

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-13754

THE HANOVER INSURANCE GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3263626
(I.R.S. Employer
Identification No.)

440 Lincoln Street, Worcester, Massachusetts 01653
(Address of principal executive offices) (Zip Code)

(508) 855-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	THG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock was 34,373,387 as of October 27, 2026.

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	2
Item 1.	Financial Statements	2
	Consolidated Statements of Income	2
	Consolidated Statements of Comprehensive Income	3
	Consolidated Balance Sheets	4
	Consolidated Statements of Shareholders' Equity	5
	Consolidated Statements of Cash Flows	6
	Notes to Interim Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	45
Item 4.	Controls and Procedures	46
PART II.	OTHER INFORMATION	47
Item 1.	Legal Proceedings	47
Item 1A.	Risk Factors	47
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	49
Item 5.	Other Information	49
Item 6.	Exhibits	50
	SIGNATURES	51

PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS
THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
<i>(In millions, except per share data)</i>				
Revenues				
Premiums	\$ 1,611.5	\$ 1,550.7	\$ 4,779.7	\$ 4,604.5
Net investment income	131.9	117.0	378.4	328.6
Net realized and unrealized investment gains (losses):				
Net realized losses from sales and other	(8.3)	(20.3)	(18.6)	(43.7)
Net change in fair value of equity securities and other	(6.0)	11.4	9.1	17.4
Recoveries (impairments) on investments:				
Credit-related	1.7	—	(1.3)	(2.5)
Intent to sell securities	(1.5)	(0.1)	(2.8)	(0.5)
Total recoveries (impairments) on investments	0.2	(0.1)	(4.1)	(3.0)
Total net realized and unrealized investment losses	(14.1)	(9.0)	(13.6)	(29.3)
Fees and other income	6.2	6.3	18.6	18.8
Total revenues	1,735.5	1,665.0	5,163.1	4,922.6
Losses and expenses				
Losses and loss adjustment expenses	989.7	927.1	2,909.8	2,839.6
Amortization of deferred acquisition costs	344.1	324.9	1,015.3	957.8
Interest expense	10.0	11.6	30.9	28.7
Other operating expenses	171.4	174.3	505.1	510.5
Total losses and expenses	1,515.2	1,437.9	4,461.1	4,336.6
Income from continuing operations before income taxes	220.3	227.1	702.0	586.0
Income tax expense (benefit):				
Current	53.6	35.5	160.2	111.9
Deferred	(5.6)	13.0	(8.7)	10.4
Total income tax expense	48.0	48.5	151.5	122.3
Income from continuing operations	172.3	178.6	550.5	463.7
Discontinued operations (net of taxes):				
Income from discontinued life businesses	0.3	0.1	0.5	0.3
Net income	\$ 172.6	\$ 178.7	\$ 551.0	\$ 464.0
Earnings per common share:				
Basic:				
Income from continuing operations	\$ 4.96	\$ 4.99	\$ 15.74	\$ 12.92
Discontinued operations (net of taxes):				
Income from discontinued life businesses	0.01	—	0.02	0.01
Net income per share	\$ 4.97	\$ 4.99	\$ 15.76	\$ 12.93
Weighted average shares outstanding	34.8	35.8	35.0	35.9
Diluted:				
Income from continuing operations	\$ 4.85	\$ 4.90	\$ 15.41	\$ 12.70
Discontinued operations (net of taxes):				
Income from discontinued life businesses	0.01	—	0.02	—
Net income per share	\$ 4.86	\$ 4.90	\$ 15.43	\$ 12.70
Weighted average shares outstanding	35.5	36.4	35.7	36.5

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	\$ 172.6	\$ 178.7	\$ 551.0	\$ 464.0
Other comprehensive income (loss), net of tax:				
Available-for-sale securities:				
Changes in net unrealized gains (losses) on investment securities:				
Having no credit losses recognized in the Consolidated Statements of Income	(301.4)	88.3	(389.3)	255.8
Having credit losses recognized in the Consolidated Statements of Income	(0.2)	0.1	0.1	0.1
Total available-for-sale securities	(301.6)	88.4	(389.2)	255.9
Pension and postretirement benefits:				
Net amount recognized as net periodic benefit cost	1.4	1.3	4.1	4.0
Long-duration insurance contracts:				
Net change in market risk	2.8	(0.8)	3.4	(1.9)
Total other comprehensive income (loss), net of tax	(297.4)	88.9	(381.7)	258.0
Comprehensive income (loss)	\$ (124.8)	\$ 267.6	\$ 169.3	\$ 722.0

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>(In millions, except share data)</i>	September 30, 2026	December 31, 2025
Assets		
Investments:		
Fixed maturities, at fair value (amortized cost of \$10,471.8 and \$9,685.7)	\$ 9,835.7	\$ 9,536.5
Equity securities, at fair value	197.1	184.8
Other investments	638.6	661.4
Total investments	10,671.4	10,382.7
Cash and cash equivalents	506.3	1,122.7
Accrued investment income	84.0	80.1
Premiums and accounts receivable, net	1,998.9	1,861.3
Reinsurance recoverable on paid and unpaid losses and unearned premiums	2,170.9	2,011.1
Deferred acquisition costs	741.8	703.0
Deferred income tax asset	192.7	83.3
Goodwill	178.8	178.8
Other assets	419.4	439.3
Assets of discontinued businesses	79.5	83.6
Total assets	\$ 17,043.7	\$ 16,945.9
Liabilities		
Loss and loss adjustment expense reserves	\$ 8,219.9	\$ 7,755.2
Unearned premiums	3,645.1	3,440.4
Expenses and taxes payable	743.6	806.7
Reinsurance premiums payable	49.0	45.2
Short-term debt	50.1	375.0
Long-term debt	794.1	843.3
Liabilities of discontinued businesses	100.4	108.6
Total liabilities	13,602.2	13,374.4
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, par value \$0.01 per share; 20.0 million shares authorized; none issued	—	—
Common stock, par value \$0.01 per share; 300.0 million shares authorized; 60.5 million shares issued	0.6	0.6
Additional paid-in capital	2,046.7	2,013.5
Accumulated other comprehensive loss	(553.1)	(171.4)
Retained earnings	4,191.7	3,741.6
Treasury stock at cost (26.0 and 25.1 million shares)	(2,244.4)	(2,012.8)
Total shareholders' equity	3,441.5	3,571.5
Total liabilities and shareholders' equity	\$ 17,043.7	\$ 16,945.9

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Preferred Stock				
Balance at beginning and end of period	\$ —	\$ —	\$ —	\$ —
Common Stock				
Balance at beginning and end of period	0.6	0.6	0.6	0.6
Additional Paid-in Capital				
Balance at beginning of period	2,032.0	1,993.9	2,013.5	1,973.6
Employee and director stock-based awards and other	14.7	10.7	33.2	31.0
Balance at end of period	2,046.7	2,004.6	2,046.7	2,004.6
Accumulated Other Comprehensive Income (Loss), net of tax				
Net Unrealized Appreciation (Depreciation) on Investments:				
Balance at beginning of period	(203.9)	(236.0)	(116.3)	(403.5)
Net appreciation (depreciation) on available-for-sale securities	(301.6)	88.4	(389.2)	255.9
Balance at end of period	(505.5)	(147.6)	(505.5)	(147.6)
Defined Benefit Pension and Postretirement Plans:				
Balance at beginning of period	(51.6)	(52.5)	(54.3)	(55.2)
Net amount recognized as net periodic benefit cost	1.4	1.3	4.1	4.0
Balance at end of period	(50.2)	(51.2)	(50.2)	(51.2)
Long Duration Insurance Contracts:				
Balance at beginning of period	(0.2)	1.3	(0.8)	2.4
Net change in market risk	2.8	(0.8)	3.4	(1.9)
Balance at end of period	2.6	0.5	2.6	0.5
Total accumulated other comprehensive loss	(553.1)	(198.3)	(553.1)	(198.3)
Retained Earnings				
Balance at beginning of period	4,052.5	3,431.2	3,741.6	3,209.6
Cumulative effect of accounting change, net of taxes	—	—	—	1.9
Balance at beginning of period, as adjusted	4,052.5	3,431.2	3,741.6	3,211.5
Net income	172.6	178.7	551.0	464.0
Dividends to shareholders	(33.4)	(32.6)	(100.9)	(98.2)
Balance at end of period	4,191.7	3,577.3	4,191.7	3,577.3
Treasury Stock				
Balance at beginning of period	(2,156.9)	(1,922.2)	(2,012.8)	(1,885.7)
Shares purchased at cost	(87.1)	(36.3)	(230.0)	(74.9)
Net shares reissued at cost under employee stock-based compensation plans and other	(0.4)	0.6	(1.6)	2.7
Balance at end of period	(2,244.4)	(1,957.9)	(2,244.4)	(1,957.9)
Total shareholders' equity	\$ 3,441.5	\$ 3,426.3	\$ 3,441.5	\$ 3,426.3

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>(In millions)</i>	Nine Months Ended September 30,	
	2026	2025
Cash Flows From Operating Activities		
Net income	\$ 551.0	\$ 464.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized and unrealized investment losses	13.8	29.8
Net amortization and depreciation	(5.1)	(3.3)
Stock-based compensation expense	30.4	27.8
Amortization of defined benefit plan costs	5.1	5.0
Deferred income tax expense (benefit)	(8.6)	10.4
Change in deferred acquisition costs	(38.8)	(45.5)
Change in premiums receivable, net of reinsurance premiums payable	(133.8)	(126.8)
Change in loss, loss adjustment expense and unearned premium reserves	665.6	468.6
Change in reinsurance recoverable	(160.0)	19.6
Change in expenses and taxes payable	(86.2)	(70.7)
Other, net	17.5	21.0
Net cash provided by operating activities	850.9	799.9
Cash Flows From Investing Activities		
Proceeds from disposals and maturities of fixed maturities	1,676.2	2,162.8
Proceeds from disposals of equity securities and other investments	100.1	72.8
Purchase of fixed maturities	(2,447.2)	(2,807.2)
Purchase of equity securities and other investments	(82.8)	(64.5)
Capital expenditures	(8.2)	(6.5)
Net cash used in investing activities	(761.9)	(642.6)
Cash Flows From Financing Activities		
Proceeds from exercise of employee stock options	18.0	13.7
Proceeds from issuance of debt, net	—	495.0
Dividends paid to shareholders	(99.5)	(96.9)
Repayment of debt	(375.0)	—
Repurchases of common stock	(228.3)	(74.6)
Other financing activities	(20.7)	(12.4)
Net cash (used in) provided by financing activities	(705.5)	324.8
Net change in cash and cash equivalents	(616.5)	482.1
Net change in cash related to discontinued operations	0.1	(1.9)
Cash and cash equivalents, beginning of period	1,122.7	435.5
Cash and cash equivalents, end of period	\$ 506.3	\$ 915.7

The accompanying notes are an integral part of these interim consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements of The Hanover Insurance Group, Inc. and its subsidiaries (“THG” or the “Company”) have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information and with the requirements of Form 10-Q. Certain financial information that is provided in annual financial statements, but is not required in interim reports, has been omitted.

The interim consolidated financial statements of THG include the accounts of The Hanover Insurance Company and Citizens Insurance Company of America, THG’s principal property and casualty companies, and other insurance and non-insurance subsidiaries. These legal entities conduct their operations through several reporting segments discussed in Note 9 – “Segment Information.” All intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of the Company’s management, the accompanying interim consolidated financial statements reflect all adjustments, consisting of normal recurring items, necessary for a fair presentation of the financial position and results of operations. The results of operations for the nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the Company’s 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 20, 2026.

2. New Accounting Pronouncements

Recently Implemented Standards

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASC Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This Update requires entities to disclose an annual tabular rate reconciliation, using both percentages and currency amounts, broken out into specific categories, to the extent those items exceed a specified threshold. In addition, all entities are required to disclose annual income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions, and for individual jurisdictions when the amount is at least five percent of total income tax payments, net of refunds received. This Update was effective for annual reporting periods beginning after December 15, 2024. The Company implemented this guidance on a prospective basis and it did not have a material effect on its financial position or results of operation, as the Update is disclosure related.

Recently Issued Standards

In September 2025, the FASB issued ASC Update No. 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This Update eliminates the traditional three-stage sequential software development model (preliminary, application development, and post-implementation) and instead requires capitalization to begin once management has authorized and commits funding to each software project, and completion of the software for its intended use is probable. The guidance states that the “probable-to-complete” recognition threshold is not met until significant development uncertainty has been resolved. Additionally, disclosure requirements for internal-use software have been updated to align with those for property, plant, and equipment under ASC 360-10, *Property, Plant and Equipment - Overall*, regardless of whether the software is classified as intangible or tangible. This Update is effective for interim and annual reporting periods beginning after December 15, 2027, with early adoption permitted. This guidance may be implemented either on a prospective, modified, or retrospective basis. The Company is currently assessing the impact of this guidance to its financial position and results of operations.

In November 2024, the FASB issued ASC Update No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. This Update requires entities to disclose, at each interim and annual reporting period, specified information about certain costs and expenses in the notes to financial statements. Entities must disclose the amounts, in a tabular format, of relevant expense captions presented on the face of the income statement within continuing operations that contain expenses associated with employee compensation, depreciation, and intangible asset amortization. Additionally, the Update requires qualitative disclosure of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and the disclosure of total selling expenses, among other items. This Update is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods, as clarified in ASC Update No. 2025-01, beginning after December 15, 2027, with early adoption permitted. This guidance may be implemented either on a prospective or retrospective basis. The Company does not expect implementation of this guidance to have a material effect on its financial position or results of operations, as the Update is disclosure related.

3. Investments

A. Fixed maturities

The amortized cost and fair value of available-for-sale fixed maturities were as follows:

(in millions)	September 30, 2026					
	Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and government agencies	\$ 552.2	\$ —	\$ 552.2	\$ —	\$ 59.3	\$ 492.9
Foreign governments	16.6	—	16.6	0.1	1.1	15.6
Municipals	1,100.8	—	1,100.8	0.1	112.0	988.9
Corporates	4,629.2	(0.7)	4,628.5	4.2	216.0	4,416.7
Residential mortgage-backed	2,340.8	—	2,340.8	2.0	187.5	2,155.3
Commercial mortgage-backed	663.8	—	663.8	—	46.8	617.0
Other asset-backed	1,169.1	—	1,169.1	0.3	20.1	1,149.3
Total fixed maturities	<u>\$ 10,472.5</u>	<u>\$ (0.7)</u>	<u>\$ 10,471.8</u>	<u>\$ 6.7</u>	<u>\$ 642.8</u>	<u>\$ 9,835.7</u>

(in millions)	December 31, 2025					
	Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and government agencies	\$ 491.3	\$ —	\$ 491.3	\$ 2.4	\$ 38.2	\$ 455.5
Foreign governments	2.5	—	2.5	0.2	—	2.7
Municipals	910.8	—	910.8	4.1	67.2	847.7
Corporates	4,239.3	(0.2)	4,239.1	71.4	57.0	4,253.5
Residential mortgage-backed	2,472.2	—	2,472.2	32.4	82.8	2,421.8
Commercial mortgage-backed	610.2	—	610.2	1.0	21.3	589.9
Other asset-backed	959.6	—	959.6	6.5	0.7	965.4
Total fixed maturities	<u>\$ 9,685.9</u>	<u>\$ (0.2)</u>	<u>\$ 9,685.7</u>	<u>\$ 118.0</u>	<u>\$ 267.2</u>	<u>\$ 9,536.5</u>

The Company enters into various agreements that may require its fixed maturities to be held as collateral by others. At September 30, 2026 and December 31, 2025, fixed maturities with fair values of \$316.5 million and \$339.2 million, respectively, were held as collateral for the Federal Home Loan Bank (“FHLB”) collateralized borrowing program. Additionally, the Company deposits funds with various state governmental authorities and trustees. For a discussion of the Company’s deposits with these state governmental authorities and trustees, see Note 2 – “Investments” in the Notes to Consolidated Financial Statements in the Company’s 2025 Annual Report on Form 10-K.

The amortized cost and fair value by maturity periods for fixed maturities are shown in the following table. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, or the Company may have the right to put or sell the obligations back to the issuers.

(in millions)	September 30, 2026	
	Amortized Cost, Net of Allowance for Credit Losses	Fair Value
Due in one year or less	\$ 200.9	\$ 200.2
Due after one year through five years	2,590.5	2,466.1
Due after five years through ten years	2,942.0	2,743.9
Due after ten years	564.7	503.9
	<u>6,298.1</u>	<u>5,914.1</u>
Mortgage-backed and other asset-backed securities	4,173.7	3,921.6
Total fixed maturities	<u>\$ 10,471.8</u>	<u>\$ 9,835.7</u>

B. Fixed maturity securities in an unrealized loss position

The following tables provide information about the Company's available-for-sale fixed maturity securities that were in an unrealized loss position at September 30, 2026 and December 31, 2025, including the length of time the securities have been in an unrealized loss position:

(in millions)	September 30, 2026					
	12 months or less		Greater than 12 months		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Investment grade:						
U.S. Treasury and government agencies	\$ 3.8	\$ 202.4	\$ 55.5	\$ 289.2	\$ 59.3	\$ 491.6
Foreign governments	1.1	13.8	—	—	1.1	13.8
Municipals	28.9	495.4	83.1	470.8	112.0	966.2
Corporates	138.9	3,284.1	62.7	534.2	201.6	3,818.3
Residential mortgage-backed	78.4	1,662.4	108.6	433.9	187.0	2,096.3
Commercial mortgage-backed	26.6	463.8	19.2	148.7	45.8	612.5
Other asset-backed	19.5	948.2	0.6	4.7	20.1	952.9
Total investment grade	297.2	7,070.1	329.7	1,881.5	626.9	8,951.6
Below investment grade:						
Foreign governments	—	0.2	—	—	—	0.2
Corporates	9.4	251.5	5.0	33.3	14.4	284.8
Residential mortgage-backed	0.5	2.4	—	—	0.5	2.4
Commercial mortgage-backed	—	—	1.0	4.5	1.0	4.5
Other asset-backed	—	2.9	—	—	—	2.9
Total below investment grade	9.9	257.0	6.0	37.8	15.9	294.8
Total fixed maturities	\$ 307.1	\$ 7,327.1	\$ 335.7	\$ 1,919.3	\$ 642.8	\$ 9,246.4

(in millions)	December 31, 2025					
	12 months or less		Greater than 12 months		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Investment grade:						
U.S. Treasury and government agencies	\$ —	\$ 11.9	\$ 38.2	\$ 319.7	\$ 38.2	\$ 331.6
Municipals	0.6	56.3	66.6	550.3	67.2	606.6
Corporates	1.0	271.3	51.2	704.2	52.2	975.5
Residential mortgage-backed	0.5	128.7	82.3	521.7	82.8	650.4
Commercial mortgage-backed	0.5	122.5	20.0	284.3	20.5	406.8
Other asset-backed	0.5	82.9	0.2	24.3	0.7	107.2
Total investment grade	3.1	673.6	258.5	2,404.5	261.6	3,078.1
Below investment grade:						
Corporates	2.2	37.5	2.6	34.8	4.8	72.3
Commercial mortgage-backed	—	—	0.8	4.9	0.8	4.9
Other asset-backed	—	1.3	—	—	—	1.3
Total below investment grade	2.2	38.8	3.4	39.7	5.6	78.5
Total fixed maturities	\$ 5.3	\$ 712.4	\$ 261.9	\$ 2,444.2	\$ 267.2	\$ 3,156.6

The Company views gross unrealized losses on fixed maturities as non-credit related and through its assessment of unrealized losses has determined that these securities will recover, allowing the Company to realize the anticipated long-term economic value. The Company currently does not intend to sell, nor does it expect to be required to sell these securities before recovery of their amortized cost. The Company employs a systematic methodology to evaluate declines in fair value below amortized cost for fixed maturity securities. In determining impairments, the Company evaluates several factors and circumstances, including the issuer's overall financial condition; the issuer's credit and financial strength ratings; the issuer's financial performance, including earnings trends and asset quality; any specific events which may influence the operations of the issuer; the general outlook for market conditions in the industry or geographic region in which the issuer operates; and the degree to which the fair value of an issuer's securities is below the Company's amortized cost. The Company also considers any factors that might raise doubt about the issuer's ability to make contractual payments as they come due and whether the Company expects to recover the entire amortized cost basis of the security.

C. Proceeds from sales

The proceeds from sales of available-for-sale fixed maturities and gross realized gains and gross realized losses on those sales were as follows:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Proceeds from sales	\$ 256.5	\$ 358.4	\$ 1,044.5	\$ 1,260.4
Gross gains	0.2	0.4	3.0	1.7
Gross losses	8.6	21.6	23.9	46.8

D. Impairments

For the three months ended September 30, 2026, net recoveries were de minimis. For the nine months ended September 30, 2026, the Company recognized impairment losses of \$4.1 million, consisting of \$3.3 million on fixed maturities and \$0.8 million on mortgage loans. For the three months ended September 30, 2025, impairments were de minimis. For the nine months ended September 30, 2025, the Company recognized net impairment losses of \$3.0 million, primarily related to mortgage loans.

At September 30, 2026 and December 31, 2025, the allowance for credit losses on mortgage loans was \$7.0 million and \$8.1 million, respectively. At September 30, 2026 and December 31, 2025, the allowance for credit losses on available-for-sale debt securities was de minimis.

The following table provides a rollforward of the allowance for credit losses on mortgage loans:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Allowance for credit losses as of the beginning of the period	\$ 9.0	\$ 8.0	\$ 8.1	\$ 5.7
Additional credit losses on investments for which an allowance was previously recognized	—	0.3	2.8	2.9
Recoveries	(2.0)	—	(2.0)	—
Reductions for disposals	—	(0.1)	(1.9)	(0.4)
Allowance for credit losses as of the end of the period	\$ 7.0	\$ 8.2	\$ 7.0	\$ 8.2

The methodology and significant inputs used to measure the amount of credit losses were as follows:

Mortgage loans – the Company estimated losses by applying expected loss rates, which are based on historical data. Embedded in expected loss rates are mortgage risk ratings and risk factors associated with property type such as office, retail, lodging, multi-family and industrial. Risk ratings, based on property characteristics and metrics including the geographic market, are predominantly driven by estimates of loan-to-value and debt service coverage ratios. Ratings may be adjusted to reflect current conditions and to incorporate reasonable and supportable forecasts, such as volatility of cash flows and valuation.

Fixed maturities, Corporate bonds – the Company utilized a financial model that derives expected cash flows based on probability-of-default factors by credit rating and asset duration, and loss-given-default factors based on security type. These factors are based on historical data provided by an independent third-party rating agency. In addition, other qualitative market data relevant to the realizability of contractual cash flows may be considered, including current conditions and reasonable and supportable forecasts.

E. Equity securities

Pre-tax net realized and unrealized gains (losses) on equity securities recognized in income included the following:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net realized and unrealized gains (losses) on equity securities recognized in income:				
On securities sold during the period	\$ 3.2	\$ —	\$ 5.5	\$ 0.6
On securities still held	(10.0)	11.2	3.7	16.1
Total net realized and unrealized gains (losses) on equity securities recognized in income	\$ (6.8)	\$ 11.2	\$ 9.2	\$ 16.7

4. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, i.e., exit price, in an orderly transaction between market participants. The Company emphasizes the use of observable market data whenever available in determining fair value. Fair values presented for certain financial instruments are estimates which, in many cases, may differ significantly from the amounts that could be realized upon immediate liquidation. A hierarchy of the three broad levels of fair value is as follows, with the highest priority given to Level 1 as these are the most observable, and the lowest priority given to Level 3:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data, including model-derived valuations.

Level 3 – Unobservable inputs that are supported by little or no market activity.

When more than one level of input is used to determine fair value, the financial instrument is classified as Level 2 or Level 3 according to the lowest level input that has a significant impact on the fair value measurement.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and have not changed since last year.

Fixed Maturities

Level 1 securities generally include U.S. Treasury issues and other securities that are highly liquid, and for which quoted market prices are available. Level 2 securities are valued using pricing for similar securities and pricing models that incorporate observable inputs including, but not limited to, yield curves and issuer spreads. Level 3 securities include issues for which little observable data can be obtained, primarily due to the illiquid nature of the securities, and for which significant inputs used to determine fair value are based on the Company's own assumptions.

The Company utilizes third-party pricing services for the valuation of the majority of its fixed maturity securities and receives one quote per security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value, and such values are classified as Level 1. Since fixed maturities other than U.S. Treasury securities generally do not trade on a daily basis, the pricing services prepare estimates of fair value for those securities using pricing techniques based on a market approach. Inputs into the fair value pricing common to all asset classes include: benchmark U.S. Treasury security yield curves; reported trades of identical or similar fixed maturity securities; broker/dealer quotes of identical or similar fixed maturity securities and structural characteristics such as maturity date, coupon, mandatory principal payment dates, frequency of interest and principal payments, and optional redemption features. Inputs into the fair value applications that are unique by asset class include, but are not limited to:

- U.S. government agencies – determination of direct versus indirect government support and whether any contingencies exist with respect to the timely payment of principal and interest.
- Foreign governments – estimates of appropriate market spread versus underlying related sovereign treasury curve(s) dependent on liquidity and direct or contingent support.
- Municipals – overall credit quality, including assessments of the level and variability of: sources of payment such as income, sales or property taxes, levies or user fees; credit support such as insurance; state or local economic and political base; natural resource availability; and susceptibility to natural or man-made catastrophic events such as hurricanes, earthquakes or acts of terrorism.
- Corporate fixed maturities – overall credit quality, including assessments of the level and variability of: economic sensitivity; liquidity; corporate financial policies; management quality; regulatory environment; competitive position; ownership; restrictive covenants; and security or collateral.
- Residential mortgage-backed securities – estimates of prepayment speeds based upon: historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies; and delinquency/default trends; and in the case of non-agency collateralized mortgage obligations, severity of loss upon default and length of time to recover proceeds following default.
- Commercial mortgage-backed securities – overall credit quality, including assessments of the value and supply/demand characteristics of: collateral type such as office, retail, residential, lodging, or other; geographic concentration by region, state, metropolitan statistical area and locale; vintage year; historical collateral performance including defeasance, delinquency, default and special servicer trends; and capital structure support features.

[Table of Contents](#)

- Other asset-backed securities – overall credit quality, including assessments of the underlying collateral type such as corporate loans, credit card receivables, automobile loan receivables and equipment lease receivables; geographic diversification; vintage year; historical collateral performance including delinquency, default and casualty trends; economic conditions influencing use rates and resale values; and contract structural support features.

Generally, all prices provided by the pricing services, except actively traded securities with quoted market prices, are reported as Level 2.

The Company holds privately placed fixed maturity securities and certain other fixed maturity securities that do not have an active market and for which the pricing services cannot provide fair values. The Company determines fair values for these securities using either matrix pricing, which utilizes the market approach, or broker quotes. The Company will use observable market data as inputs into the fair value techniques, as discussed in the determination of Level 2 fair values, to the extent it is available, but is also required to use a certain amount of unobservable judgment due to the illiquid nature of the securities involved. Unobservable judgment reflected in the Company's matrix model accounts for estimates of additional spread required by market participants for factors such as issue size, credit stress, structural complexity, high coupon bond, or other unique features. These matrix-priced securities are reported as Level 2 or Level 3, depending on the significance of the impact of unobservable judgment on the security's value. Additionally, the Company may obtain non-binding broker quotes, which are reported as Level 3.

Equity Securities

Level 1 consists of publicly traded securities, including exchange-traded funds, valued at quoted market prices. Level 2 includes securities that are valued using pricing for similar securities and pricing models that incorporate observable inputs. Level 3 consists of common or preferred stock of private companies for which observable inputs are not available.

The Company utilizes a third-party pricing service for the valuation of the majority of its equity securities and receives one quote for each equity security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value, and such values are classified as Level 1. The Company holds certain equity securities that have been issued by privately-held entities that do not have an active market and for which the pricing service cannot provide fair values. The Company estimates fair value for these securities based on prices from recent financing rounds, which may be adjusted for liquidity and other factors, or based on the issuer's book value and market multiples, and reports them as Level 3. Additionally, the Company may obtain non-binding broker or dealer quotes, which are reported as Level 3.

Other Investments

Other investments primarily include limited partnerships not subject to the equity method of accounting and mortgage loan participations. The fair values of limited partnerships not subject to the equity method of accounting are based on the net asset value ("NAV") provided by the general partner, adjusted for recent financial information, and are excluded from the fair value hierarchy.

