Corporate Governance Guidelines

The Board of Directors of The Hanover Insurance Group, Inc. ("The Hanover") has approved the following corporate governance guidelines as a framework for the governance of The Hanover, rather than to impose any binding legal obligations on the Board or its members. The basic responsibility of the members of the Board of Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company, including taking into consideration the factors described in Article 10 of the Certificate of Incorporation of the Company. The Board will review these guidelines annually or more frequently if necessary.

Director Independence

A majority of the directors will be independent, and each year the Board will affirmatively determine that each such independent director has no material relationship with the Company. That determination will be set forth in our proxy statement. When evaluating the independence of each of the Company's directors, the Board will broadly consider all relevant facts and circumstances that may bear on that director's independence. The Board has adopted the following categorical standards to assist it in determining the independence of Board members, which include those standards established by the New York Stock Exchange for its listed companies.

A director is not independent if:

- The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company.

- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). Compensation received by a director's immediate family member for service as an employee of the Company (other than an executive officer) will not be considered in determining independence under this test.

- (i) The director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (ii) the director is a current employee of such a firm; (iii) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (iv) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.

- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

- The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues.

For the purposes of these guidelines, an "immediate family member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home, but excluding anyone who is no longer an immediate family member as a result of legal separation, divorce, or death or incapacitation.

If the Company makes charitable contributions to any tax exempt organization in which a director of this Company serves as an executive officer, the Board will consider the materiality of the relationship if the amount paid to the tax exempt organization exceeds the greater of $1 million, or 2% of such organization's consolidated gross revenues.

Directors have an affirmative obligation to inform the Board of any circumstances or relationships that may impact their designation by the Board as "independent", including any material changes in such circumstances or relationships.

Independent Presiding Director

Annually, the Board shall elect from among its independent members, either a non-executive Chairperson of the Board or a lead director (in either case, the "Independent Presiding Director"). The Board shall determine from time to time the duties of the Independent Presiding Director, which shall in any case include assisting in the establishment of the agendas for meetings of the Board, presiding over meetings of the non-management directors, and, in conjunction with the Nominating and Corporate Governance Committee, assisting with the annual evaluation of the performance of the Chief Executive Officer of the Company.

Board Committees

The Board shall establish such committees as it shall determine to be appropriate from time to time, but shall at all times have a standing Audit Committee, a standing Compensation Committee and a standing Nominating and Corporate Governance Committee. Each of such required committees shall consist solely of independent directors, whose independence the Board shall evaluate in accordance with the standards for committee membership established by the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange for its listed companies. Each committee shall have such duties and responsibilities as are assigned to it from time to time by the Board of Directors and, with respect to standing committees, as are set forth in its respective charter. The charters for standing committees shall be reviewed and approved by the Board at least annually.

Director Retirement Policy

It is the policy of the Board of Directors that a director submit his or her resignation and retire at the Annual Meeting of Shareholders following his or her attainment of age 72. Notwithstanding the foregoing, by a vote of the Board of Directors after completion of an individual director review and assessment process administered by the Nominating and Corporate Governance Committee, the Board may decline to accept such resignation and (a) a director's retirement may be deferred for up to a total of five years if, at the time when such director would otherwise have first been required to retire, the director has not served as a director for a period in excess of ten years; and (b) with respect to a director whose service is not eligible for extension under clause (a) above, such director's retirement may be deferred on an annual basis up to the date of the Annual Meeting of Shareholders following his or her attainment of age 75. Any director whose retirement has been deferred in accordance with the foregoing shall again submit his or her resignation, effective at the end of such director's term, for the Board's consideration.

Limit to Board Service

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

In determining whether directors have and are devoting sufficient time to their duties and responsibilities, consideration shall be given to the number of companies on whose boards of directors such directors are serving. Accordingly, without the approval of the Nominating and Corporate Governance Committee, directors who also serve as a Chief Executive Officer ("CEO") or in another significant management position should not serve on more than two boards of public companies in addition to The Hanover Board, and other directors should not serve on more than three other boards of public companies in addition to The Hanover Board.

Director Responsibilities

The Board of Directors is elected by the shareholders to oversee management and to ensure that the long-term interests of the shareholders are being served. In considering the long-term interests of shareholders, the Board recognizes the importance of considering and addressing the interests of the Company's other major constituents, including policyholders, employees and the communities in which the Company conducts its business.

The Board holds five or more regularly scheduled meetings during the year, at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. In addition to its general oversight of management, the Board or its Committees also perform a number of specific functions, including:

- reviewing, advising, approving and monitoring fundamental financial and business strategies and major corporate actions;
- assessing major risks facing the Company, and reviewing options for their mitigation;
- selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- providing advice and counsel to the CEO and senior management;
- providing counsel and oversight on the selection, evaluation, development and compensation of senior management; and
- ensuring processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements.

The Board assesses the Company's risk management processes and procedures, and coordinates and integrates committee responsibilities relating to risk oversight. The Board shall periodically discuss the Company's risk management and oversight and shall receive and review reports on risk management and oversight from its committees and management.

Members are expected to attend in person the Annual Meeting of Shareholders, all Board meetings and meetings of committees on which they serve, other than meetings specifically arranged to be conducted by all members telephonically. Members generally are provided advance material before regularly scheduled meetings, and they are expected to have reviewed the material and be familiar with its content at the meeting. Members are encouraged to contribute suggested topics for discussion and consideration at future Board meetings.

