluding both realized and unrealized investment gains or losses) by shareholders' equity (which also excludes those factors).

In assessing the first two of these economic outcomes, we seek to achieve consecutive 10-year financial performance that exceeds the following benchmarks: 1) the annual year-over-year and compounded increases in the Nominal Gross Domestic Product (GDP), 2) the annual and compounded total return of the Standard & Poor's (S&P) 500 Index, and 3) the annual and compounded return of the S&P Insurance Index. The charts on pages 10 to 12 reflect our success in these regards.

The overall Strategy we've followed over the decades has been fully aligned with our Mission and governing principles. The linchpin of this strategy is the conservative, long-term management of Old Republic's balance sheet. In this approach, periodic income statements are simply the linked economic outcomes from two succeeding balance sheet dates. The maintenance of a strong financial position supports the insurance subsidiaries' risk-taking and obligations to policyholders, and underlies our stewardship in the interest of all stakeholders. We accomplish this through enterprise risk management principles generally, and with insurance underwriting discipline in particular. The discipline rests on key operating tenets of our business:

- Employing disciplined risk selection, evaluation, and pricing practices to reduce the possibility of adverse risk selection and the uncertainty of insurance underwriting outcomes

Focusing on diversification and spreading of insured risks by geography and among industries that are core to the North American economy, while staying in areas in which we are intellectually competent and operationally proficient

• Emphasizing a balanced mix of insurance coverages for all industries we serve, in which we are knowledgeable and which exert economically balanced demands on our risk-bearing capital

• Reducing and mitigating insured exposures through underwriting risk-sharing arrangements with policyholders to:

- Encourage a greater partnership approach to the costing and management of risk
- Bring greater efficiencies to capital management

Following these time-tested insurance underwriting disciplines and risk-management principles has enabled us to produce industry-beating underwriting results over the last five decades. For instance, our largest business segment, General Insurance, has generated better-than-industry-composite underwriting ratios for 41 years, matched the industry in four years, and has been less successful than the industry in only five of the past fifty years.

Achieving positive underwriting results is complemented by investment income, which we derive from the combined investments of underwriting cash flows, shareholders' capital, and funds provided by debt holders. Through the years, this combination has led to 1) rising earnings over cycles, 2) the maintenance of balance sheet strength, and 3) increasing cash dividends to all shareholders. The strategy is evaluated and reestablished each year by the Board of Directors at the same time it reviews and approves management's annual operating and capital allocation budgets. The evaluation includes, among other things, these major considerations:

- The diversification of the business by types of insurance coverages and product distribution
- The business's performance over the natural multi-year cycles in the insurance industry. Reviews of 10-year trends are favored, as these likely encompass one or two economic and/or insurance underwriting cycles. This allows enough time for the cycles to run their course, for premium rates and underwriting changes to appear in financial results, and for reserved claim costs to be quantified with greater finality and effect
- The allocation of capital to Old Republic's key insurance underwriting subsidiaries, in consideration of their relative risk-taking appetites and abilities, and their accumulated reserves to pay claims

Old Republic's capital management strategy is underpinned by these consistent objectives:

- Retaining high, economically justifiable independent financial ratings for the Company's insurance underwriting subsidiaries
- Assuring a realistically consistent increase over time in cash dividend payments based on the Company's earnings power and trends. These payments benefit all shareholders directly or as beneficiaries of their financial assets, as these are directed in common by institutional investment managers held to fiduciary obligations

Old Republic's dedication to a program of steadily rising cash dividends rests on our belief that its long-term shareholders can benefit from a total return on their investment, whether measured by:

- The combination of the annual cash dividend and change in the Company's book value per share, or
- The combination of the annual cash dividend and change in year-end market value per share

Old Republic's consistent cash dividend policy has produced these results:

- Dividend payments have been made without interruption since 1942 (in 77 of the Company's 95 years)
- The annual cash dividend rate has been raised in each of the past 37 years
- Old Republic is one of just 100 American companies out of thousands that have posted at least 25 consecutive years of annual dividend growth (according to Mergent's Dividend Achievers)

In directing capital management and the related dividend policies, Old Republic has stayed away from stock buybacks. In the relatively few instances when its capital coffers have been more than ample for foreseeable business needs, the Board has chosen to pay an extra cash dividend (most recently at the end of 2017). This preferred approach treats all shareholders alike from the standpoints of both cash flows and equitable maintenance of book value per share.

The binding of organization, purpose, and long-term strategy is buttressed by Old Republic's bylaws and charter provisions from which its long-established policies of corporate governance emanate. The structure and policies of

this governance are discussed in the following two Proxy sections on pages 13 to 16:

Leadership Structure and Risk Management, and
Board of Directors' Responsibilities and Independence

In their totality, the policies have enabled a necessary emphasis on the stability, continuity, and sustainability of the enterprise as primary objectives for achieving long-term value for all stakeholders. The chart on page 12 shows how we've succeeded in blending governance with organization, purpose, and strategy in the interest of all stakeholders. The information is shown for the 51 years, ending in 2018. The 1968 starting year was chosen because it gave rise to the Company's ultimate transformation from the Old Republic Life Insurance Company predecessor to Old Republic International Corporation in 1969. The chart reflects a large number of annual and ten-year comparisons between ORI's total book and market value returns, and the three aforementioned benchmarks. A retrospective review and analysis of

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the data reflects two significant observations with respect to the ten-year comparisons:

We believe that Old Republic's stock performance fell short in the 1979 - 1988 period due to accelerated diversification activity effected by acquiring various companies in exchange for our common stock and forming new joint underwriting ventures. Together these transactions caused temporary dilutions of book value and earnings per share. In later years, however, most of these became solid contributors to our consolidated performance.

We also believe that our performance fell short in the 1999 - 2008 period due to the adverse impact of the Great Recession on Old Republic's investment in the financial indemnity segment. This business has been in run-off operating mode since 2012.

As previously stated, Old Republic measures its total book and market returns against three benchmarks: a) the annual year-over-year and compounded annual changes in the Nominal Gross Domestic Product (GDP), b) the annual and compounded annual returns of the S&P 500 Index, and c) the annual and compounded annual returns of the S&P Insurance Index. In the five ten-years periods reflected in the table immediately below and its related detailed table on page 12, Old Republic's total compounded book return exceeded the compounded annual returns of those three benchmarks in eight of thirteen comparisons (61%), and the Company's total compounded market return exceed the compounded annual returns of the three benchmarks in ten of thirteen comparisons (77%). Therefore, collectively, Old Republic outperformed the benchmarks 69% of the time.

The following, taken from the 51 year chart on page 12, summarizes ORI's common stock annual compounded performance compared with the selected benchmarks.

| Period | Old Republic | | Selected Benchmarks | | |
|-------------|-------------------|---------------------|---------------------|-----------------------------|-----------------------------------|
| | Total Book Return | Total Market Return | GDP Index | S&P 500 Total Market Return | S&P Insurance Total Market Return |
| Ten Years: | | | | | |
| 1969 - 1978 | 17.5% | 10.7 % | 9.6% | 3.2 % | |
| 1979 - 1988 | 16.0 | 13.0 | 8.3 | 16.3 | |
| 1989 - 1998 | 13.5 | 20.2 | 5.6 | 19.2 | 16.3 % * |
| 1999 - 2008 | 9.4 | 3.5 | | | |