The estimated fair values of the financial instruments were as follows:

	September 30, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(in millions)</i>				
Financial Assets carried at:				
<i>Fair Value through Accumulated Other Comprehensive Loss:</i>				
Fixed maturities	\$ 9,835.7	\$ 9,835.7	\$ 9,536.5	\$ 9,536.5
<i>Fair Value through Net Income:</i>				
Equity securities	197.1	197.1	184.8	184.8
Other investments	78.5	78.5	80.9	80.9
<i>Amortized Cost/Cost:</i>				
Other investments	222.1	210.9	282.8	274.5
Cash and cash equivalents	506.3	506.3	1,122.7	1,122.7
Total financial instruments	<u>\$ 10,839.7</u>	<u>\$ 10,828.5</u>	<u>\$ 11,207.7</u>	<u>\$ 11,199.4</u>
Financial Liabilities carried at:				
<i>Amortized Cost:</i>				
Debt	<u>\$ 844.2</u>	<u>\$ 788.4</u>	<u>\$ 1,218.3</u>	<u>\$ 1,206.6</u>

[Table of Contents](#)

The Company has processes designed to ensure that the values received from its third-party pricing services are accurately recorded, that the data inputs and valuation approaches and techniques utilized are appropriate and consistently applied, and that the assumptions are reasonable and consistent with the objective of determining fair value. The Company reviews the pricing services' policies describing its methodology, processes, practices and inputs, including various financial models, used to value securities. For assets carried at fair value, the Company performs a review of the fair value hierarchy classifications and of prices received from its pricing services on a quarterly basis. Also, the Company reviews the portfolio pricing, including a process for which securities with changes in prices that exceed a defined threshold are verified to independent sources, if available. If upon review, the Company is not satisfied with the validity of a given price, a pricing challenge would be submitted to the applicable pricing service along with supporting documentation for its review. The Company does not adjust quotes or prices obtained from the pricing services unless the pricing service agrees with the Company's challenge. During the first nine months of 2026 and 2025, the Company did not adjust any prices received from its pricing services.

Changes in the observability of valuation inputs may result in a reclassification of certain financial assets or liabilities within the fair value hierarchy. As previously discussed, the Company utilizes third-party pricing services for the valuation of the majority of its fixed maturity and equity securities. The pricing services have indicated that they will only produce an estimate of fair value if there is objectively verifiable information to produce a valuation. If a pricing service discontinues pricing an investment, the Company will use observable market data, to the extent it is available, but may also be required to make assumptions for market-based inputs that are unavailable due to market conditions.

The following tables provide, for each hierarchy level, the Company's investment assets that were measured at fair value on a recurring basis.

(in millions)	September 30, 2026			
	Total	Level 1	Level 2	Level 3
Fixed maturities:				
U.S. Treasury and government agencies	\$ 492.9	\$ 384.8	\$ 108.1	\$ —
Foreign governments	15.6	—	15.6	—
Municipals	988.9	—	982.5	6.4
Corporates	4,416.7	—	4,416.7	—
Residential mortgage-backed, U.S. agency backed	1,724.4	—	1,724.4	—
Residential mortgage-backed, non-agency	430.9	—	430.9	—
Commercial mortgage-backed	617.0	—	612.5	4.5
Other asset-backed	1,149.3	—	1,149.3	—
Total fixed maturities	9,835.7	384.8	9,440.0	10.9
Equity securities	197.1	183.4	—	13.7
Other investments	16.9	—	13.5	3.4
Total investment assets at fair value	\$ 10,049.7	\$ 568.2	\$ 9,453.5	\$ 28.0

(in millions)	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Fixed maturities:				
U.S. Treasury and government agencies	\$ 455.5	\$ 331.1	\$ 124.4	\$ —
Foreign governments	2.7	—	2.7	—
Municipals	847.7	—	840.3	7.4
Corporates	4,253.5	—	4,253.5	—
Residential mortgage-backed, U.S. agency backed	1,903.2	—	1,903.2	—
Residential mortgage-backed, non-agency	518.6	—	518.6	—
Commercial mortgage-backed	589.9	—	585.0	4.9
Other asset-backed	965.4	—	965.4	—
Total fixed maturities	9,536.5	331.1	9,193.1	12.3
Equity securities	184.8	164.3	—	20.5
Other investments	16.8	—	13.4	3.4
Total investment assets at fair value	\$ 9,738.1	\$ 495.4	\$ 9,206.5	\$ 36.2

Limited partnerships measured at fair value using the NAV based on an ownership interest in partners' capital have not been included in the hierarchy tables. At September 30, 2026 and December 31, 2025, the fair values of these investments were \$61.6 million and \$64.1 million, respectively, and were less than 1% of total investment assets.

[Table of Contents](#)

The following tables provide, for each hierarchy level, the Company's estimated fair values of financial instruments that were not carried at fair value:

(in millions)	September 30, 2026			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 506.3	\$ 506.3	\$ —	\$ —
Other investments	210.9	—	6.1	204.8
Total financial instruments	<u>\$ 717.2</u>	<u>\$ 506.3</u>	<u>\$ 6.1</u>	<u>\$ 204.8</u>
Liabilities:				
Debt	\$ 788.4	\$ —	\$ 788.4	\$ —

(in millions)	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 1,122.7	\$ 1,122.7	\$ —	\$ —
Other investments	274.5	—	6.1	268.4
Total financial instruments	<u>\$ 1,397.2</u>	<u>\$ 1,122.7</u>	<u>\$ 6.1</u>	<u>\$ 268.4</u>
Liabilities:				
Debt	\$ 1,206.6	\$ —	\$ 1,206.6	\$ —

The following tables provide a reconciliation for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

	Fixed Maturities				
		Commercial mortgage- backed		Equities and Other	Total Assets
(in millions)	Municipals		Total		
Three Months Ended September 30, 2026					
Balance July 1, 2026	\$ 6.7	\$ 4.7	\$ 11.4	\$ 23.7	\$ 35.1
Total losses:					
Included in net realized and unrealized investment gains (losses)	—	—	—	(6.4)	(6.4)
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	(0.1)	(0.1)	(0.2)	—	(0.2)
Settlements	(0.2)	(0.1)	(0.3)	(0.2)	(0.5)
Balance September 30, 2026	<u>\$ 6.4</u>	<u>\$ 4.5</u>	<u>\$ 10.9</u>	<u>\$ 17.1</u>	<u>\$ 28.0</u>
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>	<u>\$ (0.2)</u>	<u>\$ —</u>	<u>\$ (0.2)</u>
Three Months Ended September 30, 2025					
Balance July 1, 2025	\$ 7.5	\$ 5.1	\$ 12.6	\$ 25.5	\$ 38.1
Total gains:					
Included in net realized and unrealized investment gains (losses)	—	—	—	0.4	0.4
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	0.1	0.1	0.2	—	0.2
Settlements	(0.1)	(0.2)	(0.3)	—	(0.3)
Balance September 30, 2025	<u>\$ 7.5</u>	<u>\$ 5.0</u>	<u>\$ 12.5</u>	<u>\$ 25.9</u>	<u>\$ 38.4</u>
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ 0.2</u>

[Table of Contents](#)

	Fixed Maturities				
(in millions)	Municipals	Commercial mortgage-backed	Total	Equities and Other	Total Assets
Nine Months Ended September 30, 2026					
Balance January 1, 2026	\$ 7.4	\$ 4.9	\$ 12.3	\$ 23.9	\$ 36.2
Total losses:					
Included in net realized and unrealized investment gains (losses)	—	—	—	(6.3)	(6.3)
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	(0.1)	(0.1)	(0.2)	—	(0.2)
Purchase	—	—	—	0.3	0.3
Issuance	—	—	—	0.1	0.1
Settlements	(0.9)	(0.3)	(1.2)	(0.9)	(2.1)
Balance September 30, 2026	<u>\$ 6.4</u>	<u>\$ 4.5</u>	<u>\$ 10.9</u>	<u>\$ 17.1</u>	<u>\$ 28.0</u>
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>	<u>\$ (0.2)</u>	<u>\$ —</u>	<u>\$ (0.2)</u>
Nine Months Ended September 30, 2025					
Balance January 1, 2025	\$ 7.6	\$ 5.9	\$ 13.5	\$ 24.7	\$ 38.2
Total gains:					
Included in net realized and unrealized investment gains (losses)	—	—	—	1.2	1.2
Included in other comprehensive income (loss) - changes in net unrealized gains (losses) on investment securities	0.3	0.3	0.6	—	0.6
Settlements	(0.4)	(1.2)	(1.6)	—	(1.6)
Balance September 30, 2025	<u>\$ 7.5</u>	<u>\$ 5.0</u>	<u>\$ 12.5</u>	<u>\$ 25.9</u>	<u>\$ 38.4</u>
Changes in net unrealized gains (losses) for the period included in other comprehensive income (loss) for assets held at the end of the period	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>	<u>\$ —</u>	<u>\$ 0.6</u>

There were no securities transferred between Level 2 and Level 3 during the three and nine months ended September 30, 2026 and 2025. The Company held no Level 3 liabilities for the nine months ended September 30, 2026 and 2025.

The following table provides quantitative information about the significant unobservable inputs used by the Company in the fair value measurements of Level 3 assets. Valuation of \$4.6 million for equity securities based on dealer quotes for which there was lack of transparency as to inputs used to develop the valuation have been excluded.

(in millions)	Valuation Technique	Significant Unobservable Inputs	September 30, 2026		December 31, 2025	
			Fair Value	Range (Wtd Average)	Fair Value	Range (Wtd Average)
Fixed maturities:						
Municipals	Discounted cash flow	Discount for: Small issue size	\$ 6.4	6.8 - 6.8%	\$ 7.4	6.8 - 6.8%
Commercial mortgage-backed	Discounted cash flow	Discount for: Small issue size Lease structure	4.5	5.0% (5.0%) 0.3% (0.3%)	4.9	5.0% (5.0%) 0.3% (0.3%)
Equity securities	Market comparables	Net tangible asset	1.5	N/A	1.5	N/A
	Internal price based on financing round	Discount for: Market liquidity	7.6	27.0% (27.0%)	7.3	27.0% (27.0%)
Other	Discounted cash flow	Discount rate	3.4	18.6% (18.6%)	3.4	18.6% (18.6%)

[Table of Contents](#)

The weighted average of the unobservable inputs was weighted by the relative fair value of the securities to which the inputs were applied. Each unobservable input is based on the Company's subjective opinion and therefore inherently contains a degree of uncertainty. Where discounted cash flows were used in the valuation of fixed maturities, the internally-developed discount rate was adjusted by the significant unobservable inputs shown in the table. Increases (decreases) in any of these inputs in isolation would result in a lower (higher) fair value measurement. Increases (decreases) in unobservable inputs used in the valuation of equity securities would result in a higher (lower) fair value measurement. There were no interrelationships between these inputs which might magnify or mitigate the effect of changes in unobservable inputs on the fair value measurement.

5. Debt and Credit Arrangements

Debt consists of the following:

<i>(in millions)</i>	September 30, 2026	December 31, 2025
Short-term:		
Subordinated debentures maturing February 3, 2027	50.1	—
Senior debentures maturing April 15, 2026	—	375.0
Total short-term debt	50.1	375.0
Long-term:		
Senior debentures maturing September 1, 2035	500.0	500.0
Senior debentures maturing September 1, 2030	300.0	300.0
Subordinated debentures maturing February 3, 2027	—	50.1
Total long-term debt principal	800.0	850.1
Unamortized debt issuance costs	(5.9)	(6.8)
Total long-term debt	794.1	843.3
Total debt	\$ 844.2	\$ 1,218.3

On January 15, 2026, the Company used a portion of the net proceeds of its August 21, 2025 debt issuance to redeem its outstanding \$375.0 million par value of 4.50% unsecured senior debentures that were issued on April 8, 2016. For a discussion of the August 21, 2025 debt issuance, see Note 5 – “Debt and Credit Arrangements” in the Notes to Consolidated Financial Statements in the Company's 2025 Annual Report on Form 10-K.

At September 30, 2026, the Company was in compliance with the covenants associated with its debt indentures and credit arrangements.

6. Income Taxes

Income tax expense for the nine months ended September 30, 2026 and 2025 has been computed using estimated annual effective tax rates. These rates are revised, if necessary, at the end of each successive interim period to reflect current estimates of the annual effective tax rates.

The tax provision was comprised of U.S. federal and state income tax expense of \$151.5 million and \$122.3 million for the nine months ended September 30, 2026 and 2025, respectively.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions, and are subject to U.S. federal and state income tax examinations for years after 2020.

7. Pension Plans

The components of net periodic pension cost for the defined benefit pension plans included in the Company's results of operations are as follows:

<i>(in millions)</i>	Three Months Ended September 30,	
	2026	2025
Interest cost	\$ 4.7	\$ 5.1
Expected return on plan assets	(4.6)	(4.7)
Recognized net actuarial loss	1.7	1.6
Net periodic pension cost	\$ 1.8	\$ 2.0

<i>(in millions)</i>	Nine Months Ended September 30,	
	2026	2025
Interest cost	\$ 14.2	\$ 15.3
Expected return on plan assets	(13.8)	(14.2)
Recognized net actuarial loss	5.0	4.9
Net periodic pension cost	\$ 5.4	\$ 6.0

8. Other Comprehensive Income (Loss)

The following tables provide changes in other comprehensive income (loss).

(in millions)	Three Months Ended September 30,					
	2026			2025		
	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax
Changes in net unrealized gains (losses) on investment securities:						
Net unrealized gains (losses) arising during period for those having no credit losses in Consolidated Statements of Income	\$ (390.8)	\$ 82.0	\$ (308.8)	\$ 91.6	\$ (19.3)	\$ 72.3
Net unrealized gains (losses) arising during period for those having credit losses in Consolidated Statements of Income	(0.6)	0.2	(0.4)	0.2	(0.1)	0.1
Amount of losses realized from sales and other recognized in Consolidated Statements of Income	8.3	(2.1)	6.2	20.4	(4.4)	16.0
Amount of credit-related impairments (recoveries) on prior impairments recognized in the Consolidated Statements of Income	0.3	(0.1)	0.2	(0.1)	0.1	—
Amount of additional impairment losses recognized in the Consolidated Statements of Income	1.5	(0.3)	1.2	—	—	—
Net unrealized gains (losses)	(381.3)	79.7	(301.6)	112.1	(23.7)	88.4
Pension and postretirement benefits:						
Amortization of net actuarial losses recognized as net periodic benefit cost	1.7	(0.3)	1.4	1.7	(0.4)	1.3
Long-duration insurance contracts:						
Net change in market risk	3.5	(0.7)	2.8	(1.0)	0.2	(0.8)
Other comprehensive (loss) income	<u>\$ (376.1)</u>	<u>\$ 78.7</u>	<u>\$ (297.4)</u>	<u>\$ 112.8</u>	<u>\$ (23.9)</u>	<u>\$ 88.9</u>
(in millions)	Nine Months Ended September 30,					
	2026			2025		
	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax
Changes in net unrealized gains (losses) on investment securities:						
Net unrealized gains (losses) arising during period for those having no credit losses in Consolidated Statements of Income	\$ (514.8)	\$ 108.1	\$ (406.7)	\$ 279.9	\$ (58.9)	\$ 221.0
Net unrealized gains (losses) arising during period for those having credit losses in Consolidated Statements of Income	(0.4)	0.1	(0.3)	0.4	(0.1)	0.3
Amount of losses realized from sales and other recognized in Consolidated Statements of Income	19.8	(4.6)	15.2	44.3	(10.0)	34.3
Amount of credit-related impairments (recoveries) recognized in the Consolidated Statements of Income	0.5	(0.1)	0.4	(0.3)	0.1	(0.2)
Amount of additional impairment losses recognized in the Consolidated Statements of Income	2.8	(0.6)	2.2	0.6	(0.1)	0.5
Net unrealized gains (losses)	(492.1)	102.9	(389.2)	324.9	(69.0)	255.9
Pension and postretirement benefits:						
Amortization of net actuarial losses recognized as net periodic benefit cost	5.1	(1.0)	4.1	5.0	(1.0)	4.0
Long-duration insurance contracts:						
Net change in market risk	4.3	(0.9)	3.4	(2.4)	0.5	(1.9)
Other comprehensive (loss) income	<u>\$ (482.7)</u>	<u>\$ 101.0</u>	<u>\$ (381.7)</u>	<u>\$ 327.5</u>	<u>\$ (69.5)</u>	<u>\$ 258.0</u>

[Table of Contents](#)

Reclassifications out of accumulated other comprehensive (loss) income were as follows:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		Affected Line Item in the Statement Where Net Income is Presented
	2026	2025	2026	2025	
Details about Accumulated Other Comprehensive (Loss) Income Components	Amount Reclassified from Accumulated Other Comprehensive (Loss) Income				
Net unrealized losses on investment securities	\$ (8.3)	\$ (20.3)	\$ (19.6)	\$ (44.0)	Net realized losses from sales and other
	(1.8)	0.1	(3.3)	(0.1)	Recoveries (impairments) on investments
	(10.1)	(20.2)	(22.9)	(44.1)	Total before tax
	2.5	4.2	5.3	9.9	Income tax (expense) benefit
	(7.6)	(16.0)	(17.6)	(34.2)	Income from continuing operations
	—	(0.2)	(0.2)	(0.4)	Income from discontinued life businesses
	(7.6)	(16.2)	(17.8)	(34.6)	Net of tax
Amortization of defined benefit pension and postretirement actuarial losses	(1.7)	(1.7)	(5.1)	(5.0)	Loss adjustment expenses and other operating expenses ⁽¹⁾
	0.3	0.4	1.0	1.0	Income tax (expense) benefit
	(1.4)	(1.3)	(4.1)	(4.0)	Income from continuing operations
Net change in market risk	0.2	—	0.7	0.3	Income from discontinued life businesses
	(0.1)	—	(0.2)	(0.1)	Income tax (expense) benefit
	0.1	—	0.5	0.2	Income from discontinued life businesses
Total reclassifications for the period	\$ (8.9)	\$ (17.5)	\$ (21.4)	\$ (38.4)	Net expense reflected in income, net of tax

(1) The amount reclassified from accumulated other comprehensive loss for the pension and postretirement benefits was allocated approximately 40% to loss adjustment expenses and 60% to other operating expenses for the nine months ended September 30, 2026 and 2025.

9. Segment Information

The Company's primary business operations include insurance products and services provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers' compensation, and other commercial coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Marine and Industrial Property, Professional and Executive Lines, E&S and Alternative Markets, and Surety and Other. E&S and Alternative Markets includes coverages such as excess and surplus lines, program business (providing commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses) and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages. The Other segment includes earnings on holding company assets; holding company, public company governance and other expenses, including certain costs associated with retirement benefits related to employees and agents of the Company's former life insurance subsidiaries; and run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty pools, and run-off product liability business.

The Company reports interest expense related to debt separately from the earnings of its reporting segments. This consists primarily of interest on the Company's senior and subordinated debentures.

The separate financial information is presented consistent with the way results are regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Results of the reporting segments are evaluated based on operating income (loss) before interest expense and income taxes, which excludes certain items that are included in net income, such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income (loss) before interest expense and income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income (loss) before interest expense and income taxes may be important components in understanding and assessing the Company's overall financial performance, management believes that the presentation of operating income (loss) before interest expense and income taxes enhances an investor's understanding of the Company's results of operations by highlighting net income attributable to the core operations of the business. However, operating income (loss) before interest expense and income taxes should not be construed as a substitute for income before income taxes or income from continuing operations or as a substitute for net income.

[Table of Contents](#)

Summarized below is financial information with respect to the Company's reporting segments.

	Three Months Ended				
	September 30, 2026				
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	\$ 582.2	\$ 369.5	\$ 659.8	\$ —	\$ 1,611.5
Net investment income	60.5	30.5	36.8	4.1	131.9
Fees and other income	1.3	1.3	3.5	0.1	6.2
Total operating revenues	\$ 644.0	\$ 401.3	\$ 700.1	\$ 4.2	1,749.6
Net realized and unrealized investment losses					(14.1)
Total revenues					\$ 1,735.5
Operating income (loss) before interest expense and income taxes:					
Net premiums earned	\$ 582.2	\$ 369.5	\$ 659.8	\$ —	\$ 1,611.5
Losses and LAE:					
Current accident year losses and LAE	352.4	176.5	369.4	—	898.3
Prior year unfavorable (favorable) development, excluding catastrophes	(3.0)	(14.8)	(0.7)	0.2	(18.3)
Current year catastrophe losses	49.9	14.8	57.0	—	121.7
Prior year favorable catastrophe development	(4.6)	(2.4)	(5.0)	—	(12.0)
Total losses and LAE	394.7	174.1	420.7	0.2	989.7
Amortization of deferred acquisition costs and other underwriting expenses ⁽¹⁾	191.8	136.8	174.1	—	502.7
Underwriting income (loss)	(4.3)	58.6	65.0	(0.2)	119.1
Net investment income	60.5	30.5	36.8	4.1	131.9
Fees and other income	1.3	1.3	3.5	0.1	6.2
Other segment items ⁽²⁾	(2.0)	(2.3)	(1.7)	(6.8)	(12.8)
Operating income (loss) before interest expense and income taxes	\$ 55.5	\$ 88.1	\$ 103.6	\$ (2.8)	244.4
Interest on debt					(10.0)
Operating income before income taxes					234.4
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(14.1)
Income before income taxes					\$ 220.3

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to holding company, public company governance and other expenses, as well as expenses from certain of THG's former life insurance businesses, including defined benefit pension-related costs.

[Table of Contents](#)

	Three Months Ended				
	September 30, 2025				
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	\$ 554.2	\$ 353.9	\$ 642.6	\$ —	\$ 1,550.7
Net investment income	51.8	26.1	33.0	6.1	117.0
Fees and other income	1.3	1.3	3.7	—	6.3
Total operating revenues	\$ 607.3	\$ 381.3	\$ 679.3	\$ 6.1	1,674.0
Net realized and unrealized investment losses					(9.0)
Total revenues					\$ 1,665.0
Operating income before interest expense and income taxes:					
Net premiums earned	\$ 554.2	\$ 353.9	\$ 642.6	\$ —	\$ 1,550.7
Losses and LAE:					
Current accident year losses and LAE	335.6	172.7	384.7	—	893.0
Prior year favorable development, excluding catastrophes	(1.2)	(10.0)	(0.9)	—	(12.1)
Current year catastrophe losses	17.8	6.0	22.4	—	46.2
Total losses and LAE	352.2	168.7	406.2	—	927.1
Amortization of deferred acquisition costs and other underwriting expenses ⁽¹⁾	187.8	132.4	170.1	—	490.3
Underwriting income	14.2	52.8	66.3	—	133.3
Net investment income	51.8	26.1	33.0	6.1	117.0
Fees and other income	1.3	1.3	3.7	—	6.3
Other segment items ⁽²⁾	(2.2)	(2.0)	(1.9)	(2.8)	(8.9)
Operating income before interest expense and income taxes	\$ 65.1	\$ 78.2	\$ 101.1	\$ 3.3	247.7
Interest on debt					(11.6)
Operating income before income taxes					236.1
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(9.0)
Income before income taxes					\$ 227.1

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to certain of THG's former life insurance businesses, including defined benefit pension-related costs, as well as holding company expenses.

[Table of Contents](#)

(in millions)	Nine Months Ended				
	September 30, 2026				
	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	\$ 1,725.3	\$ 1,095.2	\$ 1,959.2	\$ —	\$ 4,779.7
Net investment income	174.1	86.4	105.3	12.6	378.4
Fees and other income	4.0	3.7	10.8	0.1	18.6
Total operating revenues	\$ 1,903.4	\$ 1,185.3	\$ 2,075.3	\$ 12.7	5,176.7
Net realized and unrealized investment losses					(13.6)
Total revenues					\$ 5,163.1
Operating income before interest expense and income taxes:					
Net premiums earned	\$ 1,725.3	\$ 1,095.2	\$ 1,959.2	\$ —	\$ 4,779.7
Losses and LAE:					
Current accident year losses and LAE	1,024.2	541.8	1,108.2	—	2,674.2
Prior year unfavorable (favorable) development, excluding catastrophes	(5.2)	(39.8)	(20.0)	0.2	(64.8)
Current year catastrophe losses	136.2	43.4	194.5	—	374.1
Prior year favorable catastrophe development	(34.1)	(11.4)	(28.2)	—	(73.7)
Total losses and LAE	1,121.1	534.0	1,254.5	0.2	2,909.8
Amortization of deferred acquisition costs and other underwriting expenses ⁽¹⁾	567.5	404.3	518.0	—	1,489.8
Underwriting income (loss)	36.7	156.9	186.7	(0.2)	380.1
Net investment income	174.1	86.4	105.3	12.6	378.4
Fees and other income	4.0	3.7	10.8	0.1	18.6
Other segment items ⁽²⁾	(7.0)	(6.5)	(5.1)	(12.0)	(30.6)
Operating income before interest expense and income taxes	\$ 207.8	\$ 240.5	\$ 297.7	\$ 0.5	746.5
Interest on debt					(30.9)
Operating income before income taxes					715.6
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(13.6)
Income before income taxes					\$ 702.0

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(1) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to holding company, public company governance and other expenses, as well as expenses from certain of THG's former life insurance businesses, including defined benefit pension-related costs.

[Table of Contents](#)

	Nine Months Ended				
	September 30, 2025				
(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	\$ 1,649.5	\$ 1,049.4	\$ 1,905.6	\$ —	\$ 4,604.5
Net investment income	147.5	74.7	93.7	12.7	328.6
Fees and other income	3.9	3.7	11.1	0.1	18.8
Total operating revenues	\$ 1,800.9	\$ 1,127.8	\$ 2,010.4	\$ 12.8	4,951.9
Net realized and unrealized investment losses					(29.3)
Total revenues					\$ 4,922.6
Operating income before interest expense and income taxes:					
Net premiums earned	\$ 1,649.5	\$ 1,049.4	\$ 1,905.6	\$ —	\$ 4,604.5
Losses and LAE:					
Current accident year losses and LAE	983.4	520.3	1,136.9	—	2,640.6
Prior year favorable development, excluding catastrophes	(5.5)	(38.4)	(6.3)	(0.1)	(50.3)
Current year catastrophe losses	97.5	39.3	130.5	—	267.3
Prior year favorable catastrophe development	(11.0)	(4.0)	(3.0)	—	(18.0)
Total losses and LAE	1,064.4	517.2	1,258.1	(0.1)	2,839.6
Amortization of deferred acquisition costs and other underwriting expenses ⁽¹⁾	553.7	390.4	494.3	—	1,438.4
Underwriting income	31.4	141.8	153.2	0.1	326.5
Net investment income	147.5	74.7	93.7	12.7	328.6
Fees and other income	3.9	3.7	11.1	0.1	18.8
Other segment items ⁽²⁾	(7.0)	(6.2)	(5.3)	(11.4)	(29.9)
Operating income before interest expense and income taxes	\$ 175.8	\$ 214.0	\$ 252.7	\$ 1.5	644.0
Interest on debt					(28.7)
Operating income before income taxes					615.3
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(29.3)
Income before income taxes					\$ 586.0

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to certain of THG's former life insurance businesses, including defined benefit pension-related costs, as well as holding company expenses.

The following table provides identifiable assets for the Company's segments and discontinued operations:

(in millions)	September 30, 2026	December 31, 2025
Property and Casualty	\$ 16,964.2	\$ 16,862.3
Assets of discontinued businesses	79.5	83.6
Total	\$ 17,043.7	\$ 16,945.9

The Company reviews the assets of its insurance subsidiaries collectively and does not allocate them among the Core Commercial, Specialty, Personal Lines and Other segments.

10. Stock-based Compensation

As of September 30, 2026, there were 1,169,466 and 1,201,874 shares available for grant under The Hanover Insurance Group 2022 Long-Term Incentive Plan and 2023 Employee Stock Purchase plan, respectively.

Compensation cost for the Company's stock-based awards and the related tax benefits were as follows:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock-based compensation expense	\$ 12.3	\$ 10.0	\$ 30.4	\$ 27.8
Tax benefit	(2.6)	(2.1)	(6.4)	(5.8)
Stock-based compensation expense, net of taxes	\$ 9.7	\$ 7.9	\$ 24.0	\$ 22.0

Stock Options

Information on the Company's stock option activity for the nine months ended September 30, 2026 and 2025 is summarized below.

<i>(in whole shares and dollars)</i>	Nine Months Ended September 30,			
	2026		2025	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	1,094,462	\$ 126.02	1,111,871	\$ 117.43
Granted	148,066	173.56	140,393	161.82
Exercised	(268,252)	112.10	(148,623)	95.55
Forfeited or cancelled	(8,120)	162.61	(2,522)	149.73
Outstanding, end of period	966,156	136.86	1,101,119	125.97

Restricted Stock Units

The Company has issued time-based, market-based and performance-based restricted stock units to eligible employees, all of which generally vest after three years of continued employment.

The following table summarizes activity information about employee restricted stock units:

<i>(in whole shares and dollars)</i>	Nine Months Ended September 30,			
	2026		2025	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Time-based restricted stock units:				
Outstanding, beginning of period	381,944	\$ 144.61	386,712	\$ 137.44
Granted	138,686	172.44	137,867	160.42
Vested	(130,398)	139.74	(121,405)	139.60
Forfeited	(14,966)	153.54	(15,025)	144.36
Outstanding, end of period	375,266	156.23	388,149	144.66
Performance-based and market-based restricted stock units:				
Outstanding, beginning of period	133,150	\$ 153.78	126,211	\$ 140.47
Granted	59,663	167.54	52,360	178.39
Vested	(55,764)	141.91	(31,052)	141.58
Forfeited	(4,273)	163.66	(14,369)	152.88
Outstanding, end of period	132,776	164.63	133,150	153.78

During the first nine months of 2026, the Company granted performance-based restricted stock units with a market-based modifier totaling 45,211 to certain members of senior management, which are reflected in the table above as performance and market-based restricted stock activity. Vesting of these stock units is based on a performance-based metric (adjusted return on equity), with a market-based modifier determined by relative total shareholder return ("TSR") for a three-year period, as compared to a pre-determined group of Property and Casualty peer companies. The modifier may increase or decrease the payout by up to 20%. The fair value of the 2026 awards was estimated at the date of grant using a valuation model. These units have the potential to range from 0% to 240% of the shares disclosed for grant year 2026.