The Board typically convenes in executive session during each regularly scheduled Board meeting (or more often as deemed appropriate), first excusing anyone other than the Chief Executive Officer and non-management members of the Board and then excusing the Chief Executive Officer. The Independent Presiding Director shall preside over any executive sessions of the Board. In addition, if any non-management members of the Board are not deemed independent, then the Board shall also conduct, at least annually, an executive session attended only by independent directors.

Director Access to Management and Independent Advisors

The Board of Directors has full access to members of management. Key members of management report at Board and committee meetings on a regular basis, providing directors with additional insight to matters being discussed. Additionally, the Board encourages the involvement of managers who have senior management potential, enabling the Board to have a greater familiarity with individuals for succession planning purposes.

The Board and its committees have the authority, at the Company's expense, to engage independent legal counsel, consultants or other external expert advisors.

Director Compensation

The Compensation Committee of the Board is responsible for evaluating and recommending to the Board appropriate compensation for members of the Board and its committees.

In establishing and evaluating compensation levels, the Committee may consider the relative responsibilities of directors serving on the Board and its committees, including any duties required of the Independent Presiding Director. The Committee may also consider levels of compensation and perquisites in relation to other companies, the effectiveness of the Board as determined through the annual self-assessment process, the number of meetings held, the demands and responsibilities of board members and other factors it deems appropriate.

Directors who are also employees of the Company are not compensated for their services as directors.

Director Orientation and Continuing Education

The Board and management have an established orientation process for new directors. New directors receive a broad array of information upon becoming a member, including information from internal and external sources and including information on the Company's risk management and oversight processes. The Company also schedules on-site one-on-one meetings between the new director and executive officers of the Company.

In addition, each year various executive officers meet with the Board to review the previous year's results and the focus goals and challenges of the coming year. Management also periodically updates the Board on progress towards business unit focus goals.

From time to time throughout the year, the Board invites members of management to address particular subjects of interest to the Board, including the Company's risk management and oversight processes, to assist Board members in remaining aware of current issues, trends and concerns.

Annual Performance Evaluation of the CEO, CEO Compensation and Management Succession

The Board of Directors shall annually conduct an evaluation of the Chief Executive Officer of the Company. This process shall be reviewed by the Nominating and Corporate Governance Committee, in coordination with the Compensation Committee and the Independent Presiding Director. The Nominating and Corporate Governance Committee shall ensure the implementation of the evaluation process. The Chief Executive Officer's compensation shall be determined by the independent members of the Board in consideration of the recommendation of the Compensation Committee. The Compensation Committee shall make such recommendations in light of the corporate goals and objectives and corresponding risks relevant to such compensation, the evaluation of the Chief Executive Officer's performance in light of these goals, and such other factors as it shall determine.

The Nominating and Corporate Governance Committee is required to ensure that the CEO conducts a periodic review with the Board of the succession plans relating to positions held by executive officers of the Company. The Board will work with this committee to evaluate potential successors to the CEO, including in the event of an emergency or retirement.

Annual Performance Evaluation of the Board and its Committees

The Board and each of its standing committees will perform an annual self-evaluation. The Nominating and Corporate Governance Committee is responsible for initiating and reporting to the Board on the results of the evaluation process.

Code of Conduct

To the extent appropriate, the Company's Code of Conduct and other corporate policies shall be applicable to each director of the Company. In the unusual circumstances where a waiver for a director of the Code of Conduct or other policies may be appropriate, such waivers require approval of the Nominating and Corporate Governance Committee.

Non-Employee Director Stock Ownership Guidelines

Within four years from the date of first being elected to the Board (six years for those directors initially elected to the Board prior to May 15, 2012), each non-employee director should achieve an ownership level in The Hanover's common stock with a value equal to four times the value of the regular annual stock retainer paid to directors for service on our Board. This requirement can be satisfied by purchases in the open market or by holding grants received from The Hanover (including share grants that the director has elected to defer under Hanover-sponsored deferred compensation programs). For these purposes, shares shall be valued based upon the then current market value, or if higher, the value on the date of acquisition.

Senior Management Stock Ownership Guidelines

The Company has adopted and the Board of Directors has reviewed the stock ownership guidelines for senior management of The Hanover as set forth in the following table:

Tier	Value of Stock Ownership as Multiple of Base Salary	Time frame to Meet Guidelines
CEO	1 times	$1^{1/2}$ years
	4-6 times	3 years
Executive Leadership	1 times	$1^{1/2}$ years

Team*	2-4 times	3 years
Certain Other Senior Officers*	1 times	$1^{1/2}$ years
	1-2 times	3 years

Each senior officer subject to these guidelines shall have (i) 1 ½ years from becoming an officer subject to the stock ownership guidelines to reach a stock ownership level with a value equal to such officer's base salary, and (ii) three years from becoming an officer subject to the stock ownership guidelines to reach the total required ownership level. The guidelines credit officers for shares held outright, unvested restricted stock, restricted stock units, performance-based restricted stock units (at target) and any shares that have been earned but the payment of which has been deferred. Unexercised stock options are not counted when determining ownership under the guidelines. For these purposes, shares shall be valued based upon the then current market value, or if higher, the value on the date of acquisition.

*The Executive Leadership Team is a working group established by the Chief Executive Officer at his prerogative to assist in various management responsibilities and to aid in management-wide communication. The Company's Board of Directors has designated only certain members of the Executive Leadership Team as "officers" and "executive officers" as defined in SEC Rules 16a-1(f) and Regulation S-K (and Form 10-K), respectively, and such persons are identified in Item 10, Part III of the Company's Form 10-K. The Chief Executive Officer may, in his discretion, designate certain other senior officers to whom the stock ownership guidelines apply.

Revised and approved on September 15, 2014