

DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE:)
)
EFFISSIMO CAPITAL MANAGEMENT) **Case No. 1911131009F**
PTE LTD, INCLUSIVE OF ECM)
MASTER FUND, ECM BESPOKE FUND)
LP, A MANAGED ACCOUNT, TAKASHI)
KOUSAKA, HISAAKI SATO AND)
YOICHIRO IMAI,)
Applicants.)

CONSENT ORDER

WHEREAS, the Missouri Department of Commerce and Insurance, Division of Insurance Company Regulation ("Division"), and Effissimo Capital Management Pte Ltd. ("Effissimo"), inclusive of ECM Master Fund, ECM Bespoke Fund LP, a managed account advised by Effissimo, and investment funds and managed accounts that are from time to time organized and advised by Effissimo, and the following Effissimo officers: Takashi Kousaka, Director and Co-Chief Executive Officer of Effissimo; Hisaaki Sato, Director of Effissimo; and Yoichiro Imai, Director and Co-Chief Executive Officer of Effissimo (collectively, the "applicants"), hereby stipulate and agree, subject to the approval of the Director of the Missouri Department of Commerce and Insurance ("Director" of the "Department"), to the entry and execution of this Consent Order concerning the disclaimer of affiliation with respect to the relationship between the applicants and

Protective Property & Casualty Insurance Company ("Protective"), a Missouri domestic insurer, as follows:

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Director's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of the Director.

2. This Consent Order is executed by the applicants for the purpose of obtaining the Division's approval of the applicants' application for disclaimer of affiliation relating to Protective with respect to this cause. Furthermore, should this Consent Order not be accepted by the Director, it is agreed that presentation to and consideration of this Consent Order by the Director shall not unfairly or illegally prejudice the Director from taking such further actions as laws may require or permit.

3. The applicants expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order, the stipulations contained herein, and the consideration and entry and execution of said Consent Order by the Director. For the avoidance of doubt, such waiver is subject to acceptance by the Director, and entry and execution, of the Consent Order in the form hereof and the absence of any further actions by the Division or the Director beyond the terms hereof.

AUTHORITY AND JURISDICTION

4. Chlora Lindley-Myers is the duly appointed Director of the Department, whose duties, pursuant to Chapters 374, 375 and 382, RSMo,¹ include the supervision, regulation, and discipline of the insurance industry in the state of Missouri.

PARTIES

5. The Division is the lawful agent through which the Director administers certain provisions of the relevant statutes.

6. Effissimo is an investment management company organized under the laws of and domiciled in Singapore and, for the purposes of this Consent Order, consists also of ECM Master Fund, ECM Bespoke Fund LP, a managed account advised by Effissimo, and investment funds and managed accounts that are from time to time organized and advised by Effissimo. Upon information and belief, Effissimo's principal place of business is: 260 Orchard Road, Suite 12-06, The Heeren, Singapore 238855.

7. Effissimo's controlling persons and officers include: Takashi Kousaka, Director and Co-Chief Executive Officer of Effissimo; Hisaaki Sato, Director of Effissimo; and Yoichiro Imai, Director and Co-Chief Executive Officer of Effissimo.

8. The aforementioned Parties, as described in Paragraphs 6-7 (collectively, the "applicants"), facilitate and manage investments of various investment funds with their primary investors comprising of institutions such as university endowments, non-profit foundations, and private and government sponsored pension plans.

¹ All statutory references are to RSMo 2016, unless otherwise noted.

9. Protective is an insurance company and has been licensed by the Director to conduct insurance business in the state of Missouri since July 31, 1978. Protective's principal place of business on file with the Division is: 14755 North Outer Forty Rd., Suite 400, St. Louis, Missouri 63017.

10. On or about October 1, 2014, pursuant to an Order Approving Plan of Merger entered by the Director, Missouri Department of Insurance, Financial Institutions and Professional Registration, the Dai-ichi Life Insurance Company, Limited (now known as Dai-ichi Life Holdings, Inc., "Dai-ichi"), a Japanese Company, acquired control of Protective, then known as Lyndon Property Insurance Company.

11. Effissimo has an ownership interest in Dai-ichi. Protective is a subsidiary of Dai-ichi. Effissimo, Dai-ichi, and Protective are all subject to the Insurance Holding Company Act ("Holding Company Act"), Chapter 382, RSMo, which includes certain requirements for parties who are determined to be an "ultimate controlling person" of an insurer.

FINDINGS OF FACT

12. Specifically, as of December 31, 2019, the applicants nominally owned an approximate total of one hundred seventeen million, forty thousand, five hundred (117,040,500) of Dai-ichi shares, which represents an approximate total of ten and three-tenths percent (10.3%) of Dai-ichi's issued and outstanding voting securities.