In the first nine months of 2025, the Company granted performance-based restricted stock units totaling 28,868, to certain members of senior management, which are included in the table above as performance and market-based restricted stock activity. The vesting of these stock units is determined using a performance-based metric (adjusted return on equity). The Company also separately granted market-based awards totaling 23,492 in 2025, which are also included in the table above as performance and market-based restricted stock activity. The vesting of these stock units is generally based on the relative TSR of the Company for a three-year period, as compared to a group of pre-determined Property and Casualty peer companies. The fair value of market-based awards was estimated at the date of grant using a valuation model. Units granted in 2025 have the potential to range from 0% to 200% of the shares disclosed.

Shares earned in excess of the 100% target level are reflected as granted in the period following achievement of performance conditions, and shares below the 100% target level are reflected as forfeited. Amounts granted in 2026 and 2025 include 11,296 shares and 5,246 shares, respectively, related to performance-based awards that achieved a payout in excess of 100%, and vested in the first quarter of 2026 and 2025, respectively. No shares were granted or forfeited during the first quarter of 2026 in connection with the vesting of the 2023 market-based awards. Amounts reported as forfeited in the table above in 2025 include 14,369 shares related to 2022 market-based awards that achieved a payout below 100%, and were forfeited in the first quarter of 2025.

11. Earnings Per Share and Shareholders' Equity Transactions

The following table provides weighted average share information used in the calculation of the Company's basic and diluted earnings per share:

<i>(in millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic shares used in the calculation of earnings per share	34.8	35.8	35.0	35.9
Dilutive effect of securities:				
Employee stock options	0.3	0.3	0.3	0.3
Non-vested stock grants	0.4	0.3	0.4	0.3
Diluted shares used in the calculation of earnings per share	35.5	36.4	35.7	36.5
Per share effect of dilutive securities on income from continuing operations	\$ (0.11)	\$ (0.09)	\$ (0.33)	\$ (0.22)
Per share effect of dilutive securities on net income	\$ (0.11)	\$ (0.09)	\$ (0.33)	\$ (0.23)

For the three months ended September 30, 2026, diluted earnings per share does not exclude any shares of common stock issuable under the Company's stock compensation plans. Diluted earnings per share for the nine months ended September 30, 2026 excludes 0.1 million shares of common stock issuable under the Company's stock compensation plans, because their effect would be antidilutive. Diluted earnings per share for both the three and nine months ended September 30, 2025 excludes 0.1 million shares of common stock issuable under the Company's stock compensation plans, because their effect would be antidilutive.

On May 13, 2026, the Board of Directors authorized a new stock repurchase program, which provides for aggregate repurchases of the Company's common stock of up to \$700 million, and terminated the existing program. Under the repurchase authorization, the Company may repurchase, from time to time, common stock in amounts, at prices and at such times as the Company deems appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs or other transactions. The Company is not required to purchase any specific number of shares or to make purchases by any certain date under this program. During the first nine months of 2026, the Company repurchased approximately 1.2 million shares of which approximately 0.6 million shares were under the new program and approximately 0.6 million shares were under the prior program. Share repurchases through open market purchases totaled \$230.0 million. Included in the cost of treasury stock acquired pursuant to common share repurchases is the 1% excise tax imposed on common share repurchase activity, net of common share issuances. The Company had approximately \$581 million available for additional repurchases at September 30, 2026.

12. Liabilities for Outstanding Claims, Losses and Loss Adjustment Expenses

Reserve Rollforward and Prior Year Development

The Company regularly updates its reserve estimates as new information becomes available and further events occur which may impact the resolution of unsettled claims. Reserve adjustments are reflected in results of operations as adjustments to losses and loss adjustment expenses (“LAE”). Often these adjustments are recognized in periods subsequent to the period in which the underlying policy was written and loss event occurred. These types of subsequent adjustments are described as loss and LAE “development.” Such development can be either favorable or unfavorable to the Company’s financial results and may vary by line of business. In this section, all amounts presented include catastrophe losses and LAE, unless otherwise indicated.

The table below provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

<i>(in millions)</i>	Nine Months Ended September 30,	
	2026	2025
Gross reserve for losses and LAE, beginning of period	\$ 7,755.2	\$ 7,461.2
Reinsurance recoverable on unpaid losses	1,850.3	1,829.8
Net reserve for losses and LAE, beginning of period	5,904.9	5,631.4
Net incurred losses and LAE in respect of losses occurring in:		
Current year	3,048.3	2,907.9
Prior years	(138.5)	(68.3)
Total incurred losses and LAE	2,909.8	2,839.6
Net payments of losses and LAE in respect of losses occurring in:		
Current year	1,191.6	1,124.3
Prior years	1,419.2	1,456.0
Total payments	2,610.8	2,580.3
Net reserve for losses and LAE, end of period	6,203.9	5,890.7
Reinsurance recoverable on unpaid losses	2,016.0	1,815.8
Gross reserve for losses and LAE, end of period	\$ 8,219.9	\$ 7,706.5

As a result of continuing trends in the Company’s business, reserves, including catastrophes, have been re-estimated for all prior accident years and were decreased by \$138.5 million and \$68.3 million in 2026 and 2025, respectively.

2026

For the nine months ended September 30, 2026, net favorable loss and LAE development was \$138.5 million. Specialty favorable loss and LAE development of \$51.2 million was primarily due to lower than expected non-catastrophe and catastrophe losses in the Marine and Industrial Property division and the E&S and Alternative Markets division and, to a lesser extent, in the Surety and Other division. Personal Lines favorable loss and LAE development of \$48.2 million was primarily due to lower than expected catastrophe and non-catastrophe losses in the homeowners line. Core Commercial favorable loss and LAE development of \$39.3 million was primarily due to lower than expected catastrophe and non-catastrophe losses in the commercial multiple peril line. The lower catastrophe losses were primarily related to several convective storms across multiple states from accident year 2025, and to a lesser extent, accident year 2024.

2025

For the nine months ended September 30, 2025, net favorable loss and LAE development was \$68.3 million. Specialty favorable loss and LAE development of \$42.4 million was primarily due to lower than expected non-catastrophe losses in the Professional and Executive Lines, Marine and Industrial Property, and E&S and Alternative Markets divisions. Core Commercial favorable loss and LAE development of \$16.5 million was primarily due to lower than expected non-catastrophe losses in the workers’ compensation line and lower than expected catastrophe and non-catastrophe losses in the commercial multiple peril line, partially offset by higher than expected non-catastrophe losses in the commercial automobile line. The favorable catastrophe development in the commercial multiple peril line was due to lower than expected catastrophe losses related to events from accident years 2023 through 2024, including several convective storms across multiple states and Winter Storm Elliot. Personal Lines favorable loss and LAE development was primarily due to lower than expected catastrophe and non-catastrophe losses in the homeowners line.

13. Commitments and Contingencies

Legal Proceedings

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such action or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on its financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

Residual Markets

The Company is required to participate in residual markets in various states, which generally pertain to high risk insureds, disrupted markets or lines of business or geographic areas where rates are regarded as excessive. The results of the residual markets are not subject to the predictability associated with the Company's own managed business, and are significant to both the personal and commercial automobile lines of business.

14. Subsequent Events

There were no subsequent events requiring adjustment to the financial statements and no additional disclosure required in the notes to the consolidated financial statements.

PART I
ITEM 2

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

TABLE OF CONTENTS

Introduction	28
Executive Overview	28
Description of Segments	29
Results of Operations - Consolidated	30
Results of Operations - Segments	31
Investments	39
Other Items	42
Income Taxes	43
Critical Accounting Estimates	44
Statutory Surplus of Insurance Subsidiaries	44
Liquidity and Capital Resources	44
Contingencies and Regulatory Matters	45

Introduction

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist readers in understanding the interim consolidated results of operations and financial condition of The Hanover Insurance Group, Inc. and its subsidiaries ("THG"). Consolidated results of operations and financial condition are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). This discussion should be read in conjunction with the interim consolidated financial statements and related footnotes included elsewhere in this Quarterly Report on Form 10-Q and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 20, 2026.

Results of operations include the accounts of The Hanover Insurance Company ("Hanover Insurance") and Citizens Insurance Company of America ("Citizens"), our principal property and casualty companies, and certain other insurance and non-insurance subsidiaries.

The following discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may address, among other things, our growth strategy; expected developments in our business, including losses and loss reserves; the impact of our routine reserve reviews; our expectations regarding our investment activities or results; our proposed actions in response to trends in our business; as well as our expectations, intentions and other statements that are not historical facts. Words such as: "believes," "anticipates," "expects," "may," "projections," "outlook," "intends," "should," "could," "will," "plan," "goal," "guidance," "likely," "on track to," "potential," "continue," "targeted," "designed," "positioned," and similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We caution readers that accuracy with respect to forward-looking projections is difficult and subject to risks and uncertainties. Those risks and uncertainties, in some cases, have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from historical results and from those expressed in any of our forward-looking statements. In addition to some of the factors in the discussion below, other important factors that could cause actual results to differ materially from those contained in forward-looking statements, are set forth in "Risk Factors" in Part II – Item 1A of this Quarterly Report on Form 10-Q and in Part I – Item 1A of our 2025 Annual Report on Form 10-K.

Executive Overview

Business operations consist of four reporting segments: Core Commercial, Specialty, Personal Lines and Other.

Our strategy, which focuses on the independent agency distribution channel, supports THG's commitment to our select independent agents. It is designed to generate profitable growth by leveraging the strengths of our distribution approach, including expansion of our agency footprint in underpenetrated geographies, as warranted. As part of that strategy, we have increased our capabilities in specialty markets and made investments designed to develop growth solutions for our agency distribution channel that meet the needs of our customers. Our goal is to grow responsibly in all of our businesses, while managing earnings volatility.

During the nine months ended September 30, 2026, our net income was \$551.0 million, compared to \$464.0 million for the nine months ended September 30, 2025, an improvement of \$87.0 million. This favorable change was primarily due to higher after-tax operating income.

Operating income before interest expense and income taxes (a non-GAAP financial measure; see also "Results of Operations – Consolidated – Non-GAAP Financial Measures") was \$746.5 million for the nine months ended September 30, 2026, compared to \$644.0 million for the nine months ended September 30, 2025, an improvement of \$102.5 million. This increase was primarily due to lower current accident year losses, principally in Personal Lines, higher net investment income and earned premium growth, partially offset by higher catastrophe losses.

Pre-tax catastrophe losses were \$300.4 million for the nine months ended September 30, 2026, compared to \$249.3 million during the same period of 2025, an increase of \$51.1 million. The catastrophe losses in the first nine months of 2026 were primarily due to severe convective storms across multiple states. Included in pre-tax catastrophe losses were \$73.7 million and \$18.0 million for the nine months ended September 30, 2026 and 2025, respectively, of favorable prior year catastrophe reserve development. The favorable development in the first nine months of 2026 largely related to 2025 catastrophe events. Net favorable development on prior years' non-catastrophe loss reserves was \$64.8 million for the nine months ended September 30, 2026, compared to \$50.3 million for the nine months ended September 30, 2025, an increase of \$14.5 million.

Core Commercial

Core Commercial includes two businesses, small commercial and middle market, both of which focus on account business, including coverage for commercial multiple peril, commercial automobile, workers' compensation and other core commercial (commercial umbrella, monoline general liability, claims-made liability, and monoline property). Small commercial focuses on small businesses, with annual policy premiums generally up to \$50,000. Middle market provides coverage to mid-sized businesses with annual policy premiums generally between \$50,000 and \$500,000. Middle market offers coverage in distinct industry segments, including technology, human services, manufacturing, retail, and real estate, among others. We believe that our account-focused approach to the small commercial market and distinctiveness in the middle market, including our diversified portfolio of products, delivers significant value to agents and policyholders. We continue to pursue our core strategy of developing strong relationships with independent agents, enhancing franchise value through selective distribution, distinctive products and coverages, and through continued investment in products for additional industry segmentation.

Net premiums written increased 5.3% in the first nine months of 2026, compared to the same period in 2025, primarily due to renewal price increases and, to a lesser extent, an increase in new business volume. Operating income before interest expense and income taxes increased in the first nine months of 2026, compared to the same period in 2025, primarily due to higher net investment income and improvements in current accident year underwriting results, partially offset by higher catastrophe losses. The competitive nature of the Core Commercial market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business, as appropriate.

Specialty

Specialty offers a comprehensive suite of products focused predominately on small to mid-sized businesses. This includes numerous specialized product areas that are organized into four distinct divisions – Marine and Industrial Property, Professional and Executive Lines, E&S and Alternative Markets, and Surety and Other. We believe that this diverse set of Specialty products, distributed primarily through independent agents, including wholesalers, helps to enhance our overall agent value and increase growth opportunities by providing agents easier access to placement solutions for Specialty needs, including those that complement Core Commercial accounts.

Net premiums written increased 3.3% in the first nine months of 2026, compared to the same period in 2025, primarily due to the impact of renewal price increases and, to a lesser extent, new business volume. Operating income before interest expense and income taxes increased in the first nine months of 2026 compared to the same period in 2025, primarily due to higher net investment income and improvements in current accident year underwriting results. The competitive nature of the Specialty market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business, as appropriate.

Personal Lines

Personal Lines focuses on working with high quality, value-oriented agencies that deliver consultative selling to customers and stress the importance of total account solutions, which is the conversion of single policy customers to accounts with multiple policies and/or additional coverages, to address customers' broader needs and objectives. Approximately 89% of our policies in force ("PIF") have been issued to customers with multiple policies and/or coverages with us. We are focused on seeking profitable growth opportunities, building a distinctive position in the market in order to meet our customers' needs, and diversifying geographically. We continue to seek appropriate rate increases that meet or exceed underlying loss cost trends, subject to regulatory and competitive considerations.

Net premiums written increased 2.3% in the first nine months of 2026, compared to the same period in 2025, primarily due to higher new business and, to a lesser extent, the impact of renewal price increases. Operating income before interest expense and income taxes increased in the first nine months of 2026, compared to the same period in 2025, primarily due to improvements in current accident year underwriting results, higher favorable development on prior year reserves and higher net investment income, partially offset by an increase in catastrophe losses.

Description of Segments

Primary business operations include insurance products and services currently provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers' compensation, and other commercial lines coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Marine and Industrial Property, Professional and Executive Lines, E&S and Alternative Markets, and Surety and Other. E&S and Alternative Markets includes coverages such as excess and surplus lines, program business (providing commercial insurance to markets with specialized coverage or risk management need related to groups of similar businesses) and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages, such as umbrella. The Other segment includes earnings on holding company assets; holding company, public company governance and other expenses, including certain costs associated with retirement benefits related to employees and agents of the Company's former life insurance subsidiaries; and our run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty pools, and run-off product liability business.

We report interest expense on debt separately from the earnings of our reporting segments. This consists primarily of interest on our senior and subordinated debentures.

Results of Operations – Consolidated

Consolidated net income for the three months ended September 30, 2026 was \$172.6 million, compared to \$178.7 million for the three months ended September 30, 2025, a decrease of \$6.1 million. This decrease was primarily due to higher net realized and unrealized investment losses of \$5.1 million. Operating income before interest expense and income taxes was \$244.4 million for the three months ended September 30, 2026, compared to \$247.7 million for the three months ended September 30, 2025, a decrease of \$3.3 million. This decrease was primarily due to higher catastrophe losses, partially offset by improvements in current accident year underwriting results, driven by Personal Lines, and higher net investment income.

Consolidated net income for the nine months ended September 30, 2026 was \$551.0 million, compared to \$464.0 million for the nine months ended September 30, 2025, an increase of \$87.0 million. This increase was primarily due to higher after-tax operating income of \$74.7 million and, to a lesser extent, an improvement in net realized and unrealized investment losses of \$15.7 million. Operating income before interest expense and income taxes was \$746.5 million for the nine months ended September 30, 2026, compared to \$644.0 million for the nine months ended September 30, 2025, an increase of \$102.5 million. This increase was primarily due to lower current accident year losses, principally in Personal Lines, higher net investment income and earned premium growth, partially offset by higher catastrophe losses.

The following table reflects operating income before interest expense and income taxes for each reporting segment and a reconciliation to consolidated net income from operating income before interest expense and income taxes (a non-GAAP measure).

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating income before interest expense and income taxes:				
Core Commercial	\$ 55.5	\$ 65.1	\$ 207.8	\$ 175.8
Specialty	88.1	78.2	240.5	214.0
Personal Lines	103.6	101.1	297.7	252.7
Other	(2.8)	3.3	0.5	1.5
Operating income before interest expense and income taxes	244.4	247.7	746.5	644.0
Interest expense on debt	(10.0)	(11.6)	(30.9)	(28.7)
Operating income before income taxes	234.4	236.1	715.6	615.3
Income tax expense on operating income	(51.3)	(50.5)	(154.8)	(129.2)
Operating income	183.1	185.6	560.8	486.1
Non-operating items:				
Net realized and unrealized investment losses	(14.1)	(9.0)	(13.6)	(29.3)
Income tax benefit on non-operating items	3.3	2.0	3.3	6.9
Income from continuing operations, net of taxes	172.3	178.6	550.5	463.7
Discontinued operations (net of taxes):				
Income from discontinued life businesses	0.3	0.1	0.5	0.3
Net income	\$ 172.6	\$ 178.7	\$ 551.0	\$ 464.0

Non-GAAP Financial Measures

In addition to consolidated net income, discussed above, we assess our financial performance based upon pre-tax “operating income,” and we assess the operating performance of each of our four reporting segments based upon the pre-tax operating income generated by each segment. As reflected in the table above, operating income before interest expense and income taxes excludes interest expense on debt and certain other items, which we believe are not indicative of our core operations, such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income before interest expense and income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income before interest expense and income taxes are important components in understanding and assessing our overall financial performance, we believe a discussion of operating income before interest expense and income taxes enhances an investor’s understanding of our results of operations by highlighting net income attributable to the core operations of the business. However, operating income before interest expense and income taxes, which is a non-GAAP measure, should not be construed as a substitute for income before income taxes or income from continuing operations, and operating income should not be construed as a substitute for net income.

Catastrophe losses and prior years’ reserve development are significant components in understanding and assessing the financial performance of our business. Management reviews and evaluates catastrophes and prior years’ reserve development separately from the other components of earnings. References to “current accident year underwriting results” exclude prior accident year reserve development and may also be presented “excluding catastrophes.” Prior years’ reserve development and catastrophes are not predictable as to timing or the amount that will affect the results of our operations and have an effect on each year’s operating and net income. Management believes that providing certain financial metrics and trends excluding the effects of catastrophes and prior years’ reserve development helps investors

[Table of Contents](#)

to understand the variability in periodic earnings and to evaluate the underlying performance of our operations. Discussion of catastrophe losses in this Management's Discussion and Analysis includes development on prior years' catastrophe reserves and, unless otherwise indicated, such development is excluded from discussions of prior year loss and loss adjustment expenses ("LAE") reserve development.

Results of Operations – Segments

The following is our discussion and analysis of the results of operations by reporting segment. The operating results are presented before interest expense, income taxes and other items which management believes are not indicative of our core operations, including realized gains and losses, as well as unrealized gains and losses on equity securities, and the results of discontinued operations.

The following table summarizes the results of operations for our combined reporting segments for the periods indicated:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating revenues:				
Net premiums written	\$ 1,792.5	\$ 1,738.9	\$ 5,009.0	\$ 4,833.5
Net premiums earned	\$ 1,611.5	\$ 1,550.7	\$ 4,779.7	\$ 4,604.5
Net investment income	131.9	117.0	378.4	328.6
Fees and other income	6.2	6.3	18.6	18.8
Total operating revenues	1,749.6	1,674.0	5,176.7	4,951.9
Losses and operating expenses:				
Losses and LAE	989.7	927.1	2,909.8	2,839.6
Amortization of deferred acquisition costs	344.1	324.9	1,015.3	957.8
Other operating expenses	171.4	174.3	505.1	510.5
Total losses and operating expenses	1,505.2	1,426.3	4,430.2	4,307.9
Operating income before interest expense and income taxes	\$ 244.4	\$ 247.7	\$ 746.5	\$ 644.0

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Operating income before interest expense and income taxes was \$244.4 million for the three months ended September 30, 2026, compared to \$247.7 million for the three months ended September 30, 2025, a decrease of \$3.3 million. This decrease was primarily due to higher catastrophe losses, partially offset by improvements in current accident year underwriting results, principally in Personal Lines, and higher net investment income.

Net premiums written increased \$53.6 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase in net premiums written was due to the impact of renewal price increases and, to a lesser extent, an increase in new business volume.

Premium Production and Underwriting Results

The following tables summarize premiums written on a gross and net basis, net premiums earned and, catastrophe loss, loss and LAE (including catastrophe losses), expense, and combined ratios for our Core Commercial, Specialty and Personal Lines segments. Loss and LAE, catastrophe loss and combined ratios shown below include prior year reserve development. These items are not meaningful for our Other segment.

(dollars in millions)	Three Months Ended September 30, 2026						
	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	\$ 748.8	\$ 648.9	\$ 582.2	7.8	67.8	32.7	100.5
Specialty	450.4	391.6	369.5	3.4	47.1	36.9	84.0
Personal Lines	779.0	752.0	659.8	7.9	63.8	25.9	89.7
Total	\$ 1,978.2	\$ 1,792.5	\$ 1,611.5	6.8	61.4	30.9	92.3

(dollars in millions)	Three Months Ended September 30, 2025						
	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	\$ 709.5	\$ 620.3	\$ 554.2	3.2	63.6	33.7	97.3
Specialty	437.7	379.2	353.9	1.7	47.7	37.2	84.9
Personal Lines	766.3	739.4	642.6	3.5	63.2	26.0	89.2
Total	\$ 1,913.5	\$ 1,738.9	\$ 1,550.7	3.0	59.8	31.3	91.1

[Table of Contents](#)

The following table summarizes U.S. GAAP underwriting results for our Core Commercial, Specialty, Personal Lines and Other segments and reconciles them to operating income before interest expense and income taxes.

(in millions)	Three Months Ended September 30,									
	2026					2025				
	Core Commercial	Specialty	Personal Lines	Other	Total	Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	\$ 38.0	\$ 56.2	\$ 116.3	\$ —	\$ 210.5	\$ 30.8	\$ 48.8	\$ 87.8	\$ —	\$ 167.4
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	3.0	14.8	0.7	(0.2)	18.3	1.2	10.0	0.9	—	12.1
Prior year favorable catastrophe development	4.6	2.4	5.0	—	12.0	—	—	—	—	—
Current year catastrophe losses	(49.9)	(14.8)	(57.0)	—	(121.7)	(17.8)	(6.0)	(22.4)	—	(46.2)
Underwriting profit (loss)	(4.3)	58.6	65.0	(0.2)	119.1	14.2	52.8	66.3	—	133.3
Net investment income	60.5	30.5	36.8	4.1	131.9	51.8	26.1	33.0	6.1	117.0
Fees and other income	1.3	1.3	3.5	0.1	6.2	1.3	1.3	3.7	—	6.3
Other operating expenses	(2.0)	(2.3)	(1.7)	(6.8)	(12.8)	(2.2)	(2.0)	(1.9)	(2.8)	(8.9)
Operating income (loss) before interest expense and income taxes	\$ 55.5	\$ 88.1	\$ 103.6	\$ (2.8)	\$ 244.4	\$ 65.1	\$ 78.2	\$ 101.1	\$ 3.3	\$ 247.7

Core Commercial

Core Commercial net premiums written were \$648.9 million for the three months ended September 30, 2026, compared to \$620.3 million for the three months ended September 30, 2025. The \$28.6 million increase in net premiums written was primarily due to the impact of renewal price increases and, to a lesser extent, an increase in new business volume, partially offset by the impact of higher reinsurance reinstatement premiums.

Core Commercial underwriting loss for the three months ended September 30, 2026 was \$4.3 million, compared to an underwriting profit of \$14.2 million for the three months ended September 30, 2025, a decrease of \$18.5 million. Catastrophe losses for the three months ended September 30, 2026 were \$45.3 million, compared to \$17.8 million for the three months ended September 30, 2025, an increase of \$27.5 million due to severe convective storms across multiple states.

Core Commercial current accident year underwriting profit, excluding catastrophes, was \$38.0 million for the three months ended September 30, 2026, compared to \$30.8 million for the three months ended September 30, 2025. This \$7.2 million increase was primarily driven by earned premium growth and lower current accident year losses, partially offset by the impact of higher reinsurance reinstatement premiums. Within current accident year losses, lower losses in commercial automobile and commercial multiple peril lines were partially offset by higher losses in the workers' compensation line.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases is affected by many factors, including regulatory activity and the competitive pricing environment, particularly within the workers' compensation line.

Specialty

Specialty net premiums written were \$391.6 million for the three months ended September 30, 2026, compared to \$379.2 million for the three months ended September 30, 2025. The \$12.4 million increase in net premiums written was primarily due to the impact of renewal price increases.

Specialty underwriting profit for the three months ended September 30, 2026 was \$58.6 million, compared to \$52.8 million for the three months ended September 30, 2025, an increase of \$5.8 million. Catastrophe losses for the three months ended September 30, 2026 were \$12.4 million, compared to \$6.0 million for the three months ended September 30, 2025, an increase of \$6.4 million.

Specialty current accident year underwriting profit, excluding catastrophes, was \$56.2 million for the three months ended September 30, 2026, compared to \$48.8 million for the three months ended September 30, 2025. This \$7.4 million increase was primarily due to lower current accident year losses, primarily in our E&S and Alternative Markets division, and earned premium growth.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases and new business growth is affected by many factors, including regulatory activity and the competitive pricing environment.

Personal Lines

Personal Lines net premiums written were \$752.0 million for the three months ended September 30, 2026, compared to \$739.4 million for the three months ended September 30, 2025. The \$12.6 million increase in net premiums written was primarily due to the impact of renewal price increases and, to a lesser extent, higher new business.

Net premiums written in the personal automobile line of business were \$413.0 million for the three months ended September 30, 2026, compared to \$416.5 million for the three months ended September 30, 2025, a decrease of \$3.5 million. Personal automobile PIF decreased by 1.2% since September 30, 2025. Net premiums written in the homeowners and other lines of business for the three months ended September 30, 2026 were \$339.0 million, compared to \$322.9 million for the three months ended September 30, 2025, an increase of \$16.1 million. Homeowners PIF decreased by 1.2% since September 30, 2025.

Personal Lines underwriting profit for the three months ended September 30, 2026 was \$65.0 million, compared to \$66.3 million for the three months ended September 30, 2025, a decrease of \$1.3 million. Catastrophe losses for the three months ended September 30, 2026 were \$52.0 million, compared to \$22.4 million for the three months ended September 30, 2025, an increase of \$29.6 million due to severe convective storms across multiple states.

Personal Lines current accident year underwriting profit, excluding catastrophes, was \$116.3 million for the three months ended September 30, 2026, compared to \$87.8 million for the three months ended September 30, 2025. This \$28.5 million increase was primarily due to lower current accident year losses in our homeowners line and, to a lesser extent, our personal automobile line.

We obtained renewal pricing increases of approximately 11% in our homeowners line and approximately 7% in our personal automobile line during the third quarter of 2026. Consistent with our expectations, PIF was down slightly compared to the end of 2025, and declined as compared to the first nine months of 2025, driven by lower policies available to renew year over year from prior margin recapture actions taken. Additionally, our Personal Lines net premiums written may be affected by price competition and the regulatory and overall macroeconomic environment. These factors may also affect our ability to maintain and improve underwriting results.

Other

Our Other segment had an operating loss of \$2.8 million for the three months ended September 30, 2026, compared to an operating profit of \$3.3 million for the three months ended September 30, 2025, a decrease of \$6.1 million, due to higher expenses and lower net investment income.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Operating income before interest expense and income taxes was \$746.5 million for the nine months ended September 30, 2026, compared to \$644.0 million for the nine months ended September 30, 2025, an improvement of \$102.5 million. This increase was primarily due to lower current accident year losses, principally in Personal Lines, higher net investment income and earned premium growth, partially offset by higher catastrophe losses.

Net premiums written increased \$175.5 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase in net premiums written was due to the impact of renewal price increases and an increase in new business volume.

Premium Production and Underwriting Results

The following tables summarize premiums written on a gross and net basis, net premiums earned and, catastrophe loss, loss and LAE (including catastrophe losses), expense, and combined ratios for our Core Commercial, Specialty and Personal Lines segments. Loss and LAE, catastrophe loss and combined ratios shown below include prior year reserve development. These items are not meaningful for our Other segment.

Nine Months Ended September 30, 2026							
<i>(dollars in millions)</i>	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	\$ 2,132.3	\$ 1,854.1	\$ 1,725.3	5.9	65.0	32.7	97.7
Specialty	1,324.1	1,142.7	1,095.2	2.9	48.8	36.8	85.6
Personal Lines	2,092.4	2,012.2	1,959.2	8.5	64.0	26.0	90.0
Total	<u>\$ 5,548.8</u>	<u>\$ 5,009.0</u>	<u>\$ 4,779.7</u>	6.3	60.9	30.9	91.8

Nine Months Ended September 30, 2025							
<i>(dollars in millions)</i>	Gross Premiums Written	Net Premiums Written	Net Premiums Earned	Catastrophe Loss Ratios	Loss & LAE Ratios	Expense Ratios	Combined Ratios
Core Commercial	\$ 2,025.0	\$ 1,760.9	\$ 1,649.5	5.2	64.5	33.3	97.8
Specialty	1,286.5	1,105.7	1,049.4	3.4	49.3	37.0	86.3
Personal Lines	2,044.5	1,966.9	1,905.6	6.7	66.0	25.4	91.4
Total	<u>\$ 5,356.0</u>	<u>\$ 4,833.5</u>	<u>\$ 4,604.5</u>	5.4	61.7	30.9	92.6

[Table of Contents](#)

The following table summarizes U.S. GAAP underwriting results for our Core Commercial, Specialty, Personal Lines and Other segments and reconciles them to operating income before interest expense and income taxes.

(in millions)	Nine Months Ended September 30,									
	2026					2025				
	Core Commercial	Specialty	Personal Lines	Other	Total	Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	\$ 133.6	\$ 149.1	\$ 333.0	\$ —	\$ 615.7	\$ 112.4	\$ 138.7	\$ 274.4	\$ —	\$ 525.5
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	5.2	39.8	20.0	(0.2)	64.8	5.5	38.4	6.3	0.1	50.3
Prior year favorable catastrophe development	34.1	11.4	28.2	—	73.7	11.0	4.0	3.0	—	18.0
Current year catastrophe losses	(136.2)	(43.4)	(194.5)	—	(374.1)	(97.5)	(39.3)	(130.5)	—	(267.3)
Underwriting profit (loss)	36.7	156.9	186.7	(0.2)	380.1	31.4	141.8	153.2	0.1	326.5
Net investment income	174.1	86.4	105.3	12.6	378.4	147.5	74.7	93.7	12.7	328.6
Fees and other income	4.0	3.7	10.8	0.1	18.6	3.9	3.7	11.1	0.1	18.8
Other operating expenses	(7.0)	(6.5)	(5.1)	(12.0)	(30.6)	(7.0)	(6.2)	(5.3)	(11.4)	(29.9)
Operating income before interest expense and income taxes	\$ 207.8	\$ 240.5	\$ 297.7	\$ 0.5	\$ 746.5	\$ 175.8	\$ 214.0	\$ 252.7	\$ 1.5	\$ 644.0

Core Commercial

Core Commercial net premiums written were \$1,854.1 million for the nine months ended September 30, 2026, compared to \$1,760.9 million for the nine months ended September 30, 2025. The \$93.2 million increase in net premiums written was primarily driven by the impact of renewal price increases and an increase in new business volume.

Core Commercial underwriting profit for the nine months ended September 30, 2026 was \$36.7 million, compared to \$31.4 million for the nine months ended September 30, 2025, an increase of \$5.3 million. Catastrophe losses for the nine months ended September 30, 2026 were \$102.1 million, compared to \$86.5 million for the nine months ended September 30, 2025, an increase of \$15.6 million.

Core Commercial current accident year underwriting profit, excluding catastrophes, was \$133.6 million for the nine months ended September 30, 2026, compared to \$112.4 million for the nine months ended September 30, 2025. This \$21.2 million increase was primarily driven by earned premium growth and lower current accident year losses, partially offset by the impact of higher reinsurance reinstatement premiums. Within current accident year losses, lower large property losses in our commercial multiple peril line and, to a lesser extent, lower losses in our commercial automobile line were partially offset by higher losses in our workers' compensation line of business.

Specialty

Specialty net premiums written were \$1,142.7 million for the nine months ended September 30, 2026, compared to \$1,105.7 million for the nine months ended September 30, 2025. The \$37.0 million increase in net premiums written was primarily due to the impact of renewal price increases and higher new business volume.

Specialty underwriting profit for the nine months ended September 30, 2026 was \$156.9 million, compared to \$141.8 million for the nine months ended September 30, 2025, an increase of \$15.1 million. Catastrophe losses for the nine months ended September 30, 2026 were \$32.0 million, compared to \$35.3 million for the nine months ended September 30, 2025, a decrease of \$3.3 million.

[Table of Contents](#)

Specialty current accident year underwriting profit, excluding catastrophes, was \$149.1 million for the nine months ended September 30, 2026, compared to \$138.7 million for the nine months ended September 30, 2025. This \$10.4 million increase was primarily driven by higher earned premium growth and improvements in current accident year losses. Within current accident year losses, lower losses in our E&S and Alternative Markets division were partially offset by higher losses in our Marine and Industrial Property and Professional and Executive Lines divisions.

Personal Lines

Personal Lines net premiums written were \$2,012.2 million for the nine months ended September 30, 2026, compared to \$1,966.9 million for the nine months ended September 30, 2025. The \$45.3 million increase in net premiums written was primarily due to higher new business and, to a lesser extent, the impact of renewal price increases.

Personal Lines underwriting profit for the nine months ended September 30, 2026 was \$186.7 million, compared to \$153.2 million for the nine months ended September 30, 2025, an increase of \$33.5 million. Catastrophe losses for the nine months ended September 30, 2026 were \$166.3 million, compared to \$127.5 million for the nine months ended September 30, 2025, an increase of \$38.8 million. Net favorable development on prior years' loss reserves for the nine months ended September 30, 2026 was \$20.0 million, compared to \$6.3 million for the nine months ended September 30, 2025, an increase of \$13.7 million.

Personal Lines current accident year underwriting profit, excluding catastrophes, was \$333.0 million for the nine months ended September 30, 2026, compared to \$274.4 million for the nine months ended September 30, 2025. This \$58.6 million increase was primarily due to lower current accident year losses in our homeowners and other personal lines and, to a lesser extent, our personal automobile line, partially offset by higher performance-based agency compensation expenses.

Other

Our Other segment had operating profit of \$0.5 million for the nine months ended September 30, 2026, compared to \$1.5 million for the nine months ended September 30, 2025, a decrease of \$1.0 million.

Reserve for Losses and Loss Adjustment Expenses

The table below provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

<i>(in millions)</i>	Nine Months Ended September 30,	
	2026	2025
Gross reserve for losses and LAE, beginning of period	\$ 7,755.2	\$ 7,461.2
Reinsurance recoverable on unpaid losses	1,850.3	1,829.8
Net reserve for losses and LAE, beginning of period	5,904.9	5,631.4
Net incurred losses and LAE in respect of losses occurring in:		
Current year	3,048.3	2,907.9
Prior year non-catastrophe loss development	(64.8)	(50.3)
Prior year catastrophe loss development	(73.7)	(18.0)
Total incurred losses and LAE	2,909.8	2,839.6
Net payments of losses and LAE in respect of losses occurring in:		
Current year	1,191.6	1,124.3
Prior years	1,419.2	1,456.0
Total payments	2,610.8	2,580.3
Net reserve for losses and LAE, end of period	6,203.9	5,890.7
Reinsurance recoverable on unpaid losses	2,016.0	1,815.8
Gross reserve for losses and LAE, end of period	\$ 8,219.9	\$ 7,706.5

[Table of Contents](#)

The table below summarizes the gross reserve for losses and LAE by line of business and division.

<i>(in millions)</i>	September 30, 2026	December 31, 2025
Commercial multiple peril	\$ 1,789.2	\$ 1,618.3
Workers' compensation	820.4	779.6
Commercial automobile	636.2	593.5
Other core commercial	992.5	869.9
Total Core Commercial	4,238.3	3,861.3
E&S and Alternative Markets	755.2	797.6
Professional and Executive Lines	690.8	656.0
Marine and Industrial Property	261.4	206.8
Surety and Other	72.2	72.5
Total Specialty	1,779.6	1,732.9
Personal automobile	1,681.7	1,689.3
Homeowners and Other	492.9	442.1
Total Personal Lines	2,174.6	2,131.4
Total Other	27.4	29.6
Total loss and LAE reserves	\$ 8,219.9	\$ 7,755.2

Loss and LAE reserves in our "Other core commercial" lines include monoline general liability, commercial umbrella, and monoline property. "E&S and Alternative Markets" division includes excess and surplus lines, program business, and specialty general liability coverages. "Professional and Executive Lines" division includes management liability, fidelity and crime, professional liability and other property and liability lines for healthcare firms. "Marine and Industrial Property" division includes marine and specialty industrial and commercial property coverages. "Surety and Other" includes contract and commercial surety coverages. Loss and LAE reserves in our "Total Other" segment relate to run-off direct asbestos and environmental, run-off voluntary assumed property and casualty reinsurance pools, and run-off product liability business.

The following table summarizes prior year (favorable) unfavorable development by segment:

<i>(in millions)</i>	Nine Months Ended September 30,					
	2026			2025		
	Non-Catastrophe Losses	Catastrophe Losses	Total	Non-Catastrophe Losses	Catastrophe Losses	Total
Core Commercial	\$ (5.2)	\$ (34.1)	\$ (39.3)	\$ (5.5)	\$ (11.0)	\$ (16.5)
Specialty	(39.8)	(11.4)	(51.2)	(38.4)	(4.0)	(42.4)
Personal Lines	(20.0)	(28.2)	(48.2)	(6.3)	(3.0)	(9.3)
Other	0.2	—	0.2	(0.1)	—	(0.1)
Total prior year favorable development	\$ (64.8)	\$ (73.7)	\$ (138.5)	\$ (50.3)	\$ (18.0)	\$ (68.3)

It is not possible to know whether the factors that affected loss reserves in the first nine months of 2026 will also occur in future periods. We encourage you to read our 2025 Annual Report on Form 10-K for more information about our reserving process and the judgments, uncertainties and risks associated therewith.

Catastrophe Loss Development

For the nine months ended September 30, 2026, favorable catastrophe loss development was \$73.7 million, primarily due to lower than expected losses related to several convective storms across multiple states from accident year 2025, and to a lesser extent, accident year 2024, impacting our commercial multiple peril line in Core Commercial and our homeowners line in Personal Lines. In 2025, favorable catastrophe development was \$18.0 million, primarily due to lower than expected losses related to events from accident year 2023, and to a lesser extent, accident year 2024, including several convective storms across multiple states and Winter Storm Elliot.

2026 Loss and LAE Development, excluding catastrophes

For the nine months ended September 30, 2026, net favorable loss and LAE development, excluding catastrophes, was \$64.8 million. Specialty favorable loss and LAE development of \$39.8 million was primarily due to lower than expected losses in our E&S and Alternative Markets, Marine & Industrial Property, and Surety and Other Specialty Lines divisions. Personal Lines favorable loss and LAE development of \$20.0 million was primarily due to lower than expected losses in our homeowners property coverages.

2025 Loss and LAE Development, excluding catastrophes

For the nine months ended September 30, 2025, net favorable loss and LAE development, excluding catastrophes, was \$50.3 million. Specialty favorable loss and LAE development of \$38.4 million was primarily due to lower than expected losses in our Professional and Executive Lines, Marine & Industrial Property, and E&S and Alternative Markets divisions. Personal Lines favorable loss and LAE development of \$6.3 million were driven primarily by homeowners coverages. Core Commercial favorable loss and LAE development of \$5.5 million was primarily due to lower than expected losses in the workers' compensation and commercial multiple peril lines, partially offset by higher than expected losses in the commercial automobile line.

Asbestos and Environmental Reserves

As of September 30, 2026, we had \$10.1 million of net asbestos and environmental reserves, comprised of \$8.5 million of direct reserves and \$1.6 million of assumed reinsurance pool reserves. This compares to net reserves of \$10.5 million at December 31, 2025, comprised of \$8.3 million of direct reserves and \$2.2 million of assumed reinsurance pool reserves. These assumed reinsurance pool reserves relate to pools in which we have terminated our participation, however, we continue to be subject to claims related to years in which we were a participant. Results of operations from these pools are included in our Other segment.

Reinsurance

We discuss our reinsurance coverage in the Reinsurance section of Part I – Item 1 – Business of our 2025 Annual Report on Form 10-K. Except as discussed below, there have been no material changes to our reinsurance coverage from that reported in our 2025 Annual Report on Form 10-K.

2026 Reinsurance Program

For the first half of 2026, the property per risk excess of loss treaty provided coverage, on a per risk basis, up to \$100 million, less a \$3 million retention, with a co-participation for the second half of 2025 and the first half of 2026 of 45.75% for reinsurance placed in the \$3 million to \$5 million layer, 13.75% for reinsurance in the \$5 million to \$12.5 million layer, and no co-participation for reinsurance layers placed between \$12.5 million and \$100 million. Effective July 1, 2026, the property per risk excess of loss treaty expanded to provide coverage, on a per risk basis, up to \$125 million while maintaining a \$3 million retention. Co-participation declined to 39% for reinsurance placed in the \$3 million to \$5 million layer and to 9.5% for reinsurance in the \$5 million to \$12.5 million layer, and no co-participation for reinsurance layers placed between \$12.5 million and \$125 million.

For the first half of 2026, the core property catastrophe occurrence excess of loss reinsurance program provided coverage up to \$1.9 billion, less a \$200 million retention, with no co-participation. Additionally, coverage extended to \$2.05 billion for Northeast named storm events, less a \$200 million retention, with no co-participation. Effective July 1, 2026, this treaty expanded to provide coverage up to \$2.05 billion, less a \$200 million retention, with no co-participation across the program. A portion of the coverage is secured through reinsurance agreements supported by catastrophe bonds, as described in further detail below.

Catastrophe Bonds

We updated our catastrophe protection for all fifty states of the U.S. and the District of Columbia through an additional per occurrence excess of loss reinsurance agreement (the "2026 Agreement") with Commonwealth Re Ltd. ("Commonwealth Re"), an independent company, licensed as a Special Purpose Insurer in Bermuda, providing coverage effective July 1, 2026. The 2026 Agreement qualifies for reinsurance accounting under applicable accounting guidance for reinsurance contracts. In connection with the 2026 Agreement, Commonwealth Re issued notes (generally referred to as "catastrophe bonds") to unrelated investors. The proceeds of the notes have been deposited in a reinsurance trust account.

The 2026 Agreement provides us with coverage of up to \$150.0 million for covered events through June 30, 2029. For a covered event, we are entitled to begin recovering amounts when covered losses in the covered area for a single occurrence reach the applicable attachment point, which is initially \$1.1 billion. The \$150.0 million coverage amount is available for 100% of the covered losses, until such losses reach a maximum level of \$1.25 billion. The attachment level, the maximum level (or exhaustion level) and percentage of coverage under this agreement may be reset annually to adjust the expected loss of the layer within a predetermined range. The 2026 Agreement inures to the benefit of the reinsurance agreement with Commonwealth Re, which provided coverage effective July 1, 2025 ("2025 Agreement"). As such, coverage under the 2026 Agreement will apply first, and coverage under the 2025 Agreement is available once the 2026 Agreement is exhausted.

A reinsurance agreement with Commonwealth Re effective July 1, 2023 expired on June 30, 2026 without any losses incurred under the agreement.

See the "Reinsurance – Catastrophe Bonds" section of "Part I – Item 1 – Business" in our 2025 Annual Report on Form 10-K for more details, including a discussion of the structure of and accounting for Commonwealth Re.

Reinsurance Recoverables

Reinsurance recoverables were \$2,170.9 million and \$2,011.1 million at September 30, 2026 and December 31, 2025, respectively, of which \$58.2 million and \$62.6 million, respectively, represent billable recoverables. A reinsurance recoverable is billable after an eligible reinsured claim is paid by an insurer. Billable reinsurance recoverables related to the Michigan Catastrophic Claims Association (the “MCCA”) were \$29.8 million and \$30.5 million at September 30, 2026 and December 31, 2025, respectively, and billable non-MCCA reinsurance recoverables totaled \$28.4 million and \$32.1 million at September 30, 2026 and December 31, 2025, respectively. Billed balances outstanding greater than 90 days at September 30, 2026 and December 31, 2025 were not material.

Investments

Investment Results

Net investment income before income taxes was as follows:

<i>(dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Fixed maturities	\$ 119.2	\$ 103.3	\$ 342.8	\$ 295.0
Limited partnerships	9.8	6.8	24.4	17.8
Mortgage loans	1.8	2.6	6.5	8.5
Equity securities	1.0	0.9	2.8	2.7
Other investments	4.4	7.1	14.2	15.8
Investment expenses	(4.3)	(3.7)	(12.3)	(11.2)
Net investment income	\$ 131.9	\$ 117.0	\$ 378.4	\$ 328.6
Earned yield, fixed maturities	4.58%	4.33%	4.49%	4.21%
Earned yield, total portfolio	4.60%	4.31%	4.45%	4.17%

The increase in net investment income for both the three and nine months ended September 30, 2026 was primarily due to the continued investment of operational cashflows and, to a lesser extent, the impact of reinvesting at higher interest rates in the fixed maturity portfolio and higher partnership income. Income from partnerships can vary significantly from period to period based on the performance in the underlying portfolios.

Investment Portfolio

We held cash and investment assets diversified across several asset classes, as follows:

<i>(dollars in millions)</i>	September 30, 2026		December 31, 2025	
	Carrying Value	% of Total Carrying Value	Carrying Value	% of Total Carrying Value
Fixed maturities, at fair value	\$ 9,835.7	88.0 %	\$ 9,536.5	82.9 %
Limited partnerships and other investments	449.8	4.0	414.4	3.6
Equity securities, at fair value	197.1	1.8	184.8	1.6
Mortgage and other loans	188.8	1.7	247.0	2.1
Cash and cash equivalents	506.3	4.5	1,122.7	9.8
Total cash and investments	\$ 11,177.7	100.0 %	\$ 11,505.4	100.0 %

Cash and Investments

Total cash and investments decreased \$327.7 million, or 2.8%, for the nine months ended September 30, 2026 as compared to December 31, 2025. The decrease in total cash and investments was primarily due to the funding of financing activities, including our debt retirement, common stock repurchases and the funding of our dividend payments, as well as net market value depreciation in our fixed maturity portfolio. These decreases were partially offset by the continued investment of cashflows from operations.

[Table of Contents](#)

The following table provides information about the investment types of our fixed maturities portfolio:

(in millions) Investment Type	September 30, 2026				
	Weighted Average Quality	Amortized Cost, Net of Allowance for Credit Losses	Fair Value	Net Unrealized Losses	Change in Net Unrealized for the Year
U.S. Treasury and government agencies	AA+	\$ 552.2	\$ 492.9	\$ (59.3)	\$ (23.5)
Foreign governments	A+	16.6	15.6	(1.0)	(1.2)
Municipals:					
Taxable	AA	1,077.7	967.5	(110.2)	(46.3)
Tax-exempt	AA	23.1	21.4	(1.7)	(2.5)
Corporates	BBB+	4,628.5	4,416.7	(211.8)	(226.2)
Asset-backed:					
Residential mortgage-backed	AA+	2,340.8	2,155.3	(185.5)	(135.1)
Commercial mortgage-backed	AAA	663.8	617.0	(46.8)	(26.5)
Other asset-backed	AA+	1,169.1	1,149.3	(19.8)	(25.6)
Total fixed maturities	A+	\$ 10,471.8	\$ 9,835.7	\$ (636.1)	\$ (486.9)

The change in net unrealized losses on fixed maturities was primarily driven by higher interest rates.

Amortized cost and fair value by rating category were as follows:

(dollars in millions) NAIC Designation	Rating Agency Equivalent Designation	September 30, 2026				December 31, 2025			
		Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value		Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value	
1	Aaa/Aa/A	\$ 8,337.4	\$ 7,792.7	79.2 %	\$	7,647.5	\$ 7,501.7	78.7 %	\$
2	Baa	1,638.2	1,559.5	15.8		1,592.1	1,581.9	16.6	
3	Ba	288.5	282.6	2.9		248.1	253.8	2.7	
4	B	177.9	174.7	1.8		162.2	165.3	1.7	
5	Caa and lower	28.9	25.4	0.3		35.4	33.8	0.3	
6	In or near default	0.9	0.8	—		0.4	—	—	
Total fixed maturities		\$ 10,471.8	\$ 9,835.7	100.0 %	\$	9,685.7	\$ 9,536.5	100.0 %	\$

Based on ratings by the National Association of Insurance Commissioners (“NAIC”), approximately 95% of our fixed maturity portfolio consisted of investment-grade securities at September 30, 2026 and December 31, 2025. The quality of our fixed maturity portfolio remains strong based on ratings, capital structure position, support through guarantees, underlying security, issuer diversification and yield curve position. Our U.S. Treasury and government agencies fixed maturities are either directly backed by, or benefit from the support of, the U.S. government. Our municipal bonds include revenue bonds and general obligations of state and local issuers. Corporate fixed maturities include publicly traded and privately placed securities in the industrial, financial, and utility sectors. Residential mortgage-backed securities are structured securities that are collateralized by residential real estate loans and are primarily U.S. agency-backed. Our commercial mortgage-backed securities are structured securities that are collateralized by commercial real estate loans and are well-diversified by geography, property type, expected maturity and vintage year. Our other asset-backed securities are structured securities that are primarily collateralized by consumer and corporate borrowings, including collateralized loan obligations.

Our investment portfolio primarily consists of fixed maturity securities whose fair value is susceptible to market risk, including interest rate changes. See also “Quantitative and Qualitative Disclosures about Market Risk” included in Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our 2025 Annual Report on Form 10-K. Duration is a measurement used to quantify our inherent interest rate risk and analyze invested assets relative to our reserve liabilities.

[Table of Contents](#)

The duration of our fixed maturity portfolio was as follows:

(dollars in millions) Duration	September 30, 2026				December 31, 2025			
	Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value		Amortized Cost, Net of Allowance for Credit Losses	Fair Value	% of Total Fair Value	
0-2 years	\$ 1,690.0	\$ 1,676.4	17.1	%	\$ 1,862.2	\$ 1,873.8	19.6	%
2-4 years	2,390.5	2,282.8	23.2		2,514.7	2,523.5	26.5	
4-6 years	2,937.5	2,751.4	28.0		2,538.1	2,470.4	25.9	
6-8 years	2,888.1	2,638.7	26.8		2,309.6	2,246.9	23.6	
8-10 years	395.2	357.2	3.6		331.6	320.3	3.3	
10+ years	170.5	129.2	1.3		129.5	101.6	1.1	
Total fixed maturities	\$ 10,471.8	\$ 9,835.7	100.0	%	\$ 9,685.7	\$ 9,536.5	100.0	%
Weighted average duration		4.6				4.3		

Our fixed maturity and equity securities are carried at fair value. Financial instruments, whose values were determined using significant management judgment or estimation, constituted less than 1% of the total assets we measured at fair value. See also Note 4 – “Fair Value” in the Notes to Interim Consolidated Financial Statements.

Limited partnerships and other investments consist primarily of our interest in corporate middle market and real estate limited partnerships. Corporate middle market limited partnerships may invest in senior or subordinated debt, preferred or common equity or a combination thereof, of privately-held middle market businesses. Real estate limited partnerships hold equity ownership positions in real properties and invest in debt secured by real properties. Our limited partnerships are generally accounted for under the equity method, or as a practical expedient using the fund’s net asset value, with financial information provided by the partnership on a two or three month lag.

Mortgage and other loans consist of commercial mortgage loan participations, which represent our interest in commercial mortgage loans originated by a third-party. We share, on a pro-rata basis, in all related cash flows of the underlying mortgage loans, which are primarily investment-grade quality and diversified by geographic area and property type.

Equity securities primarily consist of U.S. income-oriented large capitalization common stocks and broadly diversified U.S. equity index exchange-traded funds.

Although we expect to invest new funds primarily in investment-grade fixed maturities, we have invested, and expect to continue to invest, a portion of funds in below investment-grade fixed maturities, limited partnerships, equity securities and other investment assets.

Impairments

For the three months ended September 30, 2026, net recoveries were de minimis. For the nine months ended September 30, 2026, we recognized impairment losses of \$4.1 million, consisting of \$3.3 million on fixed maturities and \$0.8 million on mortgage loans. For the three months ended September 30, 2025, impairments were de minimis. For the nine months ended September 30, 2025, we recognized net impairment losses of \$3.0 million, primarily related to mortgage loans.

At September 30, 2026 and December 31, 2025, the allowance for credit losses on mortgage loans was \$7.0 million and \$8.1 million, respectively. At September 30, 2026 and December 31, 2025, the allowance for credit losses on available-for-sale debt securities was de minimis.

The carrying value of mortgage loans on non-accrual status at September 30, 2026 was \$7.1 million. The carrying value of fixed maturity securities on non-accrual status at September 30, 2026 was \$2.5 million. We held no fixed maturities or mortgage loans on non-accrual status at December 31, 2025. The effects on income of non-accruals compared with amounts that would have been recognized in accordance with the original terms of the fixed maturities and mortgage loans were de minimis for the periods ended September 30, 2026 and December 31, 2025. Any defaults in the fixed maturities or mortgage loan portfolios in future periods may negatively affect investment income.

Unrealized Losses

Gross unrealized losses on fixed maturities at September 30, 2026 were \$642.8 million, an increase of \$375.6 million compared to December 31, 2025. This increase was primarily due to higher interest rates. At September 30, 2026, gross unrealized losses consisted primarily of \$216.0 million on corporate fixed maturities, \$187.5 million on residential mortgage-backed securities, \$112.0 million on municipals, and \$59.3 million on U.S. government securities. See Note 3 – “Investments” in the Notes to Interim Consolidated Financial Statements.

We view gross unrealized losses on fixed maturities as non-credit related since it is our assessment that these securities will recover, allowing us to realize their anticipated long-term economic value. Further, we do not intend to sell, nor is it more likely than not we will be required to sell, such debt securities before this expected recovery of amortized cost (see also “Liquidity and Capital Resources”). Inherent in our assessment are the risks that market factors may differ from our expectations; we may decide to subsequently sell a security for unforeseen business needs or an economic purpose; or changes in the credit assessment from our original assessment may lead us to determine that a sale at the current value would maximize recovery on such investments. To the extent that there are such adverse changes, an impairment

[Table of Contents](#)

would be recognized as a realized loss. Although unrealized losses on fixed maturities are not reflected in the results of financial operations until they are realized, the fair value of the underlying investment, which does reflect the unrealized loss, is reflected in our Consolidated Balance Sheets.

The following table sets forth gross unrealized losses for fixed maturities by maturity period at September 30, 2026 and December 31, 2025. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties, or we may have the right to put or sell the obligations back to the issuers.

<i>(in millions)</i>	September 30, 2026	December 31, 2025
Due in one year or less	\$ 0.9	\$ 0.3
Due after one year through five years	127.3	41.6
Due after five years through ten years	199.4	94.6
Due after ten years	60.8	25.9
	388.4	162.4
Mortgage-backed and other asset-backed securities	254.4	104.8
Total fixed maturities	\$ 642.8	\$ 267.2

The U.S. economy continued to expand at a solid pace during the third quarter of 2026, reflecting a stable labor market despite continued, elevated inflation. The Federal Reserve increased the Effective Federal Funds Rate by 0.25% in September 2026 to a target range of 3.75% to 4.00%. Heightened geopolitical risks continue to impact economic uncertainty, the extent of which is unknown. These risks, among others, may increase the likelihood of volatility in the market value of our investment holdings, including defaults on our fixed income investments particularly with respect to non-investment grade debt securities. Although rigorous analysis of our investment holdings is performed, it is difficult to identify with specificity which issuers, industries, or markets, if any, will be most affected. As a result, the value of our investment portfolio could change in ways we cannot currently anticipate, and we could incur additional realized and unrealized losses in future periods.

Our investment portfolio and shareholders' equity can be significantly impacted by changes in market values of our securities. Market volatility could increase and defaults on fixed income investments could occur. As a result, we could incur additional realized and unrealized losses in future periods, which could have a material adverse impact on our results of operations and/or financial position.

Other Items

Net income also included the following items:

<i>(in millions)</i>	Three Months Ended September 30,					
	Core Commercial	Specialty	Personal Lines	Other	Discontinued Operations	Total
2026						
Net realized and unrealized investment losses	\$ (5.0)	\$ (2.5)	\$ (3.1)	\$ (3.5)	\$ —	\$ (14.1)
Discontinued life businesses	—	—	—	—	0.3	0.3

2025						
Net realized and unrealized investment gains (losses)	\$ (4.4)	\$ (2.2)	\$ (2.8)	\$ 0.4	\$ —	\$ (9.0)
Discontinued life businesses	—	—	—	—	0.1	0.1

<i>(in millions)</i>	Nine Months Ended September 30,					
	Core Commercial	Specialty	Personal Lines	Other	Discontinued Operations	Total
2026						
Net realized and unrealized investment losses	\$ (4.3)	\$ (2.2)	\$ (2.6)	\$ (4.5)	\$ —	\$ (13.6)
Discontinued life businesses	—	—	—	—	0.5	0.5

2025						
Net realized and unrealized investment gains (losses)	\$ (14.1)	\$ (7.1)	\$ (9.1)	\$ 1.0	\$ —	\$ (29.3)
Discontinued life businesses	—	—	—	—	0.3	0.3

We manage investment assets for our Core Commercial, Specialty, Personal Lines and Other segments based on the requirements of our combined property and casualty insurance companies. We allocate the investment income, expenses, and net realized and unrealized investment gains and losses to our Core Commercial, Specialty, Personal Lines and Other segments based on earned premium and actuarial information related to the underlying businesses.