13. Of the total amount of Dai-ichi voting securities nominally owned by the applicants, the applicants calculate² that as of December 31, 2019, approximately forty-seven million, five

² Such calculation was made in coordination with associated broker-dealers and their respective affiliates holding the Dai-ichi shares reserved for the ECM Master Fund in custody, having exercised a re-hypothecation right over such held shares.

hundred fourteen thousand, three hundred twenty-eight (47,514,328) of Dai-ichi shares, amounting to approximately four and eighteen-hundredths percent (4.18%) of Dai-ichi's issued and outstanding voting securities, have been re-hypothecated³ by broker-dealers holding such shares in custody for Effissimo's ECM Master Fund (the "re-hypothecated voting securities").

14. The process of re-hypothecating shares involves transferring (or hypothecating) them out of the ECM Master Fund account and into the account of a broker-dealer, after which time such broker-dealer loans, pledges, or otherwise re-hypothecates the shares to third parties.

15. Neither the broker-dealers re-hypothecating the applicants' voting securities nor the third parties in possession of these re-hypothecated voting securities are affiliated with, controlled by, or in any way acting in concert with the applicants. Accordingly, the applicants do not have the power to vote or provide voting instructions with respect to any of the re-hypothecated voting securities.

16. The applicants calculate their total voting capacity, with respect to Dai-ichi, as of December 31, 2019, at approximately sixty-nine million, five hundred twenty-six thousand, one hundred seventy-two (69,526,172) shares, which represents approximately six and twelve-hundredths percent (6.12 %) of Dai-ichi's issued and outstanding voting securities.

17. On or about August 11, 2016, Effissimo filed a Disclaimer of Affiliation Relating to Protective. On September 8, 2016, the Division sent its Non-Disapproval Letter.

18. On or about November 5, 2019, the Applicants filed a Form A Statement Regarding the Acquisition of Control or Merger with a Domestic Insurer (the "Form A") with the Division to be considered a "controlling person" for the purposes set forth in the Form A. In lieu of the Form

³ Re-hypothecation is the practice that banks and brokers use, whereby they loan, pledge, or otherwise invest with third parties, assets that have been posted as collateral by their clients, such as Effissimo in this case.

A, the Applicants are now seeking an order to supersede and replace the September 8, 2016, Non-Disapproval Letter.

19. Specifically, the applicants seek to: (i) disclaim affiliation with respect to all holdings of Dai-ichi's voting securities over which the applicants have the power to vote (whether directly, by proxies, or by providing such other affiliated or unaffiliated broker-dealers with voting instructions) up to fourteen and nine-tenths percent (14.9%) of Dai-ichi's voting securities; and (ii) obtain the Division's confirmation that, for purposes of calculating the fourteen and nine-tenths percent (14.9%) limitation, all votes attaching to re-hypothecated voting securities shall be excluded. After review and consideration of the applicants' request, the Division requests that the applicants agree to additional conditions as a requirement for approval and issuance of a disclaimer of affiliation to the applicants.

CONCLUSIONS OF LAW

20. Any person having control of a domestic insurer in the state of Missouri is required to comply with Chapter 382, RSMo.

21. The Act defines control as "the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person⁴, whether through the ownership of voting securities[.]" Section 382.010(2), RSMo. "'Control' shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ten percent or more of the voting securities of any other person." Section 382.010(2), RSMo.

⁴ Pursuant to the Act, "[p]erson means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert" Section 382.010(9), RSMo.

22. No person shall enter into an agreement to acquire voting securities of a Missouri domestic insurer if the result thereof would be that the acquiring person would thereafter, directly or indirectly, have control of such insurer unless such person first filed a Form A Statement with the Director and such Form A Statement is approved in accordance with §§ 382.060 and 382.095, RSMo.

23. The presumption of control of a person is rebuttable upon a showing that such control does not exist in fact through the filing of a disclaimer of affiliation. §§ 382.010(2) and 382.170, RSMo.

24. Section 382.170, RSMo provides, in pertinent part, that:

Any person may file with the director a disclaimer of affiliation with any authorized insurer or any member of any insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming the affiliation The disclaiming party shall be relieved of any duty to register or report under this section if approval of the disclaimer has been granted by the director, or if the disclaimer is deemed to have been approved.

25. Section 382.195, RSMo and 20 CSR 200-11.101(16) provide, in pertinent part, that a domestic insurer must file a Form D with respect to transactions subject to prior notice involving the domestic insurer and persons or entities in its holding company system.

ORDER

26. NOW, THEREFORE, IT IS SO ORDERED, pursuant to §382.170, RSMo that, in connection with their application for disclaimer of affiliation, for so long as either Protective or its successors are a subsidiary of Dai-ichi or its successors, and Protective remains domiciled in the state of Missouri the following provisions are applicable:

27. By virtue of the fact that the Applicants have agreed to the additional conditions set forth in this Consent Order in connection with the Applicants' application for disclaimer of affiliation, this Consent Order constitutes the Director's approval, pursuant to § 382.170, RSMo, of the Applicants' disclaimer of affiliation. Upon entry and execution of this Consent Order by the Director, this Consent Order supersedes and replaces the September 8, 2016, Non-Disapproval Letter and is in lieu of the Form A.