Net realized and unrealized investment losses were \$14.1 million for the three months ended September 30, 2026, compared to net realized and unrealized investment losses of \$9.0 million for the three months ended September 30, 2025. For the three months ended September 30, 2026, net realized and unrealized investment losses were primarily due to \$8.3 million of net realized investment losses from sales of fixed maturities and \$6.8 million of net depreciation in the fair value of our equity securities. For the three months ended September 30, 2025, net realized and unrealized investment losses were primarily due to \$20.3 million of net realized losses from sales of investments, primarily lower-yield fixed maturities, in consideration of expiring tax gains from 2022, partially offset by changes in the fair value of equity securities.

Net realized and unrealized investment losses were \$13.6 million for the nine months ended September 30, 2026, compared to net realized and unrealized investment losses of \$29.3 million for the nine months ended September 30, 2025. For the nine months ended September 30, 2026, net realized and unrealized investment losses were primarily due to \$19.6 million net realized investment losses from sales of fixed maturities and, to a lesser extent, \$4.1 million of impairment losses, primarily on fixed maturities. These net unrealized investment losses were partially offset by \$9.2 million of net appreciation in the fair value of our equity securities. For the nine months ended September 30, 2025, net realized and unrealized investment losses were primarily due to \$43.7 million of net realized losses from sales of investments, primarily lower-yield fixed maturities, in consideration of expiring tax gains from 2022, partially offset by changes in the fair value of equity securities.

Income Taxes

We file a consolidated U.S. federal income tax return that includes our holding company and its domestic subsidiaries (including non-insurance operations).

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

The provision for income taxes from continuing operations was an expense of \$48.0 million and \$48.5 million for the three months ended September 30, 2026 and 2025, respectively. These amounts resulted in consolidated effective tax rates of 21.8% and 21.4% on pre-tax income for the three months ended September 30, 2026 and 2025, respectively. These provisions include net excess tax benefits of \$0.8 million and \$0.3 million for the three months ended September 30, 2026 and 2025, respectively, primarily related to stock-based compensation and tax planning strategies implemented in prior years. Absent net excess tax benefits, the provision for income taxes would have been an expense of \$48.8 million for both the three months ended September 30, 2026 and 2025. The effective tax rate would have been 22.2% and 21.5% for the three months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the three months ended September 30, 2026 is primarily due to state income taxes.

The income tax provision on operating results was an expense of \$51.3 million and \$50.5 million for the three months ended September 30, 2026 and 2025, respectively. These provisions resulted in effective tax rates on operating income of 21.9% and 21.4% for the three months ended September 30, 2026 and 2025, respectively. These provisions reflect net excess tax benefits primarily related to stock-based compensation. Absent net excess tax benefits, the provision for income taxes would have been an expense of \$51.8 million, or 22.1%, and \$50.6 million, or 21.4%, for the three months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the three months ended September 30, 2026 is primarily due to state income taxes.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

The provision for income taxes from continuing operations was an expense of \$151.5 million and \$122.3 million for the nine months ended September 30, 2026 and 2025, respectively. These amounts resulted in consolidated effective tax rates of 21.6% and 20.9% on pre-tax income for the nine months ended September 30, 2026 and 2025, respectively. These provisions include net excess tax benefits of \$3.7 million and \$3.5 million for the nine months ended September 30, 2026 and 2025, respectively, primarily related to stock-based compensation. Absent net excess tax benefits, the provision for income taxes would have been an expense of \$155.2 million, or 22.1%, and \$125.8 million, or 21.5%, for the nine months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the nine months ended September 30, 2026 is primarily due to state income taxes.

The income tax provision on operating results was an expense of \$154.8 million and \$129.2 million for the nine months ended September 30, 2026 and 2025, respectively. These provisions resulted in effective tax rates on operating income of 21.6% and 21.0% for the nine months ended September 30, 2026 and 2025, respectively. These provisions reflect the aforementioned net excess tax benefits primarily related to stock-based compensation. Absent net excess tax benefits, the provision for income taxes would have been an expense of \$158.1 million, or 22.1%, and \$131.9 million, or 21.4%, for the nine months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the nine months ended September 30, 2026 is primarily due to state income taxes.

Critical Accounting Estimates

Interim consolidated financial statements have been prepared in conformity with U.S. GAAP and include certain accounting policies that we consider to be critical due to the amount of judgment and uncertainty inherent in the application of those policies. While we believe that the amounts included in our consolidated financial statements reflect our best judgment, the use of different assumptions could produce materially different accounting estimates. As disclosed in our 2025 Annual Report on Form 10-K, we believe the following accounting estimates are critical to our operations and require the most subjective and complex judgment:

- Reserve for losses and loss expenses
- Reinsurance recoverable balances
- Pension benefit obligations
- Investment credit losses

For a more detailed discussion of these critical accounting estimates, see our 2025 Annual Report on Form 10-K.

Statutory Surplus of Insurance Subsidiaries

The following table reflects statutory surplus for our insurance subsidiaries:

<i>(in millions)</i>	September 30, 2026	December 31, 2025
Total Statutory Capital and Surplus	\$ 3,700.8	\$ 3,337.9

The statutory capital and surplus for our insurance subsidiaries increased \$362.9 million during the first nine months of 2026. This increase was primarily due to operating profits, partially offset by the payment of a \$180.0 million dividend to its parent company.

Liquidity and Capital Resources

Liquidity is a measure of our ability to generate sufficient cash flows to meet the cash requirements of the business operations. As a holding company, our primary ongoing source of cash is dividends from our insurance subsidiaries. However, dividend payments to us by our insurance subsidiaries are subject to limitations imposed by regulators, such as prior notice periods and the requirement that dividends in excess of a specified percentage of statutory surplus or prior year's statutory earnings receive prior approval (so called "extraordinary dividends"). During the first nine months of 2026, Hanover Insurance provided dividends of \$180.0 million to the holding company.

Sources of cash for our insurance subsidiaries primarily consist of premiums collected, investment income and maturing investments. Primary cash outflows are payments for losses and loss adjustment expenses, policy and contract acquisition expenses, other underwriting expenses, and investment purchases. Cash outflows related to losses and loss adjustment expenses can be variable because of uncertainties surrounding settlement dates for liabilities for unpaid losses and because of the potential for large losses, either individually or in the aggregate. We periodically adjust our investment policy to respond to changes in short-term and long-term cash requirements.

Net cash provided by operating activities was \$850.9 million during the first nine months of 2026, as compared to \$799.9 million during the first nine months of 2025. The \$51.0 million increase in cash provided was primarily due to an increase in premiums received during the first nine months of 2026 compared to the same period in 2025, partially offset by higher income tax, and loss and LAE payments.

Net cash used in investing activities was \$761.9 million during the first nine months of 2026, as compared to \$642.6 million during the first nine months of 2025. During the first nine months of both 2026 and 2025, cash used in investing activities primarily related to net purchases of fixed maturities.

Net cash used in financing activities was \$705.5 million during the first nine months of 2026, as compared to net cash provided by financing activities of \$324.8 million during the first nine months of 2025. During the first nine months of 2026, cash used by financing activities primarily resulted from the redemption of \$375.0 million aggregate principal amount of 4.50% senior unsecured debentures, \$228.3 million of payments to repurchase shares of our common stock through the open market and, to a lesser extent, three quarterly dividend payments to our shareholders. During the first nine months of 2025, cash provided by financing activities primarily resulted from the issuance of \$500.0 million aggregate principal amount of 5.50% senior unsecured debentures. Net proceeds from this debt issuance were partially offset by three quarterly dividend payments and repurchases of our common stock.

Dividends to common shareholders are subject to quarterly board approval and declaration. During the first nine months of 2026, we paid three quarterly dividends to shareholders, each for \$0.95 per share and totaling \$99.5 million. We believe that our holding company assets are sufficient to provide for future shareholder dividends should the Board of Directors declare them.

At September 30, 2026, THG, as a holding company, held approximately \$243.0 million of fixed maturities and cash. We believe our holding company assets will be sufficient to meet our short-term obligations, which we expect to consist primarily of quarterly dividends to our shareholders (as and to the extent declared), redemptions of short-term debt, interest on our senior and subordinated debentures, certain costs associated with benefits related to employees and agents of our former life insurance subsidiaries and corporate governance expenses. As discussed below, we have, and opportunistically may continue to, repurchase our common stock and debt. We do not expect that it will be necessary to dividend additional funds from our insurance subsidiaries in order to fund short-term holding company obligations; however, we may decide to do so.

We expect to continue to generate sufficient positive operating cash to meet all short-term and long-term cash requirements relating to current operations, including the funding of our qualified defined benefit pension plan. We believe that this plan is fully funded. The ultimate payment amounts for our benefit plan are based on several assumptions, including but not limited to, the rate of return on plan assets, the discount rate for benefit obligations, mortality experience, interest crediting rates, inflation and the ultimate valuation and determination of benefit obligations. Since differences between actual plan experience and our assumptions are almost certain, changes, both positive and negative, to our current funding status and ultimately our obligations in future periods are likely.

Our insurance subsidiaries maintain a high degree of liquidity within their respective investment portfolios in fixed maturity and short-term investments. Volatility and uncertainty in the financial markets continue to affect the value of investments currently held by THG and its subsidiaries, many of which remain in unrealized loss positions. We believe that the quality of the assets we hold will allow us to realize the long-term economic value of our portfolio, including the securities that are currently in an unrealized loss position. We do not anticipate the need to sell these securities to meet our insurance subsidiaries' cash requirements since we expect our insurance subsidiaries to generate sufficient operating cash to meet all short-term and long-term cash requirements relating to current operations. However, unforeseen business needs or other items may occur, which could cause us to have to sell those securities in a loss position before their values fully recover, resulting in a recognition of impairment charges in that time period.

On May 13, 2026, the Board of Directors authorized a new stock repurchase program, which provides for aggregate repurchases of our common stock of up to \$700 million, and terminated the existing program. Under the repurchase authorization, we may repurchase, from time to time, common stock in amounts, at prices and at such times as we deem appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs, or other transactions. We are not required to purchase any specific number of shares or to make purchases by any certain date under this program. During the first nine months of 2026, we repurchased approximately 1.2 million shares of which 0.6 million shares were under the new program and 0.6 million shares were under the prior program. Share repurchases totaled \$230.0 million during the first nine months of 2026. Included in the cost of treasury stock acquired pursuant to common share repurchases is the 1% excise tax imposed on common share repurchase activity, net of common share issuances. As of September 30, 2026, we had approximately \$581 million available for additional repurchases under this \$700 million program.

We maintain our membership in the Federal Home Loan Bank ("FHLB") to provide access to additional liquidity based on our holdings of FHLB stock and pledged collateral. At September 30, 2026, we had borrowing capacity of \$298.9 million. There were no outstanding borrowings under this short-term facility at September 30, 2026; however, we have borrowed and may continue to borrow, from time to time, through this facility to provide short-term liquidity.

On July 21, 2023, we entered into a credit agreement that provides for a five-year unsecured revolving credit facility not to exceed \$150.0 million at any one time outstanding, with the option to increase the facility up to \$300.0 million (assuming no default and satisfaction of other specified conditions, including the receipt of additional lender commitments). The agreement also includes an uncommitted subfacility of \$50.0 million for standby letters of credit. Borrowings, if any, under this agreement are unsecured and incur interest at a rate per annum equal to, at our election, either (i) the greatest of, (a) the prime commercial lending rate of the administrative agent, (b) the NYFRB Rate plus half a percent, or (c) the one month Adjusted Term SOFR Rate plus one percent; each subject to a margin that ranges from 0.125% to 0.625% depending on our debt rating, or (ii) Adjusted SOFR Rate for the applicable interest period, plus a margin that ranges from 1.125% to 1.625% depending on our debt rating. The agreement also contains certain financial covenants such as maintenance of specified levels of consolidated equity and leverage ratios. During the first nine months of 2026, we had no borrowings under this credit agreement.

At September 30, 2026, we were in compliance with the covenants of our debt and credit arrangements.

Contingencies and Regulatory Matters

Information regarding litigation, legal contingencies and regulatory matters appears in Part I – Note 13 "Commitments and Contingencies" in the Notes to Interim Consolidated Financial Statements.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risks, the ways we manage them, and sensitivity to changes in interest rates, and equity price risk are summarized in Management's Discussion and Analysis of Financial Condition and Results of Operations as of December 31, 2025, included in our Annual

Report on Form 10-K for the year ended December 31, 2025. There have been no material changes in the first nine months of 2026 to these risks or our management of them.

ITEM 4

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Evaluation

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our “disclosure controls and procedures,” as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on our controls evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective to provide reasonable assurance that (i) the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) material information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate “internal control over financial reporting,” as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting, as required by Rule 13a-15(d) of the Exchange Act, to determine whether any changes occurred during the period covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that there were no such changes during the quarter ended September 30, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such action or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on the Company's financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

ITEM 1A – RISK FACTORS

There have been no material changes to the risk factors described under "Risk Factors" in Part I - Item 1A of our 2025 Form 10-K.

This document contains certain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may address, among other things, our growth strategy; expected developments in our business, including losses and loss reserves; the impact of our routine reserve reviews; our expectations regarding our investment activities or results; our proposed actions in response to trends in our business; as well as our expectations, intentions and other statements that are not historical facts. Words such as: "believes," "anticipates," "expects," "may," "projections," "outlook," "intends," "should," "could," "will," "plan," "goal," "guidance," "likely," "on track to," "potential," "continue," "targeted," "designed," "positioned," and similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We caution readers that accuracy with respect to forward-looking projections is difficult and subject to risks and uncertainties. Those risks and uncertainties, in some cases, have affected, and in the future could affect, our actual results and could cause our actual results for the remainder of 2026 and beyond to differ materially from historical results and from those expressed in any of our forward-looking statements. We operate in a business environment that is continually changing, and as such, new risk factors may emerge over time. We cannot predict these new risk factors, nor can we assess the impact, if any, that they may have on our business in the future.

Some of the factors that could cause actual results to differ include, but are not limited to, the following:

- changes in the demand for our products;
- risks and uncertainties related to our growth and operating strategies, including our ability to attract, grow and retain profitable policies in force, to increase rates commensurate with, or in excess of, loss trends, and to manage expenses and execute strategic initiatives effectively;
- adverse claims experience or changes in our estimates of loss and loss adjustment expense reserves, including those arising from catastrophes, inflationary pressures or global unrest, which may result in lower current year underwriting results or adverse loss development, and which could negatively impact our carried reserves;
- uncertainties with respect to the long-term profitability of our products, including with respect to newer products, or longer-tail products covering casualty losses;
- disruption in our distribution channels, including the loss or disruption of our independent agency channel, and the impact of competition and consolidation in the industry and among agents and brokers;
- changes in frequency and loss severity trends, exacerbated by fluctuations in economic conditions;
- changes in regulatory, legislative, economic, market and political conditions, particularly with respect to rates, policy terms and conditions, the use of artificial intelligence ("AI") and other technologies, privacy and data security, payment flexibility, and regions where we have geographical concentration;
- volatile and unpredictable developments, including severe weather (whether arising from changing climate conditions or weather patterns, or otherwise) and other natural physical events, catastrophes, pandemics, civil unrest, war, global conflicts, and terrorist actions, and the uncertainty in estimating the resulting losses;
- limitations on the ability to adjust claims or the availability of sufficient information to accurately estimate a loss at a point in time and the limitations and assumptions used to model property and casualty losses in general;
- risks related to our business being conducted in competitive markets, exposing us to increased risk from competitive pressures, including actions by competitors that may be larger or have greater financial resources than we do;
- risks and uncertainties with respect to our ability to collect all amounts due from reinsurers and to maintain current levels of reinsurance in the future at commercially reasonable rates, or at all, particularly following large catastrophe events or disruptions in reinsurance markets;

- heightened market volatility, fluctuations in interest rates (which have a significant impact on the market value of our investment portfolio and thus our book value), inflationary pressures, changes in default rates, tariffs, adverse economic, market and political conditions, and other factors that could negatively affect returns on our investment portfolio;
- operating difficulties and other unintended consequences from the introduction of new products, operational model transformation and redesign efforts, organizational changes, and related technology changes and applications, including the use of pricing models and AI, as well as new operating models, particularly as business processes become increasingly more digital;
- changes in our claims-paying and financial strength ratings;
- negative changes in our level of statutory surplus;
- risks and uncertainties relating to our operations and technology, including our information systems, cloud and network infrastructure, information security, and cyber risks (including AI-enabled threats), remote work capabilities, and reliance on third-party or outsourced services, which may negatively impact our ability to conduct business;
- risks, uncertainties or unfavorable developments associated with enacted legislation, litigation matters, social inflation and the possibility of adverse judicial decisions, including those related to exposures to potentially harmful products or substances or those which expand policy coverage beyond its intended scope or award “bad faith,” or other non-contractual damages; and
- other factors described in such forward-looking statements.

In addition, historical and future reported financial results include estimates with respect to premiums written and earned, reinsurance recoverables, current accident year “picks,” loss and loss adjustment reserves and development, fair values of certain investments, other assets and liabilities, tax, contingent and other liabilities, and other items. These estimates are subject to change as more information becomes available.

Readers should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake any responsibility to update or revise our forward-looking statements, except as required by law.

For a more detailed discussion of our risks and uncertainties, see Part I – Item 1A – “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Shares purchased in the third quarter of 2026 are as follows:

<i>Period</i>	Total Number of Shares Purchased⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (in millions)
July 1 - 31, 2026	62,038	\$ 221.12	46,000	\$ 657
August 1 - 31, 2026	154,486	\$ 225.87	154,456	\$ 622
September 1 - 30, 2026	185,893	\$ 223.37	185,713	\$ 581
Total	<u>402,417</u>	<u>\$ 223.98</u>	<u>386,169</u>	<u>\$ 581</u>

(1) Includes 16,038 shares, 30 shares, and 180 shares withheld to satisfy tax withholding amounts due from employees related to the receipt of stock which resulted from the exercise or vesting of equity awards for the months ended July 31, August 31 and September 30, 2026, respectively.

ITEM 5 – OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended September 30, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a contract, instruction or written plan for the purchase or sale of the Company's securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

ITEM 6 – EXHIBITS

EX – 10.1+	The Hanover Insurance Group Retirement Savings Plan, as amended.
EX – 31.1	Certification of the Chief Executive Officer, pursuant to 15 U.S.C. 78m, 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
EX – 31.2	Certification of the Chief Financial Officer, pursuant to 15 U.S.C. 78m, 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
EX – 32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
EX – 32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
EX – 101	The following materials from The Hanover Insurance Group, Inc.’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 formatted in Inline eXtensible Business Reporting Language (“iXBRL”): (i) Consolidated Statements of Income for the three and nine months ended September 30, 2026 and 2025; (ii) Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2026 and 2025; (iii) Consolidated Balance Sheets at September 30, 2026 and December 31, 2025; (iv) Consolidated Statements of Shareholders’ Equity for the three and nine months ended September 30, 2026 and 2025; (v) Consolidated Statements of Cash Flows for the nine months ended September 30, 2026 and 2025, and (vi) related notes to these financial statements.
EX – 104	The cover page from The Hanover Insurance Group Inc.’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in iXBRL (embedded within EX – 101).

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Hanover Insurance Group, Inc.
Registrant

October 29, 2026
Date

/s/ John C. Roche
John C. Roche
President, Chief Executive Officer and Director

October 29, 2026
Date

/s/ Jeffrey M. Farber
Jeffrey M. Farber
Executive Vice President and Chief Financial Officer

THE HANOVER INSURANCE GROUP RETIREMENT SAVINGS PLAN

Amended and restated generally effective January 1, 2025

THE HANOVER INSURANCE GROUP RETIREMENT SAVINGS PLAN

TABLE OF CONTENTS

[ARTICLE I NAME, PURPOSE AND EFFECTIVE DATE OF PLAN AND RESTATED PLAN](#)

[ARTICLE II DEFINITIONS](#)

[ARTICLE III ELIGIBILITY AND PARTICIPATION](#)

[ARTICLE IV EMPLOYER CONTRIBUTIONS AND FORFEITURES](#)

[ARTICLE V EMPLOYEE CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS](#)

[ARTICLE VI PROVISIONS APPLICABLE TO TOP HEAVY PLANS](#)

[ARTICLE VII LIMITATIONS ON ALLOCATIONS](#)

[ARTICLE VIII PARTICIPANT ACCOUNTS AND VALUATION OF ASSETS](#)

[ARTICLE IX 401\(k\) ALLOCATION LIMITATIONS](#)

[ARTICLE X 401\(m\) ALLOCATION LIMITATIONS](#)

[ARTICLE XI IN-SERVICE WITHDRAWALS](#)

[ARTICLE XII PLAN LOANS](#)

[ARTICLE XIII RETIREMENT, TERMINATION AND DEATH BENEFITS](#)

[ARTICLE XIV PLAN FIDUCIARY RESPONSIBILITIES](#)

[ARTICLE XV BENEFITS COMMITTEE](#)

[ARTICLE XVI INVESTMENT OF THE TRUST FUND](#)

[ARTICLE XVII CLAIMS PROCEDURE](#)

ARTICLE XVIII AMENDMENT AND TERMINATION

ARTICLE XIX MISCELLANEOUS

THE HANOVER INSURANCE GROUP RETIREMENT SAVINGS PLAN

ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN AND RESTATED PLAN

1.01 Name of Plan. The name of the Plan is The Hanover Insurance Group Retirement Savings Plan. Prior to January 1, 2005, the Plan was known as “The Allmerica Financial Employees’ 401(k) Matched Savings Plan”. Effective January 1, 2005, the Plan became known as “The Allmerica Financial Retirement Savings Plan”. Effective December 1, 2005, the Plan became known as “The Hanover Insurance Group Retirement Savings Plan”.

1.02 Purpose. This Plan has been established for the exclusive benefit of the Plan Participants and their Beneficiaries and as far as possible shall be administered in a manner consistent with this intent and consistent with the requirements of Code Section 401.

Subject to Section 15.04 and 18.05, under no circumstances shall any contributions made to the Plan be used for, or diverted to, purposes other than for the exclusive benefit of Plan Participants or the Beneficiaries.

1.03 Plan and Plan Restatement Effective Date. The original effective date of this Plan was November 22, 1961. The effective date of this amended and restated Plan is January 1, 2025 (except for those provisions of the Plan which have an alternative effective date). This restatement is intended, among other purposes, to update the Plan for changes required or permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019 (“SECURE Act 1.0”), the Coronavirus Aid, Relief, and Economic Security Act of 2020 and the Setting Every Community Up for Retirement Enhancement Act of 2022 (SECURE Act 2.0”), and guidance issued thereunder.

Except to the extent otherwise specifically provided herein, the provisions of the amended and restated Plan as set forth herein shall apply to a Participant who is employed by the Employer on or after January 1, 2025. The rights and benefits of any Participant whose employment with the Employer terminated prior to January 1, 2025, shall be determined in accordance with the provisions of the Plan as in effect from time to time to January 1, 2025, provided, however, that if the Account balance of any such Participant has not been completely distributed before January 1, 2025, then such Account balance shall be invested, accounted for and distributed in accordance with the provisions of the Plan as set forth in this document except as otherwise required by applicable law or as otherwise specifically provided herein.

ARTICLE II

DEFINITIONS

The terms defined in this Article shall have the meanings stated herein unless the context clearly indicates otherwise.

- 2.01 “Accrued Benefit” shall mean the sum of the balances in a Participant’s 401(k) Account, Roth Elective Deferral Account, Match Contribution Account, Non-Elective Employer Contribution Account, Regular Account, Rollover Account, Tax Deductible Contribution Account and Voluntary Contribution Account.
- 2.02 “Account” shall mean an account established and maintained pursuant to Section 8.01 for each Participant, when appropriate, to account for the Participant’s Accrued Benefit.
- 2.03 (a) “Affiliate” shall mean any corporation affiliated with the Employer through the action of such corporation’s board of directors and the Employer’s Board of Directors.
- (b) “Affiliate” shall also mean any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder.
- 2.04 “Affirmative Election” shall mean an election by an Eligible Participant to (a) make Salary Reduction Contributions to the Plan at the whole percentage of his or her Compensation or at the separate whole percentages of his or her salary and other Compensation specified in his or her Salary Reduction Agreement, or (b) not to make Salary Reduction Contributions to the Plan.
- 2.05 “Age” shall mean the age of a person at his or her last birthday.
- 2.06 “Annuity Starting Date” shall mean the first day of the first period for which the Plan pays an amount as an annuity. In the case of a payment not in an annuity form, Annuity Starting Date shall mean the first day of the first period for which the benefit form is paid.
- 2.07 “Automatic Contributions” shall mean the Pre-tax Elective Deferrals that result from the operation of Section 5.05(c).
- 2.08 “Automatic Contribution Arrangement” shall mean the arrangement set forth in Section 5.05 pursuant to which, in the absence of an Affirmative Election, an Employee, who is eligible to participate in the Plan is treated as having elected to direct the Employer to reduce his or her Compensation in order that the Employer may make Pre-tax Elective Deferrals to the Plan on behalf of the Participant equal to a uniform percentage of Compensation.
- 2.09 “Beneficiary” shall mean the person, trust, organization, or estate designated to receive Plan benefits payable on or after the death of a Participant.
- 2.10 “Catch-up Contributions” shall mean Salary Reduction Contributions made to the Plan that are in excess of an otherwise applicable Plan limit and that are made by Participants who are Age 50 or over by the end of their taxable years. An “otherwise applicable Plan limit” is a limit in the Plan that applies to Salary Reduction Contributions without regard to Catch-up Contributions, such as the limits on Annual Additions, the dollar limitation on Salary Reduction Contributions under Code Section 402(g) (not counting Catch-up Contributions). Catch-up Contributions for a Participant for a taxable year may not exceed the dollar limit on Catch-up Contributions under Code Section 414(v)(2)(B)(i) for the taxable year, as adjusted for increases in the cost of living in accordance with Code Section 414(v)(2)(C), including, in the case of Participants who would attain age 60 but would not attain age 64 before the close of the taxable year, the increased limit of the greater of \$10,000 or 150% of the normal dollar limit in effect for such taxable year.
-

Catch-up Contributions are not subject to the limits on Annual Additions, are not counted in the ADP test and are not counted in determining the minimum top-heavy allocation under Code Section 416 (but Catch-up Contributions made in prior years are counted in determining whether the Plan is top-heavy).

2.11 “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time. Reference to any section or subsection to the Code, includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces any such section or subsection, and also includes reference to any regulation issued pursuant to or with respect to such section or subsection.

2.12 “Compensation” shall mean:

(a) For purposes of Articles IX and X, for purposes of determining a Participant’s Salary Reduction Contributions pursuant to Section 3.01(b), 5.04, and 5.05, and for purposes of determining an Employee’s Match Contribution under Section 4.02 and Non-Elective Employer Contribution pursuant to Section 4.03, Compensation shall mean the total wages or salary, overtime, bonuses, and any other taxable remuneration paid to an Employee by the Employer during the Plan Year, while the Employee is a Participant, as reported on the Participant’s W-2 for the Plan Year. Provided, however, that Compensation for this purpose shall be determined without reduction for (i) any Salary Reduction Contributions contributed to the Plan on the Participant’s behalf for the Plan Year and (ii) any other amount which is contributed or deferred by the Employer at the election of a Participant which is not includible in the gross income of the Participant by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b).

Notwithstanding the above, for purposes of determining a Participant’s Salary Reduction Contributions pursuant to Section 3.01(b), 5.04, and 5.05 and for purposes of determining an Eligible Employee’s Match Contribution under Section 4.02 and Non-Elective Employer Contribution pursuant to Section 4.03, Compensation shall not include:

- (i) incentive compensation paid to Participants pursuant to the Employer’s Executive Long Term Performance Unit Plan or pursuant to any similar or successor cash or equity long-term incentive compensation plan;
 - (ii) Employer contributions to a deferred compensation plan or arrangement (other than (A) Salary Reduction Contributions contributed to the Plan on the Participant’s behalf for the Plan Year; and (B) any other amount which is contributed or deferred by the Employer at the election of a Participant which is not includible in the gross income of the Participant by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b)) either for the year of deferral or for the year included in the Participant’s gross income;
 - (iii) any income which is received by or on behalf of a Participant in connection with the grant, receipt, settlement, exercise, lapse of risk of forfeiture or restriction on transferability, or disposition of any stock option, stock award, stock grant, stock appreciation right or similar right or award granted under any plan, now or hereafter in effect, of the Employer or any successor to the Employer, the Employer’s parent, any such successor’s parent, any subsidiaries or affiliates of the Employer, or any stock or securities underlying any such option, award, grant or right;
-

(iv) severance payments paid in a lump sum, provided that for Plan Years beginning on and after January 1, 2008 such excluded severance payments shall not include any payment of regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, if the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer and if the payment is made by the later of 2½ months after the Participant's severance from employment or by the end of the Plan Year in which the Participant's severance from employment occurs;

(v) Code Section 79 imputed income, long term disability, and workers' compensation benefit payments;

(vi) taxable moving expense allowances or taxable tuition, or other educational reimbursements;

(vii) for Plan Years commencing after December 31, 1998, compensation paid in the form of commissions;

(viii) non-cash taxable benefits provided to executives, including the taxable value of Employer-paid club memberships, chauffeur services and Employer-provided automobiles; and

(ix) other taxable amounts received, other than cash compensation, for services rendered.

(b) For purposes of Section 4.04 (Minimum Employer Contributions for Top Heavy Plans) and for purposes of Article VII (Limitations on Allocations), the term "Compensation" means a Participant's wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treasury Regulation Section 1.62-2(c)), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by an Employee becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized for the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) Other amounts which received special tax benefits.

Notwithstanding the foregoing, Compensation for purposes of the Plan shall also include Employee elective deferrals under Code Section 402(g)(3), Roth Elective Deferrals and any amounts contributed or deferred by the Employer at the election of the Employee and not includible in the gross income of the Employee, by reason of Code Sections 125, 132(f)(4), 402(e)(3), 402(h), and 403(b).

Additionally, amounts under Code Section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he has other health coverage (deemed Code Section 125 compensation). Such an amount will be treated as an amount under Code Section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

For purposes of applying the limitations of Article VII, Compensation for a Limitation Year is the Compensation actually paid or includible in gross income during such Year.

(c) Notwithstanding (a) and (b) above, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed \$350,000, as adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B) for Plan Years beginning after December 31, 2025.

The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined beginning in such calendar year.

If Compensation is being determined for a Plan Year that contains fewer than 12 calendar months, then the annual Compensation limit is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

For purposes of applying the limitations of Article VII with respect to Limitation Years the following provisions shall be applicable.

(i) Compensation paid after severance from employment. Compensation actually paid or includible in gross income during a Limitation Year shall be adjusted, as set forth herein, for the following types of compensation paid after a Participant's severance from employment with the Employer (or any Affiliate). However, amounts described in Paragraphs (A) and (B) below shall only be included in Compensation for such Limitation Year to the extent such amounts are paid by the later of 2½ months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation shall not be considered Compensation for such Limitation Year, even if payment is made within the time period specified above.

(A) Regular Pay. Compensation shall include regular pay after severance of employment if: (1) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and (2) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

(B) Leave Cashouts And Deferred Compensation. Leave cashouts shall be included in Compensation if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, deferred compensation shall be included in Compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's severance from employment, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(C) Salary Continuation Payments for Military Service Participants. Compensation shall not include payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(D) Salary Continuation Payments for Disabled Participants. Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code Section 22(e)(3)).

(ii) Compensation for a Limitation Year but not paid during the Limitation Year. Compensation for a Limitation Year shall not include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates.

(iii) Inclusion of Certain Nonqualified Deferred Compensation Amounts. Compensation for a Limitation Year shall include amounts that are includible in the gross income of a Participant under the rules of Code Section 409A or because the amounts are constructively received by the Participant.

(d) Notwithstanding paragraphs (a), (b) and (c) above,

(i) USERRA. For purposes of Employee and Employer make-up contributions, Compensation during the period of military service shall be deemed to be the Compensation the Employee would have received during such period if the Employee were not in qualified military service, based on the rate of pay the Employee would have received from the Employer but for the absence due to military leave. If the Compensation the Employee would have received during the leave is not reasonably certain, Compensation will be equal to the Employee's average Compensation from the Employer during the twelve (12) month period immediately preceding the military leave or, if shorter, the Employee's actual period of employment with the Employer.

(ii) Differential Wage Payments. An individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment. The differential wage payment shall be treated as Compensation for the purposes of Code Section 415(c)(3) and Treasury Regulation Section 1.415-(c)(2) (e.g., for the purposes of Code Section 415, top-heavy provisions of Code Section 416, determination of highly compensated employees under Code Section 414(q)). The Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment. The foregoing sentence shall apply only if all Employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as

defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

- 2.13 “Eligible Employee” shall mean an Employee who has satisfied the requirements to participate in this Plan as set forth in Section 3.01.
- 2.14 “Eligible Participant” shall mean an Eligible Employee subject to the Automatic Contribution Arrangement as provided for in Section 5.05(b).
- 2.15 “Employee” shall mean any person reported on the payroll records of the Employer as an Employee who is deemed by the Employer to be a common law Employee. However, the term Employee will not include any individual who is not reported on the payroll records of the Employer or an affiliated Employer as a common law Employee. If such person is later determined by the Employer or by a court or governmental agency to be or to have been an Employee, he or she will only be eligible for participation prospectively and may participate in the Plan as soon as reasonably practicable following such determination and after the satisfaction of all other eligibility requirements.
- 2.16 “Employer” shall mean The Hanover Insurance Company; provided that, prior to January 1, 2008, “Employer” shall mean First Allmerica Financial Life Insurance Company.
- 2.17 “Employment Commencement Date” shall mean the date on which an Employee first performs an Hour of Service or, in the case of an Employee who has a One Year Break in Service, the date on which he or she first performs an Hour of Service after such Break.
- 2.18 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 2.19 “Excess Elective Deferrals” shall mean those Salary Reduction Contributions of a Participant that either (a) are made during the Participant’s taxable year and exceed the dollar limitation under Code Section 402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in Code Section 414(v)) for such year; or (b) are made during a calendar year and exceed the dollar limitation under Code Section 402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in Code Section 414(v)) for the Participant’s taxable year beginning in such calendar year, counting only Salary Reduction Contributions made under this Plan and any other 401(k) qualified retirement plan, contract or arrangement maintained by the Employer. Excess Elective Deferrals shall be treated as Annual Additions under the Plan, unless such amounts are distributed no later than the first April 15 following the close of the Participant’s taxable year.
- 2.20 “Fiduciary” shall mean any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets; (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so; or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan, including, but not limited to, the Trustee and the Plan Administrator.
- 2.21 “First Allmerica” shall mean First Allmerica Financial Life Insurance Company.
-

- 2.22 “Five Percent Owner” shall mean, in the case of a corporation, any person who owns (or is considered as owning within the meaning of Code Section 416(i)) more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer. In the case of an Employer that is not a corporation, “Five Percent Owner” shall mean any person who owns or under applicable regulations is considered as owning more than five percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers.
- 2.23 “Former Participant” shall mean a person on whose behalf an Account is maintained, who was an Eligible Employee but who is not entitled to accrue a benefit under this Plan because he or she has ceased to be eligible to participate in the Plan for any reason.
- 2.24 “401(k) Account” shall mean the account established and maintained for each Participant who has directed the Employer to make Pre-tax Elective Deferral Contributions to the Trust on his or her behalf or for whom the Employer has made 401(k) Employer Contributions to the Trust on his or her behalf, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.25 “401(k) Employer Contribution” shall mean a 401(k) contribution made by the Employer to the Trust for Plan Years prior to 1995 pursuant to Section 4.01 of the Plan as in effect prior to 1995.
- 2.26 “Highly Compensated Employee” shall mean any Employee who:
- (a) was a Five Percent Owner at any time during the Plan Year or the preceding Plan Year; or
 - (b) for the preceding Plan Year:
 - (i) had Compensation from the Employer in excess of \$160,000, as adjusted for increases in the cost of living in accordance with Code Section 414(q)(1) for Plan Years beginning after December 31, 2025; and
 - (ii) for such preceding Year was in the top-paid group of Employees for such preceding Year.

For purposes of this Section, the “top-paid group” for a Plan Year is the top 20% of Employees ranked on the basis of Compensation paid during such Year.

In addition to the foregoing, the term “Highly Compensated Employee” shall also mean any former Employee who separated from service prior to the Plan Year, performs no service for the Employer during the Plan Year, and was an actively employed Highly Compensated Employee in the separation year or any Plan Year ending on or after the date the Employee attained Age 55.

For purposes of this Section, Compensation means Compensation determined for purposes of Article VII (Limitations on Allocations).

The determination of who is a Highly Compensated Employee, including the determinations of the numbers and identity of Employees in the top-paid group and the Compensation that is considered will be made in accordance with Code Section 414(q) and the regulations thereunder.

2.27 “Hour of Service” shall mean:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. For purposes of the Plan, an Employee who is exempt from the requirements of the Fair Labor Standards Act of 1938, as amended, shall be credited with 45 Hours of Service for each complete or partial week he or she would be credited with at least one Hour of Service under this Section.

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Notwithstanding the preceding sentence:

(i) No more than 1000 hours shall be credited to an Employee under this Subsection (b) on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period);

(ii) No hours shall be credited under this Subsection (b) for any payments made or due under a plan maintained solely for the purpose of complying with any applicable worker’s compensation, unemployment compensation or disability insurance laws; and

(iii) No hours shall be credited under this Subsection (b) for a payment, which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Subsection (b) a payment shall be deemed to be made by or due from an Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly, through, among others, a trust fund or insurer, to which the Employer contributes or pays premiums.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be both credited under Subsections (a) or (b), as the case may be, and under this Subsection. No more than 501 Hours shall be credited under this Subsection for a period of time during which an Employee did not or would not have performed duties.

(d) Special rules for determining Hours of Service under Subsection (b) or (c) for reasons other than the performance of duties.

In the case of a payment which is made or due which results in the crediting of Hours of Service under Subsection (b) or in the case of an award or agreement for back pay, to the extent that such an award or agreement is made with respect to a period during which an Employee performs no duties, the number of Hours of Service to be credited shall be determined as follows:

(i) In the case of a payment made or due which is calculated on the basis of units of time (such as hours, days, weeks or months), the number of Hours of Service to be credited for “exempt” Employees described in Subsection (a) shall be determined as provided in such Subsection. For all other Employees, the Hours of Service to be credited shall be those regularly scheduled hours in such unit of time; provided, however, that when a non-exempt Employee does not have regularly scheduled hours, such Employee shall be credited with 8 Hours of Service for each workday for which he or she is entitled to be credited with Hours of Service under paragraph (b).

(ii) Except as provided in Paragraph (d)(iii), in the case of a payment made or due which is not calculated on the basis of units of time, the number of Hours of Service to be credited shall be

equal to the amount of the payment divided by the Employee's most recent hourly rate of compensation (as determined below) before the period during which no duties are performed.

(A) The hourly rate of compensation of Employees paid on an hourly basis shall be the most recent hourly rate of such Employees.

(B) In the case of Employees whose compensation is determined on the basis of a fixed rate for specified periods of time (other than hours) such as days, weeks or months, the hourly rate of compensation shall be the Employee's most recent rate of compensation for a specified period of time (other than an hour), divided by the number of hours regularly scheduled for the performance of duties during such period of time. The rule described in Subsection (d)(i) shall also be applied under this paragraph to Employees without a regular work schedule.

(C) In the case of Employees whose compensation is not determined on the basis of a fixed rate for specified periods of time, the Employee's hourly rate of compensation shall be the lowest hourly rate of compensation paid to Employees in the same job classification as that of the Employee or, if no Employees in the same job classification have an hourly rate, the minimum wage as established from time to time under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(iii) Rule against double credit. An Employee shall not be credited on account of a period during which no duties are performed with more hours than such Employee would have been credited but for such absence.

(e) Crediting of Hours of Service to computation periods.

(i) Hours of Service described in Subsection (a) shall be credited to the Employee for the computation period in which the Hours of Service are paid.

(ii) Hours of Service described in Subsection (b) shall be credited as follows:

(A) Hours of Service credited to an Employee on account of a payment which is calculated on the basis of units of time (such as hours, days, weeks or months) shall be credited to the computation period or periods in which the period during which no duties are performed occurs, beginning with the first unit of time to which the payment relates; provided, however, that with respect to any such period overlapping computation periods, Hours of Service shall be credited to the period in which payment is made under rules similar to those under subsection (e)(i) above.

(B) Hours of Service credited to an Employee by reason of a payment which is not calculated on the basis of units of time shall be credited to the computation period in which the period during which no duties are performed occurs, or if the period during which no duties are performed extends beyond one computation period, such Hours of Service shall be allocated between not more than the first two computation periods in accordance with reasonable rules established by the Employer, which rules shall be consistently applied with respect to all Employees within the same job classification, reasonably defined.

(iii) Hours of Service described in Subsection (c) shall be credited to the computation period or periods to which the award or agreement for back pay pertains, rather than to the computation period in which the award, agreement or payment is made.

(f) For purposes of the Plan, Hours of Service shall also include Hours of Service determined in accordance with the rules set forth in this Section 2.27:

- (i) with the Employer in a position in which he or she was not eligible to participate in this Plan; or
- (ii) as a Career Agent or General Agent of First Allmerica; or
- (iii) for periods prior to January 1, 1998, with Citizens, Hanover, or as an employee of a General Agent of First Allmerica; or
- (iv) with Financial Profiles, Inc., or Advantage Insurance Network, Affiliates of First Allmerica, including periods of service completed prior to the date each became an Affiliate; or
- (v) for periods prior to January 1, 2008 with First Allmerica; or
- (vi) with an Affiliate.

(g) Rules for Maternity or Paternity Leaves of Absence. In addition to the foregoing rules, solely for purposes of determining whether a One Year Break in Service has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such Hours cannot be determined, 8 Hours of Service per day of such absence. Provided, however, that:

Hours shall not be credited under both this Paragraph (g) and one of the other Paragraphs of this Section 2.27;

- (i) no more than 501 Hours shall be credited for each maternity or paternity absence; and
- (ii) if a maternity or paternity leave extends beyond one Plan Year, the Hours shall be credited to the Plan Year in which the absence begins to the extent necessary to prevent a One Year Break in service, otherwise such Hours shall be credited to the following Plan Year.

For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (A) by reason of the pregnancy of the individual, (B) by reason of a birth of a child of the individual, (C) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (D) for purposes of caring for such child for a period beginning immediately following such birth or placement.

(h) Other Federal Law. Nothing in this Section shall be construed to alter, amend, modify, invalidate, impair or supersede any law of the United States or any rule or regulation issued under any such law.

2.28 “Key Employee” shall mean, for the purposes of determining whether the Plan is top-heavy, any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date is an officer of the Employer having an annual Compensation greater than \$230,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2025), a Five Percent Owner, or a 1-percent owner of the Employer having an annual Compensation of more than \$150,000.

The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the regulations thereunder. For purposes of determining whether a Participant is a Key Employee, the Participant’s Compensation means Compensation as defined for purposes of Article VII.

- 2.29 “Limitation Year” shall mean a calendar year. The Limitation Year may only be changed by a Plan amendment. If the Plan is terminated effective as of a date other than the last day of the Plan’s Limitation Year, then the Plan shall be treated as if the Plan had been amended to change its Limitation Year and, in any such case, the Defined Contribution Dollar Limitation shall be prorated as prescribed by Treasury Regulation Section 1.415(j)-1(d)(3).
- 2.30 “Match Contribution” shall mean the contribution made by the Employer to the Trust pursuant to Section 4.02.
- 2.31 “Match Contribution Account” shall mean the account established for each Participant for whom the Employer has allocated Match Contributions to the Trust and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.32 “Non-Elective Employer Contributions” shall mean Employer contributions that are made by the Employer pursuant to Section 4.03.
- 2.33 “Non-Elective Employer Contribution Account” shall mean the account established for each Employee for whom the Employer has made a Non-Elective Employer Contribution to the Trust and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.34 “Non-Highly Compensated Employee” shall mean any Employee who is not a Highly Compensated Employee.
- 2.35 “Non-Key Employee” shall mean any Employee who is not a Key Employee.
- 2.36 “Normal Retirement Age” shall mean the date on which the Participant attains Age 65.
- 2.37 “One Year Break in Service” shall mean any vesting computation period during which an Employee does not complete more than 500 Hours of Service.
- 2.38 “Participant” shall mean an Eligible Employee and, where the context requires, a Former Participant.
- 2.39 “Plan Administrator” shall mean the Benefits Committee, which shall have fiduciary responsibility for the interpretation and administration of the Plan, as provided for in Article XIV. Members of the Benefits Committee shall be appointed as provided for in Section 15.01 hereof.
- 2.40 “Plan Year” shall mean a calendar year.
- 2.41 “Pre-tax Elective Deferral” shall mean a Salary Reduction Contribution that is not includible in the gross income of the Eligible Employee on whose behalf the contribution is made at the time that the deferral is made.
- 2.42 “Qualified Automatic Contribution Arrangement (“QACA”)” shall mean a qualified automatic contribution arrangement that meets the requirements of Code Section 401(k)(13)(B). This Plan is intended to satisfy the requirements of Code Section 401(k)(13)(B) including but not limited to, the automatic enrollment and contribution provisions and the applicable notice requirements of Section 5.05 and the required Employer contributions of the Match Contribution made by the Employer to the Trust pursuant to Section 4.02.
- 2.43 “Qualified Default Investment Alternative” shall mean an investment alternative available to Participants and Beneficiaries that satisfies the requirements of ERISA Section 404(c)(5) and the regulations thereunder and shall be subject to the following rules:
-

(a) No Employer Securities. The Qualified Default Investment Alternative does not hold or permit the acquisition of Employer securities, except as permitted by Department of Labor Regulation Section 2550.404c-5(e)(1)(ii);

(b) Transfer Permitted. The Qualified Default Investment Alternative permits a Participant or Beneficiary to transfer, in whole or in part, his or her investment from the Qualified Default Investment Alternative to any other investment alternative available under the Plan, pursuant to the rules of Department of Labor Regulation Section 2550.404c-5(c)(5);

(c) Management. The Qualified Default Investment Alternative is:

(i) Managed by: (A) an investment manager, within the meaning of ERISA Section 3(38); (B) a Plan trustee that meets the requirements of ERISA Section 3(38)(A), (B) and (C); or (C) the Sponsor Employer who is a named fiduciary within the meaning of ERISA Section 402(a)(2);

(ii) An investment company registered under the Investment Company Act of 1940; or

(iii) An investment product or fund described in Department of Labor Regulation Section 2550.404c-5(e)(4)(iv) or (v); and

(d) Types of Permitted Investments. The Qualified Default Investment Alternative must be an investment product or fund described in Department of Labor Regulation Section 2550.404c-5(e)(4).

2.44 “Qualified Domestic Relations Order” shall mean any judgment, decree or order (including approval of a property settlement agreement) which:

(a) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant;

(b) is made pursuant to a state domestic relations law (including a community property law);

(c) constitutes a “qualified domestic relations order” within the meaning of Code Section 414(p); and

(d) is entered on or after January 1, 1985.

Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order (QDRO) will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant’s death.

2.45 “Qualified Early Retirement Age” shall mean the later of:

(a) Age 55; or

(b) the date on which the Participant begins participation.

2.46 “Qualified Joint and Survivor Annuity” shall mean an annuity for the life of the Participant, with a survivor annuity for the life of his or her spouse in an amount equal to 50% of the amount of the annuity payable during the joint lives of the Participant and his or her spouse, and which is the amount of benefit which can be purchased by the Participant’s Accrued Benefit.

- 2.47 “Regular Account” shall mean the account established and maintained for each Participant for whom the Employer has allocated Regular Employer Contributions to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.48 “Regular Employer Contribution” shall mean a Regular Contribution made by the Employer to the Trust for years prior to 1995 pursuant to Section 4.01 as in effect prior to 1995.
- 2.49 “Rollover Account” shall mean the account established and maintained for each Participant who has made a Rollover Contribution to the Trust or whose accrued benefit from another qualified plan has been transferred to this Trust in accordance with Section 5.03 of the Plan, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.50 “Rollover Contribution” shall mean a contribution made to the Trust pursuant to Section 5.03.
- 2.51 “Roth Elective Deferral” shall mean a Salary Reduction Contribution that has been irrevocably designated as Roth Elective Deferral by the Participant in his or her Salary Reduction Agreement and that is includible in the Participant’s gross income for tax purposes at the time the deferral is made pursuant to Code Section 402A and any applicable guidance or regulations issued thereunder. Roth Elective Deferrals may be treated as Catch-Up Contributions. Roth Elective Deferrals shall be maintained in a separate account for each Participant who has directed the Employer to make a Roth Elective Deferral to the Trust.
- 2.52 “Roth Elective Deferral Account” shall mean the separate account established and maintained for each Participant who has directed the Employer to make a Roth Elective Deferral to the Trust on his or her behalf to record the contribution and withdrawal of a Participant’s Roth Elective Deferrals and other adjustments as required by the Plan. No contributions other than designated Roth Elective Deferrals and direct rollover contributions described in Code Section 402A(c)(3) may be allocated to a Roth Elective Deferral Account.
- 2.53 “Salary Reduction Agreement” shall mean an agreement between the Employer and an Eligible Employee as set forth in Sections 3.01(b), 5.04 and 5.05 pursuant to which the Eligible Employee authorizes the Employer to withhold the specified whole percentage of his or her Compensation or the specified separate whole percentages of his or her salary and other Compensation for deposit to the Plan on behalf of such Eligible Employee.
- 2.54 “Salary Reduction Contribution” shall mean the Pre-tax Elective Deferrals and or Roth Elective Deferrals made by the Employer to the Trust on behalf of an Eligible Employee pursuant to a Salary Reduction Agreement and in accordance with Section 5.04 and or an Automatic Contribution made by the Employer on behalf of an Eligible Participant pursuant to the Automatic Contribution Arrangement provisions of Section 5.05.

With respect to any Plan Year, the total amount of a Participant’s Salary Reduction Contributions is the sum of all employer contributions made on behalf of such Participant pursuant to a deferral under any qualified cash or deferred arrangement as described in Code Section 401(k), any Simplified Employee Pension Plan with a cash or deferred arrangement as described in Code Section 408(k)(6), any SIMPLE IRA Plan described in Code Section 408(p), any plan as described under Code Section 501(c)(18), and any Employer contributions made on behalf of a Participant for the purchase of an annuity contract under Code Section 403(b) pursuant to a Salary Deferral Agreement.

Pre-tax Elective Deferrals or Roth Elective Deferrals shall not include any deferrals properly distributed as Excess Annual Additions.

- 2.55 “Spouse” or “spouse” means the individual person to whom a Participant is legally married for Federal tax purposes on the applicable date required by the context or as otherwise provided for in the Plan; provided, however, that from June 26, 2013 through September 15, 2013, any reference to those terms means the individual, if any, to whom the Participant is married in a marriage that is recognized under the laws of the state of the Participant’s residence on that date.
- 2.56 “Suspense Account” shall mean the account established by the Trustee for maintaining contributions and forfeitures which have not yet been allocated to Participants.
- 2.57 “Tax Deductible Contribution Account” shall mean the account established and maintained for each Participant who has made a Tax Deductible Voluntary Contribution to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.58 “Tax Deductible Voluntary Contribution” shall mean a contribution made to the Trust for years before 1987 and pursuant to Section 5.02 as in effect prior to 1995.
- 2.59 “Top Heavy Plan” shall mean for any Plan Year that any of the following conditions exists:
- (a) If the top heavy ratio (as defined in Article VI) for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.
 - (b) If this Plan is a part of a required aggregation group of plans (but not part of a permissive aggregation group) and the top heavy ratio for the group of plans exceeds 60 percent.
 - (c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.
- See Article VI for requirements and additional definitions applicable to Top Heavy Plans.
- The Match Contribution provided for in Section 4.02 may also be used to satisfy the minimum contribution requirement for a Top-Heavy Plan, provided no other contribution is made to the Plan for that Plan Year. Further, notwithstanding anything in the Plan to the contrary, in any Plan Year in which Employer contributions to the Plan consist solely of the Match Contribution provided for in Section 4.02, then such Plan will not be treated as a Top Heavy Plan and will be exempt from the top heavy requirements of Code Section 416. Furthermore, if the Plan (but for the prior sentence) would be treated as a Top Heavy Plan because the Plan is a member of an aggregation group which is a top heavy group, then the contributions under the Plan may be taken into account in determining whether any other plan in the aggregation group meets the top heavy requirements of Code Section 416.
- 2.60 “Top Heavy Plan Year” shall mean that, for a particular Plan Year, the Plan is a Top Heavy Plan.
- 2.61 “Totally and Permanently Disabled” shall mean the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as evidenced by a written determination of the Social Security Administration that the Participant is disabled and entitled to benefits under the federal Social Security Act.
- 2.62 “Trustee” shall mean the bank or trust company or person or persons who shall be constituted the original trustee or trustees for the Plan and Trust created therefor, and also any and each successor trustee or trustees.
-

- 2.63 “Trust Fund” shall mean, include and consist of any payments made to the Trustee by the Employer under the Plan and Trust Indenture, or the investments thereof, together with all income and gains of every nature thereon which shall be added to the principal thereof by the Trustee, less all losses thereon and all payments therefrom.
- 2.64 “Trust Indenture” or “Trust” shall mean the Trust Indenture between the Employer and the Trustee in the form annexed hereto, and any and all amendments thereof or thereto.
- 2.65 “USERRA” shall mean the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended. Notwithstanding any provision of the Plan to the contrary, contributions, benefits, Plan loan repayment, suspensions and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).
- 2.66 “Valuation Date” shall mean each day as of which the value of the Trust Fund shall be calculated. The Plan Administrator reserves the right to change the frequency of Valuation Dates; provided, however, that in no event shall Valuation Dates occur less frequently than once each calendar quarter.
- 2.67 “Voluntary After-Tax Contributions” shall mean a contribution made to the Trust for years prior to 1995 pursuant to Section 5.01 as in effect prior to 1995.
- 2.68 “Voluntary Contribution Account” shall mean the account established and maintained for each Participant who has made a Voluntary After-Tax Contribution to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.
- 2.69 “Year of Service” shall mean, for purposes of determining vesting under Article XIII, the twelve consecutive month period, commencing on the first day an Employee completes an Hour of Service and in which the Employee completes at least 1,000 Hours of Service. Thereafter, for purposes of determining vesting under Article XIII, the determination of a Year of Service will commence on the anniversary of the first day the Employee completed an Hour of Service and the twelve consecutive month period that follows, provided the Employee completes at least 1,000 Hours of Service during such period.

In computing a “Year of Service” for purposes of the Plan, each twelve-month period shall be considered as completed as of the close of business on the last working day, which occurs within such period, provided that the Employee had completed at least 1,000 Hours of Service during the period ending on such date.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u).

ARTICLE III

ELIGIBILITY AND PARTICIPATION

- 3.01 (a) In General. Employees who are employed by the Employer on January 1, 2025 and who were eligible to participate in this Plan on December 31, 2024 shall be Participants in this Plan on January 1, 2025.

An Employee shall be eligible to participate in this Plan upon completion of one Hour of Service, provided the Employee is then employed in an eligible class of Employees.

An Employee shall be eligible to receive Match Contributions upon completion of one Hour of Service, provided the Employee is then employed in an eligible class of Employees.

Notwithstanding the foregoing, the following Employees shall not be eligible to become or remain active Participants hereunder:

- (i) All Employees holding a General Agent's Contract with the Employer or with an Affiliate;
- (ii) All Employees holding a Career Agent's or Annuity Specialist's Contract with the Employer or with an Affiliate;
- (iii) Leased Employees within the meaning of Code Sections 414(n) and (o);
- (iv) A contractor's employee, i.e., a person working for a company providing goods or services (including temporary employee services) to the Employer or to an Affiliate whom the Employer does not regard to be its common law employee, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law Employee; or
- (v) An independent contractor, i.e., a person who is classified by the Employer as an independent contractor, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law Employee.

Special rules for certain persons who were employed by One Beacon Insurance Group, LTD. or any business entity affiliated with One Beacon Insurance Group, LTD. immediately before being employed by the Employer are stated in Appendix A attached hereto.

Special rules for certain persons who were employed by (A) Campania Holding Company, Inc. or its direct or indirect subsidiaries; (B) Benchmark Professional Insurance Services, Inc. or its direct or indirect subsidiaries; or (C) Insurance Company of the West or its direct or indirect subsidiaries, immediately before being employed by the Employer are stated in Appendix B attached hereto.

Special rules for certain persons who were employed by (A) Professionals Direct, Inc. or its direct or indirect subsidiaries; (B) Verlan Holdings, Inc. or its direct or indirect subsidiaries; or (C) AIX Holdings, Inc. or its direct or indirect subsidiaries, immediately before being employed by the Employer are stated in Appendix C attached hereto.

(b) Employee Participation. On or after the date an Employee first becomes eligible to participate in the Plan, the Employee may direct the Employer to reduce his or her Compensation in order that the Employer may make Salary Reduction Contributions to the Plan, including Catch-up Contributions, on the Employee's behalf in accordance with Section 5.04; provided that any Eligible Participant shall be subject to the automatic enrollment and contribution provisions of Section 5.05.