28. The applicants shall not, individually or collectively, directly or indirectly, acquire or retain shares of Protective or Dai-ichi in a manner that would cause the applicants' aggregate ownership to exceed fourteen and nine-tenths percent (14.9%) of the voting securities of Dai-ichi; provided that, for all purposes of calculating the fourteen and nine-tenths percent (14.9%) limitation below, all votes attaching to re-hypothecated voting securities shall be excluded.

29. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively, directly or indirectly, vote shares equal to or exceeding ten percent (10%) of Dai-ichi's issued and outstanding voting securities, excluding, for the avoidance of doubt, the re-hypothecated voting securities, during any time period in which the total votes cast by all shareholders voting at Dai-ichi's immediately preceding annual general meeting of shareholders represented less than sixty percent (60%) of Dai-ichi's issued and outstanding voting securities.

30. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively,

directly or indirectly, vote, instruct, or in any way otherwise influence the voting of any re-hypothecated voting securities.

31. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively, directly or indirectly, seek to acquire control over Protective or U.S. operations of Protective, excluding, for avoidance of doubt, activities of the applicants reported pursuant to paragraphs 32, 33 and 35 of this Order.

32. If at any point during a semi-annual reporting period the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall notify the Division semi-annually when, individually or collectively, directly or indirectly, by any means the applicants have directed or caused the direction, or attempted to direct or cause the direction, of the management or policies of Protective or Dai-ichi, including exercising or attempting to exercise a controlling influence over the management or policies of Protective or Dai-ichi, or otherwise exercise or attempt to exercise control over Protective or Dai-ichi within the meaning of the law.

33. If at any point during a semi-annual reporting period the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall notify the Division semi-annually when, individually or collectively, directly or indirectly, the applicants have proposed a director or slate of directors for Protective or Dai-ichi in opposition to a nominee or slate of nominees proposed by the management or the Board of

Directors of Protective or Dai-ichi, including directors that are independent from the applicants and Dai-ichi..

34. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively, directly or indirectly, take any action that would result in any applicant being nominated or seated on the Board of Directors of Protective or Dai-ichi.

35. If at any point during a semi-annual reporting period the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall notify the Division semi-annually when, individually or collectively, directly or indirectly, applicants have solicited or participated in soliciting proxies or equivalent with respect to any matter presented to the shareholders of Protective or Dai-ichi.

36. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively, directly or indirectly, dispose or threaten, explicitly or implicitly, to dispose of their equity interest in Protective or Dai-ichi in any manner as a condition or inducement of specific action or non-action by Dai-ichi or any of its subsidiaries.

37. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants shall not, individually or collectively,

directly or indirectly, without thirty (30) days prior notification to the Division, enter into any transactions with Protective of the kinds set forth in § 382.195, RSMo.

38. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, applicants shall, with respect to the re-hypothecated voting securities, on behalf of itself and the other applicants, annually attest to the Division, that for so long as Protective or its successors are subsidiaries of Dai-ichi or its successors, and Protective or its successors remain a Missouri domestic insurer, neither Effissimo nor the other applicants, individually or collectively, will vote, instruct the voting, or in any way seek to otherwise influence the voting of any of the re-hypothecated voting securities.

39. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, Effissimo shall, with respect to the re-hypothecated voting securities, on behalf of itself and the other applicants, annually attest to the Division, that it does not have the right to vote, instruct the voting, or in any way seek to otherwise influence the voting of any of the re-hypothecated voting securities, nor have they held any such rights during the immediately preceding calendar year.

40. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants must promptly, but in any event within thirty (30) calendar days of the date of the transaction, notify and annually report to the Division any transaction after the date of this Consent Order pursuant to which the applicants become, are deemed to become, or disclaim becoming, a controlling person with respect to Dai-ichi or its

insurance subsidiaries under applicable insurance laws in any other jurisdiction, whether within or without the United States.

41. The applicants must promptly notify and annually report to the Division any decisions from other insurance regulators regarding the applicants' related affiliation with or control of Dai-ichi or its insurance subsidiaries.

42. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants must give notice of a proposed transaction within the meaning of § 382.195, RSMo entered into with any other U.S. domestic insurer (including captives), within Dai-ichi's holding company system.

43. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants, with respect to the applicants' interests in Dai-ichi's voting securities, must annually report to the Division the applicants' percentage of Dai-ichi voting securities compared to, based on publicly available information, the total percentage of all voted Dai-ichi voting securities (including securities held in Treasury) at the most recent annual Dai-ichi shareholder meeting.

44. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, excluding, for the avoidance of doubt, the re-hypothecated voting securities, the applicants, with respect to the applicants' interests in Dai-ichi's voting securities, must annually report to the Division the number of shares in which the applicants have unencumbered voting rights and shares held by the applicants as record shareholder (e.g., Effissimo, ECM Master Fund, ECM Bespoke Fund LP, Takashi Kousaka,

Hisaaki Sato, Yoichiro Imai, or other affiliates), excluding, for the avoidance of doubt, the re-hypothecated voting securities.

45. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, excluding, for the avoidance of doubt, the re-hypothecated voting securities, the applicants, with respect to the applicants' interests in Dai-ichi's voting securities, must annually report to the Division the number of shares for which the applicants have voting proxy or instruction authority, including, but not limited to, shares held in the managed accounts of the applicants or shares held in prime brokerage accounts with broker-dealers in custody for the applicants, excluding, for the avoidance of doubt, the re-hypothecated voting securities.

46. At any point the applicants' aggregate ownership exceeds nine and ninety-nine hundredths percent (9.99%) of the voting securities of Dai-ichi, including, for the avoidance of doubt, the re-hypothecated voting securities, the applicants, with respect to the applicants' interests in Dai-ichi's voting securities, must annually report to the Division the number of re-hypothecated voting securities.

47. In the event the applicants should ever acquire ten percent (10%) or more of Dai-ichi's issued and outstanding voting securities, exclusive of its re-hypothecated voting securities, the Director may, based on all the foregoing, reassess applicants' status as a "person having control" pursuant to § 382.010(2), RSMo.

48. Upon the fifth anniversary of the date of this Consent Order and no later than ninety (90) days thereafter, the Director may commence a reassessment of, and the applicants may request that the Director reassess, the relevant factual information and applicable laws in connection with this Consent Order and the restrictions and requirements set forth herein to determine whether this

Consent Order should be amended to remove any or all such restrictions or requirements. The applicants shall facilitate such reassessment and aid in such reassessment so far as is reasonably in their power to do so and the applicants shall have the right to present facts and offer arguments, which the Director shall reasonably consider prior to issuing a determination.

49. Nothing in this Consent Order shall limit the ability of the applicants to seek the Director's approval to acquire control of Protective, should they ever decide to do so; and upon the Division's approval of such an acquisition of control, this Consent Order shall become null and void.

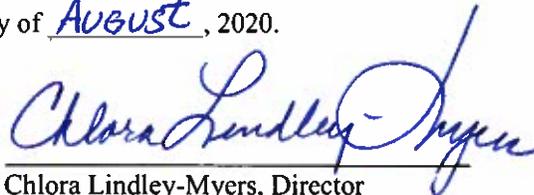
This Consent Order is in the public interest and in the best interests of the parties. This Consent Order represents a compromise and agreement between the parties and is necessary for the approval of the applicants' application for disclaimer of control. By the signatures affixed below, the applicants (Effissimo Capital Management Pte Ltd., inclusive of ECM Master Fund, ECM Bespoke Fund LP, a managed account advised by Effissimo), and investment funds and managed accounts that are from time to time organized and advised by Effissimo, and the following Effissimo officers: Takashi Kousaka, Director and Co-Chief Executive Officer of Effissimo; Hisaaki Sato, Director of Effissimo; and, Yoichiro Imai, Director and Co-Chief Executive Officer of Effissimo affirmatively state that they have freely agreed to the entry and execution of this Consent Order, that they have been advised that they may consult legal counsel in this matter and have had the opportunity to consult with legal counsel, that they waive their right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Director, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent

Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

Nothing in this Consent Order should be construed to limit the authority of the Division or the Director to take further action against the applicants should such action, in the opinion of the Division or the Director, be necessary.

It is so **ORDERED**.

ENTERED AND EXECUTED this 12th day of August, 2020.

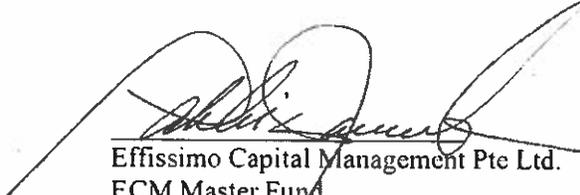


Chlora Lindley-Myers, Director
State of Missouri
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:



John F. Rehagen
Director, Division of Insurance Company Regulation
Missouri Department of Commerce and Insurance



Effissimo Capital Management Pte Ltd.
ECM Master Fund
ECM Bespoke Fund LP

RESPECTFULLY SUBMITTED:



Cynthia Shoss, Partner
Eversheds Sutherland (US) LLP
Attorney for Applicant



Shelley A. Woods
Legal Counsel
Missouri Department of Commerce and Insurance