3.02 Classification Changes. In the event of a change in job classification, such that an Employee, although still in the employment of the Employer, no longer is an Eligible Employee, all contributions to be allocated on his or her behalf shall cease and any amount credited to the Employee's Accounts on the date the Employee shall become ineligible shall continue to vest, become payable or be forfeited, as the case may be, in the same manner and to the same extent as if the Employee had remained a Participant.

If a Participant's Salary Reduction Agreement is terminated because he or she is no longer a member of an eligible class of Employees, but the Participant has not terminated his or her employment, such Employee shall again be eligible to enter into a new Salary Reduction Agreement immediately upon his or her return to an eligible class of Employees. If such Participant terminates his or her employment with the Employer, he or she shall again be eligible to enter into a Salary Reduction Agreement immediately upon his or her recommencement of service as an Eligible Employee.

In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall be eligible to participate immediately.

- 3.03 Participant Cooperation. Each eligible Employee who becomes a Participant hereunder thereby agrees to be bound by all of the terms and conditions of this Plan and Trust.

ARTICLE IV

EMPLOYER CONTRIBUTIONS AND FORFEITURES

- 4.01 Salary Reduction Contributions. The Employer shall make Salary Reduction Contributions to the Plan and Trust, including Catch-up Contributions described in Code Section 414(v), to the extent and in the manner specified in Sections 3.01(b), 5.04, and 5.05.

Salary Reduction Contributions, including Catch-up Contributions described in Code Section 414(v), shall be contributed as soon as practicable following the end of each pay period and allocated to a Participant's 401(k) Account and or Roth Elective Deferral Account, as applicable.

- 4.02 Match Contributions.

(a) For each pay period during a Plan Year that a Salary Reduction Contribution is made to the Plan on behalf of a Participant, the Employer shall make a Match Contribution to the Plan on behalf of the Participant equal to 100% of such Salary Reduction Contributions that do not exceed 6% of the Participant's Compensation for such pay period; provided that no such Match Contribution shall be made with respect to any part or all of any such Salary Reduction Contribution that, when added to other such Salary Reduction Contributions made to the Plan on behalf of the Participant during the Plan Year, would cause the applicable dollar amount under Code Section 402(g)(1)(B) to be exceeded for such Plan Year unless the Salary Reduction Contribution may be treated as a Catch-up Contribution that does not exceed the limitation under Code Section 402(g)(1)(C). All such Match Contributions shall be made to the Match Contribution Account established for the Participant as soon after each such pay period as practicable.

The Employer shall contribute Match Contributions to the Trust Fund as soon as practicable following the end of each pay period. Such Match Contributions shall be made in cash and shall be allocated to the Match Contribution Account of each Participant. Such Match Contributions shall be invested per the directions of Participants in accordance with the provisions of Article XVI.

Within 30 days following the end of each Plan Year or such longer period as permitted by law, if required, the Employer shall make a “true-up” Match Contribution to the Match Contribution Account of each Participant employed by the Employer during the Plan Year, such that the total amount of Match Contributions for each Participant for the Plan Year shall be equal to 100% of the Participant’s Salary Reduction Contributions that do not exceed 6% of the Participant’s Compensation for such Plan Year (and not merely 100% of the Participant’s Salary Reduction Contributions that do not exceed 6% of the Participant’s Compensation for each pay period during the Plan Year); provided that no such Match Contribution shall be made with respect to any part or all of any such Salary Reduction Contributions that would cause the applicable dollar amount under Code Section 402(g)(1)(B) to be exceeded for such Plan Year unless the Salary Reduction Contribution can be treated as a Catch-up Contribution that does not exceed the limitation under Code Section 402(g)(1)(C).

(b) The Match Contributions made pursuant to Section 4.02(a) shall be subject to the withdrawal restrictions set forth in Code Section 401(k)(2)(B) and Treasury Regulation Section 1.401(k)-1(d).

4.03 Non-Elective Employer Contributions.

(a) The Board of Directors of the Employer may, in its discretion, determine to make a Non-Elective Employer Contribution to the Plan on behalf of the Employer for each Eligible Employee who is employed by the Employer on the last day of such Plan Year in an amount equal to a uniform percentage of each such Employee’s Compensation. Any such contribution shall be made in cash to the Non-Elective Employer Contribution Account established for each such Eligible Employee. The contribution shall be made in cash. Such contribution shall be made to the Non-Elective Employer Contribution Account to be established for each such Employee and shall be invested per the direction of the Participant in accordance with the provisions of Article XVI.

(b) Notwithstanding any other provision in the Plan to the contrary and subject to compliance with applicable Code discrimination laws, rules and regulations, each Participant who was an Employee on December 31, 2014, has been continuously employed from December 31, 2014 through March 2, 2015 and who earned Compensation during the Plan Year ended December 31, 2014, shall receive an Employer paid contribution of \$500.00, whether or not such Employee has elected to make Salary Reduction Contributions to the Plan during such continuous period of employment. This Employer contribution shall be made in cash to the Non-Elective Employer Contribution Account established for any such eligible Participant on or as soon after March 2, 2015 as is practicable and shall be invested per the direction of the Participant in accordance with the provisions of Article XVI.

(c) Notwithstanding any other provision in the Plan to the contrary and subject to compliance with applicable Code discrimination laws, rules and regulations, each Participant (other than members of the Executive Leadership Team) who was an Employee on December 31, 2016, has been continuously employed by the Employer from December 31, 2016 through March 15, 2017 and who earned Compensation during the Plan Year ended December 31, 2016, shall receive an Employer paid contribution of \$500.00, whether or not such Participant has elected to make Salary Reduction Contributions to the Plan during such continuous period of employment. This Employer contribution shall be made in cash to the Non-Elective Employer Contribution Account established for any such eligible Participant on or as soon after March 15, 2017 as is practicable and shall be invested per the direction of the Participant in accordance with Section 16.02 of the Plan.

4.04 Minimum Employer Contribution for Top Heavy Plan Years.

(a) Minimum Allocation for Non-Key Employees. Notwithstanding anything in the Plan to the contrary except (b) through (e) below, for any Top Heavy Plan Year Employer Contributions

allocated to the Accounts of each Non-Key Employee Participant shall be equal to at least three percent of such Non-Key Employee's Compensation (as defined for purposes of Article VII as limited by Code Section 401(a)(17)) for the Plan Year. However, should the Employer Contributions allocated to the Accounts of each Key Employee for such Top Heavy Plan Year be less than three percent of each Key Employee's Compensation, the Employer Contribution allocated to the Accounts of each Non-Key Employee shall be equal to the largest percentage allocated to Accounts of a Key Employee. The preceding sentence shall not apply if this Plan is required to be included in an aggregation group (as described in Code Section 416) if such plan enables a defined benefit plan required to be included in such group to meet the requirements of Code Section 401(a)(4) or 410. For purposes of determining the percentage of Employer Contributions allocated to the Accounts of Key Employees, Salary Reduction Contributions made on their behalf shall be counted and be considered to be Employer Contributions. However, in determining whether a minimum Employer Contribution has been made to a Non-Key Employee's Accounts, Salary Reduction Contributions made on his or her behalf shall be excluded and not considered. Effective January 1, 2024, for purposes of applying the above requirements, Employees not meeting the age or service requirements of Code Section 410(a)(1) (without regard to subparagraph (B) thereof) may be excluded from consideration.

(b) For purposes of the minimum allocations set forth above, the percentage allocated to the Accounts of any Key Employee shall be equal to the ratio of the sum of the Employer Contributions allocated on behalf of such Key Employee divided by the Employee's Compensation for the Plan Year (as defined for purposes of Article VII), not in excess of the applicable compensation dollar limitation imposed by Code Section 401(a)(17).

(c) For any Top Heavy Plan Year, the minimum allocations set forth above shall be allocated to the Accounts of all Non-Key Employees who are Participants and who are employed by the Employer on the last day of the Plan Year, including Non-Key Employee Participants who have failed to complete a Year of Service.

(d) Notwithstanding anything herein to the contrary, in any Plan Year in which a Non-Key Employee is a Participant in both this Plan and a defined benefit pension plan included in a Required or Permissive Group of Top Heavy Plans, the Employer shall not be required to provide a Non-Key Employee with both the full separate minimum defined benefit plan benefit and the full separate minimum defined Contribution plan allocation described in this Section. Therefore, if the Employer maintains such a defined benefit and defined contribution plan, the top-heavy minimum benefits shall be provided as follows:

(i) If a Non-Key Employee is a participant in such defined benefit plan but is not a Participant in this defined contribution plan, the minimum benefits provided for Non-Key Employees in the defined benefit plan shall be provided to the Employee if the defined benefit plan is a Top Heavy Plan and the minimum contributions described in this Section 4.04 shall not be provided.

(ii) If a Non-Key Employee is a participant in such defined benefit plan and is also a Participant in this defined contribution plan, the minimum benefits for Non-Key Employee participants in Top Heavy Plans provided in the defined benefit plan shall not be applicable to any such Non-Key Employee who receives contributions and forfeitures equal to 5% of his or her compensation in this Plan.

Notwithstanding anything herein to the contrary, no minimum contribution will be required under this Plan (or the minimum contribution under this Plan will be reduced, as the case may be) for any Plan Year if the Employer maintains another qualified defined contribution plan under which a minimum contribution is being made for such year for the Participant in accordance with Code Section 416.

(e) The minimum allocation required under this Section 4.04 (to the extent required to be nonforfeitable under Code Section 416(b)) may not be forfeited under Code Sections 411(a)(3)(B) or 411(a)(3)(D).

- 4.05 Contributions under USERRA. For Plan Years beginning on and after January 1, 2008, the Employer shall also make Match Contributions, Top-Heavy minimum contributions and any other Employer contribution for the benefit of Participants who are covered by USERRA. Match Contributions under USERRA shall be made in the Plan Year for which the Participant exercises his or her right to make-up elective deferrals contributions (Salary Reduction Contributions) for prior years. Top-Heavy minimum contributions and other Employer contributions for USERRA protected service shall be made during the Plan Year in which the individual returns to employment with the Employer. Employer contributions required under USERRA are not increased or decreased with respect to Plan investment earnings for the period to which such contributions relate. The Employer's contribution for any Plan Year shall be subject to the limitations on allocations contained in Article VII.
- 4.06 Application of Forfeitures. Amounts forfeited during a Plan Year shall be used to reduce Match Contributions for that Plan Year and each succeeding Plan Year, if necessary.
- 4.07 Limitations upon Employer Contributions. In no event shall the Employer contribution for any Plan Year exceed the maximum allowable under Code Sections 404 and 415 or any similar or subsequent provision.
- 4.08 Payment of Contributions to Trustee. The Employer shall make payment of all contributions, including Participant contributions, which shall be remitted to the Employer by payroll deduction or otherwise, directly to the Trustee in accordance with this Article IV, but subject to Section 4.09.
- 4.09 Receipt of Contributions by Trustee. The Trustee shall accept and hold under the Trust such contributions of money, or other property approved by the Employer for acceptance by the Trustee, on behalf of the Employer and Participants as it may receive from time to time from the Employer. All such contributions shall be accompanied by written instructions from the Employer accounting for the manner in which they are to be credited and specifying the appropriate Participant Account to which they are to be allocated.

ARTICLE V

EMPLOYEE CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS

- 5.01 Voluntary After-Tax Contributions. For Plan Years beginning prior to January 1, 1995, a Participant could contribute Voluntary After-Tax Contributions to the Plan and Trust in each Plan Year during which he or she was a Plan Participant in amounts as determined under the Plan in effect prior to 1995.

The Plan shall separately account for: (a) pre-1987 Voluntary After-Tax Contributions; (b) investment income attributable to pre-1987 Voluntary After-Tax Contributions; and (c) post-1986 Voluntary After-Tax Contributions and income attributable to such contributions.

- 5.02 Tax Deductible Voluntary Contributions. The Plan Administrator will not accept Tax Deductible Voluntary Contributions made for years after 1986. Such contributions made for years prior to that date will be maintained in a separate account which will be nonforfeitable at all times, and which shall include gains and losses in accordance with Section 8.02.
-

5.03 Rollover Contributions. With the consent of the Plan Administrator, the Trustee may accept funds transferred from other pension, profit sharing or stock bonus plans qualified under Section 401(a) of the Internal Revenue Code or Rollover Contributions, provided that the plan from which such funds are transferred permits the transfer to be made.

In the event of a transfer or Rollover Contribution to this Plan, the Plan Administrator shall maintain a 100% vested and nonforfeitable account for the amount transferred and its share of the Trust Fund's accretions or losses, to be known as the Participant's Rollover Account. Transferred and Rollover Contributions shall be separately accounted for.

"Rollover Contribution" means any distribution from an eligible retirement plan, as defined in Section 13.13(b)(ii) that an Eligible Employee elects to contribute to the Plan, or have considered as contributed, in accordance with the provisions of this Section. An Eligible Employee who is or was entitled to receive a distribution that is eligible for rollover to a qualified plan under Code Section 408(d)(3) or an eligible rollover distribution, as defined in Code Section 402(c)(4) and Treasury Regulations issued thereunder, including an eligible rollover distribution received by the Eligible Employee as a surviving Spouse or as a Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, from an eligible retirement plan, may elect to contribute all or any portion of such distribution to the Trust directly from such eligible retirement plan (a "direct rollover") or within 60 days of receipt of such distribution to the Eligible Employee. Rollover Contributions shall only be made in the form of cash.

Notwithstanding the foregoing, the Plan shall not accept the following as Rollover Contributions: (a) any rollover of designated Roth contributions, except as provided in this Section (below); (b) any rollover of after-tax employee contributions, which are not designated Roth contributions, that are not made by a direct rollover; (c) any rollover from an individual retirement account or annuity described in Code Section 408(a) or (b) (including a Roth IRA under Code Section 408A) to the extent such amount would not otherwise be includible in the Employee's income; or (d) any rollover amounts that are not "designated Roth contributions", which are to be contributed to the Plan as "designated Roth contributions".

To the extent the Plan accepts Rollover Contributions of after-tax employee contributions, the Plan will separately account for such contributions, including separate accounting for the portion of the Rollover Contribution that is includible in gross income and the portion that is not includible in gross income.

An Employee who makes a contribution to the Plan described in this Section shall become a Plan Participant on the date the Trustee accepts the contribution. However, no Employer Contributions will be made on behalf of such Employee, nor will the Employee be eligible to direct the Employer to make Salary Reduction Contributions on his or her behalf, until the Employee satisfies the Plan eligibility requirements for such contributions set forth in Article III.

The Trustee shall not accept funds transferred from plans qualified under Code Section 401(a) unless the transferor plan is maintained by the Employer or by an Affiliate. Notwithstanding the foregoing the Trustee shall not accept funds transferred from any such plan, which would otherwise provide for a life annuity form of payment to the Participant.

The Plan shall accept a direct rollover from another Roth Elective Deferral Account under a retirement plan as described in Code Section 402A(e)(1) in accordance with such uniform administrative procedures as the Plan Administrator shall establish. Notwithstanding the foregoing sentence, an in-plan Roth rollover shall not be permitted under this Plan. Any rollover of "designated Roth contributions", as defined in Code Section 402A(c)(1), shall be subject to the requirements of Code Section 402(c). To the extent the Plan accepts Rollover Contributions of designated Roth

contributions, the Plan will separately account for such contributions, including separate accounting for the portion of the Rollover Contribution that is includible in gross income and the portion that is not includible in gross income, if applicable. If the Plan accepts a direct rollover of designated Roth contributions, the Trustee and the Plan Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Eligible Employee's basis in the rolled over amounts and (ii) the date on which the Eligible Employee's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of designated Roth contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Eligible Employee's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

5.04 Salary Reduction Contributions.

(a) An Eligible Employee or Eligible Participant may enter into a Salary Reduction Agreement with the Employer authorizing the Employer to withhold a portion of his or her Compensation in order to make Salary Reduction Contributions to the Plan, including Catch-up Contributions. The Salary Reduction Agreement shall be in such form as the Plan Administrator shall approve (including, if applicable by such means as telephonic communication or electronic media). Each Eligible Employee or Eligible Participant who enters into a Salary Reduction Agreement shall specify, in accordance with rules established by the Plan Administrator from time to time, a whole percentage of his or her Compensation or separate whole percentages of his or her salary and other Compensation to be withheld by the Employer and deposited to the Plan on his or her behalf. Each Salary Reduction Agreement shall become effective as soon after the Eligible Employee or Eligible Participant has entered into the Salary Reduction Agreement as is administratively feasible. Except for occasional, bona fide administrative considerations, Salary Reduction Contributions made pursuant to a Salary Reduction Agreement cannot precede the earlier of (i) the performance of services relating to the contribution and (ii) when the Compensation that is subject to the election would be currently available to the Participant in the absence of an election to defer.

Any such Salary Reduction Contribution shall be credited to the Participant's 401(k) Account or Roth Elective Deferral account, whichever is applicable. A Participant may terminate deferrals at any time. A Participant may elect at any time to change or discontinue his or her Salary Reduction Agreement upon notice in accordance with uniform and nondiscriminatory procedures as the Plan Administrator shall adopt and communicate to the Participants. Any such election will be effective as soon as practicable following the receipt of the notification by the Plan Administrator or its delegate in accordance with uniform and nondiscriminatory procedures established and communicated to the Participants. The Plan Administrator may amend or terminate said agreement on notice to the affected Participant, if required to maintain the qualified status of the Plan.

(b) Make-up Elective Deferrals under USERRA. A Participant who has the right to make-up elective deferrals (Salary Reduction Contributions) under USERRA shall be permitted to increase his or her elective deferral with respect to a make-up year without regard to any provision limiting contributions for such Plan Year. Make-up contributions shall be limited to the maximum amount permitted under the Plan and the statutory limitations applicable with respect to the make-up year. Employee-related make-up contributions must be made within the time period beginning on the date of reemployment and continuing for the lesser of five (5) years or three (3) times the period of military service.

5.05 Qualified Automatic Contribution Arrangement ("QACA").

(a) Effective Date of the QACA. Effective for Plan Years beginning on or after January 1, 2009, the provisions of this Section 5.05 shall apply to each Participant subject to the QACA and the Employer will provide the Match Contribution specified in Section 4.02. This Section 5.05 supersedes any State (or Commonwealth) law that would directly or indirectly prohibit or restrict the inclusion of an automatic contribution arrangement in the Plan, pursuant to ERISA Section 514(e)(1) and Department of Labor Regulation Section 2550.404c-5(f).

(b) Participants Subject to the QACA. The following Eligible Employees shall be Eligible Participants subject to the Automatic Contribution Arrangement:

(i) Each Employee who becomes eligible to participate in the Plan on and after January 1, 2009 and is eligible to make a Salary Reduction Contribution.

(ii) Each Employee who became eligible to participate in the Plan prior to January 1, 2009 and who is eligible to participate in the Plan on January 1, 2009, except any such Participant who had in effect a Salary Reduction Agreement on such date (regardless of the amount of the Salary Reduction Contribution affirmatively elected under the agreement).

(c) Automatic Contribution Arrangement.

(i) Automatic Contributions. Except as provided in Section 5.05(d), an Eligible Participant will be treated as having elected to direct the Employer to reduce his or her Compensation in order that the Employer may make Pre-tax Elective Deferrals to the Plan equal to the following uniform percentages of Compensation:

(A) Initial Period. An Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in an amount equal to 3% of his or her Compensation during the initial period. For this purpose, the initial period begins when the Employee is first subject to the Automatic Contributions default election under this Section 5.05(c)(i) and ends on the last day of the following Plan Year.

(B) Subsequent Plan Years. For the three Plan Years immediately following the initial period, an Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in the amounts equal to 4%, 5% and 6% respectively, of his or her Compensation. For all Plan Years thereafter, an Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in the amounts equal to 6% of his or her Compensation.

(C) Treatment of Rehires. The default percentages of Compensation stated above for the purposes of the Automatic Contributions are based on the date the initial period begins, regardless of whether the Employee continues to be eligible to make Pre-tax Elective Deferrals under the Plan after that date. Thus, the applicable percentage is generally determined based on the number of years since an Automatic Contribution was first made on behalf of an Eligible Participant. However, if Automatic Contributions are not made on behalf of an Eligible Participant for an entire Plan Year (e.g., due to termination of employment), such Eligible Participant shall be treated as having a new initial period for determining the default percentage of Compensation stated above (if Automatic Contributions are to recommence with respect to the Eligible Participant), regardless of what minimum percentage would otherwise apply to that Eligible Participant.

(ii) Effective Date of Automatic Contributions. The effective date of the first Automatic Contribution provided for in paragraph (i) above, will be as soon after an Eligible Participant becomes subject to the QACA as is practicable, consistent with (A) applicable law, and (B) the

objective of affording the Eligible Participant a reasonable period of time after receipt of the notice to make an Affirmative Election (and, an investment election). However, in no event will the Automatic Contribution be effective later than the earlier of (1) the pay date for the second payroll period that begins after the date the QACA safe harbor notice (described in Section 5.05(e)) is provided to the Eligible Participant, or (2) the first pay date that occurs at least 30 days after the QACA safe harbor notice is provided to the Eligible Participant.

(d) Rules Related to Automatic Contributions.

(i) Affirmative Election to Override Automatic Contributions. An Eligible Participant will have a reasonable period of time after receipt of the notice to make an Affirmative Election (and an investment election). The Automatic Contributions provided for in Section 5.05(c) shall cease with respect to an Eligible Participant as soon as administratively feasible after the Eligible Participant makes an Affirmative Election. An Eligible Participant's Affirmative Election will not expire, but will remain in force until changed by the Eligible Participant. An Eligible Participant need not execute a subsequent or new Affirmative Election in order to have the prior or old Affirmative Election apply to override the Automatic Contributions provided for in Section 5.05(c) in any subsequent Plan Year. Any subsequent change to an Eligible Participant's Affirmative Election will be made in accordance with Section 5.04 relating to a Participant's right to elect at any time to change or discontinue his or her Salary Reduction Agreement.

(ii) Applying Statutory Limits to Automatic Contributions. The Automatic Contributions provided for in Section 5.05(c) shall be limited each Plan Year so as not to exceed the limits of Code Sections 401(a)(17), 402(g)(1), or 415.

(e) Default Investment. If an Eligible Participant does not direct the investment of the assets in his or her Account, including the Automatic Contributions and Match Contributions related thereto, then such assets will be invested in a Qualified Default Investment Alternative as provided for in Section 16.03.

(f) Notice Requirements for QACA Safe Harbor. The notice requirement is satisfied if each Eligible Participant is given an annual notice of his or her rights and obligations under the Plan and the notice provided satisfies the content requirement and the timing requirement as follows:

(i) The notice shall be sufficiently accurate and comprehensive to inform the Eligible Participant of the Eligible Participant's rights and obligations under the Plan and written in a manner calculated to be understood by the average Eligible Participant. The notice shall accurately describe: (1) the Match Contribution formula stated in Section 4.02; (2) any other contributions under the Plan and the conditions under which such contributions are made; (3) the type and amount of Compensation that may be deferred under the Plan; (4) how to make cash or deferred elections, including any administrative requirements that apply to such elections; (5) the periods available under the Plan for making cash or deferred elections; (6) withdrawal and vesting provisions applicable to contributions under the Plan; and (7) information that makes it easy to obtain additional information about the Plan; provided that the notice requirement with respect to the information described in items (2), (3), and (4) may be satisfied by cross-reference to the applicable sections of the Plan's summary plan description. In addition, the notice shall accurately describe: (1) the Automatic Contributions that will be made on behalf of the Eligible Participant in the absence of an Affirmative Election; (2) the Eligible Participant's right to elect not to have the Automatic Contributions made on his or her behalf (or to elect to have Salary Reduction Contributions made in a percentage of Compensation different than that which is provided for in Section 5.05(c), at the percentage of Compensation specified in his or her Salary Reduction Agreement); and (3) how contributions made under the Automatic Contribution Arrangement will

be invested in the absence of any investment election by the Eligible Participant. After receipt of the notice described in this paragraph, any Eligible Participant to whom the Automatic Contribution Arrangement relates must have a reasonable period of time before the first Automatic Contribution is made to exercise the rights set forth within the notice including, but not limited to, executing an Affirmative Election to override the Automatic Contributions provided for in Section 5.05(c).

(ii) If the notice is provided to Eligible Participants within a reasonable period before the beginning of each Plan Year (or in the Plan Year an Employee becomes eligible, within a reasonable period before the Employee becomes eligible), the Plan shall satisfy the notice requirements. Notwithstanding the foregoing general rule, a notice shall be deemed to have been provided in timely manner if the notice is provided to each Employee who is eligible to participate in the Plan for the Plan Year at least thirty (30) days but no more than ninety (90) days before the beginning of the Plan Year. If an Employee does not receive the notice because he or she only becomes eligible to participate in the Plan after the ninetieth day before the beginning of the Plan Year, the requirement to give the notice will be satisfied if the notice is provided not more than ninety (90) days before the Employee becomes eligible to participate in the Plan, but in no event later than the date the Employee becomes eligible to participate in the Plan.

(iii) The Plan may provide the notice in writing or by electronic means. If provided electronically, the notice must be no less understandable than a written paper document and at the time of delivery of the electronic notice, the Employee is advised that he or she may request to receive the notice in writing at no additional charge.

ARTICLE VI

PROVISIONS APPLICABLE TO TOP HEAVY PLANS

6.01 In General. For any Top Heavy Plan Year, the Plan shall provide the minimum contribution for Non-Key Employees described in Section 4.04.

If the Plan is or becomes a Top Heavy Plan, the provisions of this Article will supersede any conflicting provisions in the Plan.

6.02 Determination of Top Heavy Status.

(a) This Plan shall be a Top Heavy Plan for any Plan Year if any of the following conditions exists:

(i) If the top heavy ratio for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 60 percent.

(iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

(b) The Plan top heavy ratio shall be determined as follows:

(i) Defined Contribution Plans Only: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan, as defined in Code Section 408(k)) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the determination date(s) has or has had accrued benefits, the top-heavy ratio for this Plan alone

or for the required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the determination date(s) (including any part of any account balance distributed in the 1-year period ending on the determination date(s) year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 1-year period ending on the determination date(s)) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), both computed in accordance with Code Section 416 and the regulations thereunder. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under Code Section 416 and the regulations thereunder.

(ii) Defined Contribution and Defined Benefit Plans: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the determination date(s) has or has had any accrued benefits, the top-heavy ratio for any required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (i) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the determination date(s), and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (i) above, and the present value of accrued benefits under the defined benefit plan or plans for all Participants as of the determination date(s), all determined in accordance with Code Section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of an accrued benefit made in the 1-year period ending on the determination date(s) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability).

(iii) Determination of Values of Account Balances and Accrued Benefits: For purposes of (i) and (ii) above the value of Account balances and the present value of Accrued Benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Code Section 416 and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was Key Employee in a prior year, or (2) who has not had at least one Hour of Service with the Employer at any time during the 1-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416 and the regulations thereunder. Tax Deductible Voluntary Employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The Accrued Benefit of a Participant other than a Key Employee shall be determined under (i) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer; or (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code Section 411(b)(1)(C).

(c) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(d) Required aggregation group: (i) Each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Code Section 401(a)(4) or 410.

(e) Determination date: The last day of the preceding Plan Year.

(f) Present Value: Present value shall be based on the 1971 Group Annuity Table, unprojected for post-retirement mortality, with no assumption for pre-retirement withdrawal and interest at the rate of 5% per annum.

ARTICLE VII

LIMITATIONS ON ALLOCATIONS

(See Sections 7.12-7.16 for definitions applicable to this Article VII).

7.01 If the Participant does not participate in, and has never participated in another qualified plan, a welfare benefit fund (as defined in Code Section 419(e)), an individual medical account (as defined in Code Section 415(1)(2)) or a simplified employee pension (as defined in Code Section 408(k)), maintained by the Employer, the amount of Annual Additions which may be credited to the Participant's Accounts for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount contributed or allocated will be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

7.02 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount for a Participant on the basis of a reasonable estimation of the Participant's annual Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

7.03 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.04 Excess Annual Additions. Notwithstanding any provision of the Plan to the contrary, if the Annual Additions (within the meaning of Code Section 415) are exceeded for any Participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2021-30 or any superseding guidance, including, but not limited to, the preamble of the Final Treasury Regulations under Code Section 415.

7.05 (a) Aggregation and Disaggregation of Plans. Sections 7.06 through 7.11 apply if, in addition to this Plan, the Participant is covered under another qualified defined contribution plan, a welfare benefit fund, an individual medical account or a simplified employee pension maintained by the Employer during any Limitation Year. The term "Employer" for this purpose means the Employer that adopts this Plan and all members of a controlled group or an affiliated service group that includes the Employer (within the meaning of Code Sections 414(b), (c), (m) or (o)), except that for purposes

of this Section, the determination shall be made by applying Code Section 415(h), and shall take into account tax-exempt organizations under Treasury Regulation Section 1.414(c)-5, as modified by Treasury Regulation Section 1.415(a)-1(f)(1). For purposes of this Section:

(i) A former Employer is a “predecessor employer” with respect to a Participant in a plan maintained by an Employer if the Employer maintains a plan under which the Participant had accrued a benefit while performing services for the former Employer, but only if that benefit is provided under the plan maintained by the Employer. For this purpose, the formerly affiliated plan rules in Treasury Regulation Section 1.415(f)-1(b)(2) apply as if the Employer and predecessor Employer constituted a single employer under the rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event that gives rise to the predecessor employer relationship, such as a transfer of benefits or plan sponsorship.

(ii) With respect to an Employer of a Participant, a former entity that antedates the Employer is a “predecessor employer” with respect to the Participant if, under the facts and circumstances, the employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(b) Break-Up of an Affiliate Employer or an Affiliated Service Group. For purposes of aggregating plans for Code Section 415, a “formerly affiliated plan” of an employer is taken into account for purposes of applying the Code Section 415 limitations to the Employer, but the formerly affiliated plan is treated as if it had terminated immediately prior to the “cessation of affiliation.” For purposes of this paragraph, a “formerly affiliated plan” of an Employer is a plan that, immediately prior to the cessation of affiliation, was actually maintained by one or more of the entities that constitute the employer (as determined under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2)), and immediately after the cessation of affiliation, is not actually maintained by any of the entities that constitute the employer (as determined under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2)). For purposes of this paragraph, a “cessation of affiliation” means the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the employer under the employer affiliation rules of Treasury Regulation Section 1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group).

(c) Midyear Aggregation. Two or more defined contribution plans that are not required to be aggregated pursuant to Code Section 415(f) and the regulations thereunder as of the first day of a Limitation Year do not fail to satisfy the requirements of Code Section 415 with respect to a Participant for the Limitation Year merely because they are aggregated later in that Limitation Year, provided that no Annual Additions are credited to the Participant’s Account after the date on which the plans are required to be aggregated.

7.06 The Annual Additions which may be credited to a Participant’s Accounts under this Plan for any such Limitation Year will not exceed the Maximum Permissible Amount reduced by the Annual Additions credited to a Participant’s Account under the other plans, welfare benefit funds, individual medical accounts and simplified employee pensions for the same Limitation Year. If the Annual Additions with respect to the Participant under other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions maintained by the Employer are less than the Maximum Permissible Amount and the Employer contribution that would otherwise be

contributed or allocated to the Participant's Accounts under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Permissible Amount. If the Annual Additions with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions in the aggregate are equal to or greater than the Maximum Permissible Amount, no amount will be contributed or allocated to the Participant's Accounts under this Plan for the Limitation Year.

7.07 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount in the manner described in Section 7.02.

7.08 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.09 If, pursuant to Section 7.08, or as a result of the allocation of forfeitures, a Participant's Annual Additions under this Plan and such other plans would result in an Excess Amount for a Limitation Year, the Excess Amount will be deemed to consist of the Annual Additions last allocated, except that Annual Additions attributable to a simplified employee pension will be deemed to have been allocated first, followed by Annual Additions to a welfare benefit fund or individual medical account, regardless of the actual allocation date.

7.10 If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will be the product of:

- (a) the total Excess Amount allocated as of such date, times
- (b) the ratio of (A) the Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan to (B) the total Annual Additions allocated to the Participant for the Limitation Year as of such date under this and all the other qualified defined contribution plans.

7.11 Any Excess Amount attributed to this Plan will be disposed of in the manner described in Section 7.04.

(Sections 7.12 - 7.16 are definitions used in this Article VII).

7.12 Annual Additions. The sum of the following amounts credited to a Participant's Accounts for the Limitation Year except as otherwise provided below.

- (a) Employer contributions (including Salary Reduction Contributions);
- (b) Employee contributions;
- (c) forfeitures; and
- (d) allocations under a simplified employee pension.

Employee and Employer make-up contributions under USERRA received during the current Limitation Year shall be treated as Annual Additions with respect to the Limitation Year to which the make-up contributions are attributable.

For this purpose, any Excess Amount applied under Section 7.11 in the Limitation Year to reduce Employer contributions will be considered Annual Additions for such Limitation Year.

Amounts allocated to an individual medical account, as defined in Code Section 415(1)(2), which is part of a defined benefit pension plan maintained by the Employer, are treated as Annual Additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued, which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Code Section 419(A)(d)(3), or under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer, are treated as Annual Additions to a defined contribution plan.

Restorative Payments. Annual Additions shall not include restorative payments. A restorative payment is a payment made to restore losses to a Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty under ERISA or under other applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are restorative payments only if the payments are made in order to restore some or all of the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). This includes payments to a plan made pursuant to a Department of Labor order, the Department of Labor's Voluntary Fiduciary Correction Program, or a court-approved settlement, to restore losses to a qualified defined contribution plan on account of the breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Payments made to the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a reasonable risk of liability for breach of a fiduciary duty under ERISA are not restorative payments and generally constitute contributions that are considered Annual Additions.

Other Amounts. Annual Additions shall not include: (1) The direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (2) Rollover contributions (as described in Code Section 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16)); (3) Repayments of loans made to a Participant from the Plan; (4) Catch-up Contributions; and (5) Repayments of amounts described in Code Section 411(a)(7)(B) (in accordance with Code Section 411(a)(7)(C)) and Code Section 411(a)(3)(D), as well as Employer restorations of benefits that are required pursuant to such repayments, as provided for in Section 13.11.

- 7.13 Defined Contribution Dollar Limitation. \$70,000 (in 2025) as adjusted for increases in the cost of living in accordance with Code Section 415(d).
- 7.14 Employer. For purposes of this Article, Employer shall mean the Employer that adopts this Plan and all members of a controlled group of corporations (as defined in Code Section 414(b) as modified by Section 415(h)), all trades or business under common control (as defined in Code Section 414(c) as modified by Code Section 415(h)), or all members of an affiliated service group (as defined in Code Section 414(m)) of which the Employer is a part, and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder.
- 7.15 Excess Amount. The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.
- 7.16 Maximum Permissible Amount. The maximum Annual Addition that may be contributed or allocated to a Participant's Accounts under the Plan for any Limitation Year shall not exceed the lesser of:
- (a) the Defined Contribution Dollar Limitation; or
-

(b) 100 percent of the Participant's Compensation for the Limitation Year.

The Compensation limitation referred to in (ii) shall not apply to any contribution for medical benefits (within the meaning of Code Section 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition under Code Section 415(c)(1) or 419A(d)(2).

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum permissible amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

ARTICLE VIII

PARTICIPANT ACCOUNTS AND VALUATION OF ASSETS

8.01 Participant Accounts. The Plan Administrator or its agent shall establish a separate recordkeeping account for each Participant showing the fair market value of his or her Plan benefits. Each Participant's account may be separated for recordkeeping purposes into the following sub-accounts: 401(k) Account, Roth Elective Deferral Account, Match Contribution Account, Non-Elective Employer Contribution Account, Regular Account, Rollover Account, Tax Deductible Contribution Account and Voluntary Contribution Account and such other accounts as the Plan Administrator shall deem appropriate for each Participant to account for the Participant's Accrued Benefit. All contributions by or on behalf of a Participant shall be deposited to the appropriate Account.

The Plan Administrator shall instruct the Trustee to credit all appropriate amounts to each Participant's Accounts. The Plan Administrator shall keep records, which shall include the Account balances of each Participant.

8.02 Valuation of Trust Fund. As of each Valuation Date the Trustee shall determine (or cause to be determined) the net worth of the assets of the Trust Fund and report such value to the Plan Administrator in writing. In determining such net worth, the Trustee shall evaluate the assets of the Trust Fund at their fair market value as of such Valuation Date. In making any such valuation of the Trust Fund, the Trustee shall not include any contributions made by the Employer, which have not been allocated to Participant Accounts prior to such Valuation Date.

ARTICLE IX

401(k) ALLOCATION LIMITATIONS

9.01 Average Actual Deferral Percentage Tests. This Plan will be treated as meeting the actual deferral percentage test set forth in Code Section 401(k)(3)(A)(ii) in each Plan Year with respect to which the Qualified Automatic Contribution Arrangement provisions of this Plan remain in effect.

9.02 Maximum Salary Reduction Contributions. No Employee shall be permitted to have Salary Reduction Contributions made under this Plan, other than Catch-up Contributions, during any calendar year in excess of the applicable dollar amount under Code Section 402(g).

9.03 Participant Excess Elective Deferral Claims. Participants under other plans described in Code Sections 401(k), 408(k) or 403(b) may submit a claim to the Plan Administrator specifying the amount of their Excess Elective Deferral. Such claim shall: (a) be in writing; (b) be submitted no later than March 1 of the year after the Excess Elective Deferral was made; and (c) state that such amount, when added to amounts deferred under other plans described in Code Sections 401(k), 408(k) or 403(b), exceeds the applicable dollar amount under Code Section 402(g)).

9.04 Distribution of Excess Elective Deferrals. Excess Elective Deferrals adjusted for allocable income (gain or loss), but NOT including any adjustment for income or loss for the period between the end of the Plan Year and the date of the distribution (the “gap period”), shall be distributed to the affected Participant no later than the April 15th date following the calendar year in which such Excess Elective Deferrals were made.

The Plan Administrator may use any reasonable method for computing the income or loss allocable to Excess Elective Deferrals, provided that the method does not violate Code Section 401(a)(4), is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan in allocating income to Participant’s Accounts. A Plan will not fail to use a reasonable method for computing the income or loss allocable to Excess Elective Deferrals merely because the income allocable to Excess Elective Deferrals determined on a date that is no more than seven (7) days before the distribution.

The Plan Administrator may adopt a uniform written administrative policy that permits a Participant (including a Highly Compensated Employee) who has made Salary Reduction Contributions for a year where such contributions include both pre-tax Elective Deferrals and Roth Elective Deferrals to elect whether the Excess Elective Deferrals, are to be attributed to Pre-tax Elective Deferrals or Roth Elective Deferrals or a combination of the two. In the event that no such administrative policy is adopted, Excess Elective Deferrals will be first attributed to Pre-tax Elective Deferrals, and if such pre-tax contributions are not in an amount sufficient to make full correction, will then be attributed to Roth Elective Deferrals.

No distribution of an Excess Elective Deferral shall be made unless the correcting distribution is made after the date on which the Plan received the Excess Elective Deferral and both the Participant and the Plan designates the distribution as a distribution of an Excess Elective Deferral.

Notwithstanding any provision of this Plan to the contrary, any Match Contributions plus earnings that are attributable to any Excess Elective Deferrals that have been refunded shall be forfeited. All such forfeitures shall be treated as arising in the Plan Year after that in which the refunded Excess Elective Deferrals were made and shall be used to reduce future Employer Match Contributions.

9.05 Operation in Accordance With Regulations. The determination and treatment of Excess Elective Deferrals shall be made in accordance with such additional requirements as may be prescribed by the Secretary of the Treasury.

ARTICLE X

401(m) ALLOCATION LIMITATIONS

10.01 Average Contribution Percentage Tests. This Plan will be treated as meeting the actual contribution percentage test set forth in Code Section 401(m)(2) in each Plan Year with respect to which the Qualified Automatic Contribution Arrangement provisions of this Plan remain in effect.

ARTICLE XI

IN-SERVICE WITHDRAWALS

- 11.01 Withdrawals from Tax Deductible Contribution or Voluntary Contribution Accounts. A Participant shall have the right at any time to request the Plan Administrator for a withdrawal in cash of amounts in his or her Tax Deductible Contribution Account or Voluntary Contribution Account.
- 11.02 Withdrawals upon Total and Permanent Disability. At any time after a Participant becomes Totally and Permanently Disabled, a Participant shall have the right to request the Plan Administrator for a withdrawal in cash of amounts from the vested portion of his or her Match Contribution Account, 401(k) Account, or Roth Elective Deferral Account. A Participant who is Totally and Permanently Disabled may also withdraw any part or all of the vested portion of his or her Non-Elective Employer Contribution Account.
- 11.03 Withdrawals After Age 59½. At any time after a Participant attains Age 59½, a Participant who is an Eligible Employee shall have the right to request the Plan Administrator for a withdrawal in cash of amounts from the vested portion of his or her Match Contribution Account, 401(k) Account, or Roth Elective Deferral Account. A Participant who has attained age 59½ may also withdraw any part or all of the vested portion of his or her Non-Elective Employer Contribution Account.
- 11.04 Withdrawals for Financial Hardship. A Participant who is an Eligible Employee shall have the right at any time to ask the Plan Administrator for a hardship distribution in cash from his or her Salary Reduction Contributions with earnings thereon and from the 401(k) Employer Contributions made by the Employer to the Plan on his or her behalf with earnings thereon, in an amount necessary to satisfy an immediate and heavy financial need of the Eligible Employee.

A distribution is deemed to be made on account of an immediate and heavy financial need of the Eligible Employee only if the Participant certifies that the distribution is for —

- (a) Expenses for (or necessary to obtain) medical care that would be deductible under Code Section 213(d), determined without regard to the limitations in Code Section 213(a) (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, the recipient of the medical care is the Eligible Employee, the Eligible Employee's Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B)).
 - (b) Costs directly related to the purchase of a principal residence for the Eligible Employee (excluding mortgage payments);
 - (c) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Eligible Employee, for the Eligible Employee's Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B));
 - (d) Payments necessary to prevent the eviction of the Eligible Employee from the Eligible Employee's principal residence or foreclosure on the mortgage on that residence;
 - (e) Payments for burial or funeral expenses for the Eligible Employee's deceased parent, Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B));
 - (f) Expenses for the repair of damage to the Eligible Employee's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income); or
-

(g) Expenses and losses (including loss of income) incurred by the Eligible Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. 100-707, provided that the Eligible Employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A distribution is necessary to satisfy an immediate and heavy financial need of the Eligible Employee only to the extent the amount of the distribution is not in excess of the amount required to satisfy the financial need (plus any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution). The Plan Administrator may rely on the Eligible Employee's representation unless the Plan Administrator has actual knowledge to the contrary.

A distribution is not necessary to satisfy an immediate and heavy financial need of an Eligible Employee unless the Eligible Employee has obtained all other currently available distributions (other than hardship distributions or nontaxable loans, determined at the time that the loan is made) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer and its Affiliates. In addition, the Eligible Employee must represent (in writing, by an electronic medium, or in such other form as may be prescribed by the Commissioner of the Internal Revenue Service) that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need. The Plan Administrator may rely on the Eligible Employee's representation unless the Plan Administrator has actual knowledge to the contrary.

Prior to January 1, 2019, the Plan provided for a 6-month suspension of an Eligible Employee's Salary Reduction Contributions after the receipt of a hardship distribution as a condition of obtaining the hardship distribution. An Eligible Employee who received a hardship distribution in the second half of the Plan Year ended 2018 will be prohibited from making contributions until January 1, 2019. If any such Eligible Employee made an Affirmative Election, Salary Reduction Contributions, if any, under the Affirmative Election shall resume as of January 1, 2019. If any such any Eligible Employee did not make an Affirmative Election, Automatic Contributions shall resume with respect to such Eligible Employee as of January 1, 2019 subject to the provisions of Section 5.05.

To obtain a hardship distribution, an Eligible Participant shall complete the Plan's application process and provide any required documentation. The Plan Administrator may also impose additional non-discriminatory conditions on hardship distributions, including a minimum dollar amount for the hardship distribution. The processing of applications and any distributions of amounts under this Section shall be made as soon as administratively feasible.

A Participant who receives a withdrawal under this Section 11.04 which was to be used for the purchase or construction of his or her principal residence in a qualified disaster area, but which was not so used on account of a qualified disaster with respect to such area, and which was received during the period from 180 days before the first day of the incident period of such qualified disaster and ending on the date which is 30 days after the end of the incident period, may repay the withdrawal to the Plan within 180 days from the first day of the incident period (or the date of the disaster declaration, if later). For this purpose, the terms "qualified disaster area," "qualified disaster," and "incident period" shall have the meaning specified in Section 11.09 below.

11.05 Withdrawals from Regular or Rollover Accounts. A Participant may elect to withdraw up to 100 percent of the amount then credited to his or her Regular or Rollover Account in cash. Such withdrawals may be made at any time.

In the case of a withdrawal from a Rollover Account, if necessary to comply with the joint and survivor rules of Code Sections 401(a)(11) and 417, the Plan Administrator shall require the consent of any Participant's spouse before making any in-service withdrawal. Any such consent shall satisfy the requirements of Section 13.08.

- 11.06 Emergency Personal Expense Distributions. A Participant may request one emergency personal expense distribution from his or her vested Account during a Plan Year in an amount not to exceed the lesser of: (a) one thousand dollars (\$1,000) or (b) an amount equal to the excess of the Participant's vested Account as of the date of the distribution over one thousand dollars (\$1,000). Notwithstanding the preceding, a Participant who receives an emergency personal expense distribution under this Section 11.06 may not receive another such distribution during the following three Plan Years unless the distribution is fully repaid as provided below or unless, after the date of the distribution, the Participant makes Salary Reduction Contributions to the Plan at least equal to the amount of the distribution which has not been repaid.

For this purpose, an "emergency personal expense distribution" means a distribution to the Participant for the purpose of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may rely on the Participant's certification that the distribution is an emergency personal expense distribution under this Section 11.06.

A Participant who receives a distribution under this Section 11.06 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

- 11.07 Qualified Birth or Adoption Withdrawals. A Participant may request a distribution from his or her vested Account, provided the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliate does not exceed five thousand dollars (\$5,000), and provided such distribution is made during the one-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. A Participant may receive a distribution pursuant to this Section 11.07 for each child born to or eligible adoptee adopted by the Participant. For this purpose, "eligible adoptee" means an individual (other than a child of the Participant's spouse) who has not attained age eighteen or is physically or mentally incapable of self-support.

A Participant who receives a qualified birth or adoption distribution under this Section 11.07 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

- 11.08 Domestic Abuse Withdrawals. A Participant who is the victim of domestic abuse may request a distribution from his or her vested Account, provided the aggregate amount of such distributions from all plans maintained by the Employer and its Affiliates does not exceed the lesser of: (a) ten thousand three hundred dollars (\$10,300) (as adjusted annually after 2025) or (b) fifty percent (50%) of the Participant's Account, and provided such distribution is made during the one-year period beginning on the date on which the Participant is a victim of domestic abuse by a spouse or domestic partner.

For this purpose, "domestic abuse" means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate or intimidate the Participant, or to undermine the Participant's ability to reason independently, including by means of abuse of the Participant's child

or another family member living in the household. The Plan Administrator may rely on the Participant's certification of eligibility for a distribution under this Section 11.08.

A Participant who receives a distribution under this Section 11.08 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.09 Withdrawals in the Event of Qualified Federally Declared Disasters. A Participant may request a qualified disaster recovery distribution from his or her vested Account, provided that the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliates does not exceed twenty-two thousand dollars (\$22,000). For this purpose:

(a) A "qualified disaster recovery distribution" means a distribution to the Participant on or after the first day of the incident period of such qualified disaster and before the date that is one hundred eighty (180) days after the applicable date with respect to such disaster, and the Participant whose principal place of abode at any time during the incident period of the qualified disaster is located in the qualified disaster area with respect to such qualified disaster and who has sustained an economic loss by reason of such qualified disaster.

(b) A "qualified disaster" means any disaster with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the "Stafford Act"), other than an area which is a qualified disaster area solely because of section 301 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020.

(c) A "qualified disaster area" means, with respect to any qualified disaster, the area with respect to which the major disaster was declared under the Stafford Act.

(d) The "incident period" means, with respect to any qualified disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.

(e) The "applicable date" means the later of the first day of the incident period with respect to the qualified disaster or the date of the disaster declaration with respect to the qualified disaster.

A Participant who receives a distribution under this Section 11.09 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.10 COVID Relief.

(a) With respect to loans under Article XII made to qualified individuals on or after May 4, 2020 and before September 23, 2020, the \$50,000 and 50% limits in Section 12.01 were increased to \$100,000 and 100%; provided, however, that such loans remained subject to applicable limits on the number of loans a Participant may have outstanding.

(b) Any qualified individual who had a loan outstanding on or after April 27, 2020 was permitted to request that his or her loan payments due during the period following such request and through December 31, 2020 be deferred through December 31, 2020. In the event of such deferral, the loan was re-amortized after December 31, 2020 to reflect interest accruing during the delay, and payments recommenced for the remainder of the loan period, plus one year.

(c) On or after April 5, 2020 and before December 31, 2020, any qualified individual was permitted to request a distribution from his or her vested Account under the Plan; provided that the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliates could not exceed \$100,000.

(i) Such distribution was not treated as an eligible rollover distribution for purposes of Code Sections 401(a)(31), 402(f) and 3405.

(ii) Any qualified individual who received such a distribution from the Plan, or any other “eligible retirement plan” as defined in Code Section 402(c)(8)(B), was permitted, at any time during the three (3)-year period beginning on the day after the date on which such distribution was received, to make one or more repayment contributions to the Plan. Any such repayment to the Plan was treated as a rollover for purpose of Section 5.03.

(d) A “qualified individual” for purposes of this Section 11.10 means an Employee:

(i) who was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively herein as “COVID-19”) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act);

(ii) whose spouse or dependent (as defined in section 152 of the Code) was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act;

(iii) who experienced adverse financial consequences as a result of:

(A) being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19;

(B) being unable to work due to lack of childcare due to COVID-19; or

(C) closing or reducing hours of a business owned or operated by the Employee due to COVID-19; or

(iv) who experienced adverse financial consequences as a result of:

(A) having a reduction in pay (or self-employment income) due to COVID-19 or having a job offer rescinded or start date for a job delayed due to COVID-19;

(B) the Employee’s spouse or a member of the Employee’s household being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of childcare due to COVID-19, having a reduction in pay (or self-employment income) due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19; or

(C) closing or reducing hours of a business owned or operated by the Employee’s spouse or a member of the Employee’s household due to COVID-19.

For purposes of this subsection (d), a member of the Employee’s household is someone who shares the Employee’s principal residence. The Plan Administrator was permitted to rely on an Employee’s certification that he or she satisfies the conditions to be a qualified individual.

This Section 11.10 was interpreted at all times in accordance with applicable guidance including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act and IRS Notice 2020-50.

- 11.11 Rules for In-Service Withdrawals. The Plan Administrator may impose a dollar minimum for partial withdrawals and may implement on a uniform and nondiscriminatory basis, an ordering rule for in-service withdrawals from a Participant's Account. If the amount in the Participant's appropriate Account is less than the minimum, the Plan Administrator shall pay the Participant the entire amount then in the Participant's Account from which the withdrawal is to be made if a withdrawal of the entire amount is otherwise permissible under the rules set forth in this Article. If the entire amount cannot be paid under such rules, whatever amount is permissible shall be paid.

Withdrawals shall be distributed as soon as administratively practicable following receipt of the written request by the Plan Administrator.

ARTICLE XII

PLAN LOANS

- 12.01 General Rules. Upon the application of any Participant or Beneficiary, the Plan Administrator may enter into a loan agreement with such person and authorize the Trustee to make a loan pursuant thereto. The amount of any such loan and the provisions for its repayment shall be in accordance with such non-discriminatory rules and procedures as are adopted by the Plan Administrator and uniformly applied to all borrowers. Such written procedures shall be part of this Plan document.

Applications for loans will be made to the Plan Administrator using forms provided by the Plan Administrator. Loan applications meeting the requirements of this Article will be granted and all borrowers must execute a promissory note meeting the requirements of this Article.

Plan loans shall be granted on a uniform nondiscriminatory basis, so that they are available to all borrowers on a reasonably equivalent basis and are not made available to highly compensated Employees or officers of the Employer in an amount greater than the amount made available to other Employees. Loans will be made available to Former Participants to the extent required by regulations issued by the Department of Labor under ERISA Section 408(b) and to other participants as needed to satisfy Code Section 401(a)(4) and the regulations thereunder. Such loans shall be adequately secured, shall bear a reasonable rate of interest and shall provide for periodic repayment over a reasonable period of time, all in accordance with the Plan Administrator's rules and procedures for Plan loans.

To the extent required under Code Sections 401(a)(11) and 417 and the regulations thereunder, a Participant must obtain the consent of his or her spouse, if any, within the 180-day period before the time the Participant's Accrued Benefit is used as security for a Plan loan. A new consent is required if the Accrued Benefit is used for any increase in the amount of security. The consent shall comply with the requirements of Code Section 417, but shall be deemed to meet any requirements contained in such section relating to the consent of any subsequent spouse.

If the Plan Administrator approves a request for a loan, funds shall be withdrawn from the recordkeeping sub-accounts, including Roth Elective Deferrals, in the order specified in the loan policy, provided that Tax Deductible Voluntary Contributions, plus earnings thereon, may not be used as security for Plan loans.

The Plan Administrator may not require a minimum loan amount greater than \$1,000.

No loan shall be made to the extent such loan when added to the outstanding balance of all other loans to the borrower would exceed one-half ($\frac{1}{2}$) of the present value of the nonforfeitable Accrued Benefit of the borrower under the Plan (but not more than \$50,000 reduced by the difference between the highest outstanding balance during the previous 365 days and the current outstanding balance).

For purposes of calculating the above limitations, all loans and accrued benefits from all plans of the Employer and other members of a group of employers described in Code Sections 414(b), (c) and (m) are aggregated.

No loan shall be granted to any borrower or other person who already has a total of two loans or more outstanding under this Plan or any other plan maintained by the Employer or who is in default on any loan.

The Plan Administrator may direct the Trustee to deduct from a Participant's Accounts under the Plan a reasonable fee (as determined by the Plan Administrator) to offset the cost of processing and administering the loan.

- 12.02 Loan Repayments. The borrower shall repay any loan in accordance with the loan agreement. Loans shall provide for periodic repayment, with payment to be no less frequent than quarterly over a period not to exceed five (5) years; provided, however, that loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of a Participant, may provide for periodic repayment, with payment to be no less frequent than quarterly over a reasonable period of time that exceeds five (5) years.

In the event the loan is not repaid within the time period prescribed, the Plan Administrator shall direct the Trustee to deduct the total amount due and payable, plus interest thereon, from distributable amounts in the borrower's Accounts. If distributable amounts in the borrower's Accounts are not sufficient to repay such amount, the Plan Administrator shall enforce the terms of any agreement providing additional security for the loan and shall pursue such other remedies available at law to collect the indebtedness.

In the event of a loan default, attachment of the borrower's Accrued Benefit will not occur until a distributable event occurs in the Plan. Default shall occur upon the earlier of any uncured failure to make payments in accordance with the promissory note or the death of the borrower.

Loan repayments will be suspended under this Plan as permitted under Code Section 414(u)(4).

ARTICLE XIII

RETIREMENT, TERMINATION AND DEATH BENEFITS

- 13.01 Retirement or Termination from Service. The Accrued Benefit of each Employee who was hired prior to December 2, 1986 and who became a Participant in the Plan on or prior to January 1, 1989, shall be 100% vested and nonforfeitable at all times. The Regular Account of Employees who are hired on or after December 2, 1986 and who become Participants after December 31, 1988 shall vest according to the following schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
Less Than 2	0
2	25
3	50
4	75
5	100

The Match Contribution and Non-Elective Employer Contribution Accounts of each Employee who was hired after December 1, 1986 shall be 50% vested and nonforfeitable after the completion of one Year of Service and 100% vested and nonforfeitable after the completion of two Years of Service. Provided, however, that the Match Contribution and Non-Elective Employer Contribution Accounts

of such Employees shall be 100% vested and nonforfeitable at all times for such Employees who completed at least one Hour of Service on or before December 31, 2004. Notwithstanding the foregoing provisions of this paragraph, the Match Contribution and Non-Elective Employer Contribution Accounts of each Employee whose employment with The Hanover Insurance Company was terminated in connection with the sale of Citizen's Management, Inc. on or about April 30, 2012 shall be 100% vested and nonforfeitable upon his or her termination of employment. Notwithstanding the foregoing provisions of this paragraph, the Match Contribution and Non-Elective Employer Contribution Accounts of each of the following two Employees whose employment with The Hanover Insurance Company was terminated in connection with a transaction between AIX and First Community Insurance Company pursuant to a certain Market Facilitation Agreement dated February 14, 2013 shall be 100% vested and nonforfeitable upon his or her termination of employment: Peggy Carreira and Maida Pacheco.

Any amendment to the above provisions of this Section, including the above vesting schedule, shall comply with the requirements of Section 19.03.

Notwithstanding the foregoing, each actively employed Participant's Accrued Benefit shall become 100% vested and nonforfeitable when the Participant attains his or her Normal Retirement Age, dies, or becomes Totally and Permanently Disabled.

The Salary Reduction Contributions, Employer Match Contributions contributed to the Plan for Plan Years commencing prior to January 1, 2005, 401(k) Employer Contributions, Tax Deductible Contributions and Voluntary After-Tax Contributions of all Participants, plus earnings thereon, shall be 100% vested and nonforfeitable at all times.

Upon a Participant's attainment of his or her Normal Retirement Age or termination of employment, the Participant shall be entitled to a benefit that can be provided by the value of his or her vested Accrued Benefit in accordance with the provisions of this Article.

The Plan Administrator shall notify the Trustee when the Normal Retirement Age or termination of employment of each Participant shall occur and shall also advise the Trustee as to the manner in which retirement or termination benefits are to be distributed to a Participant, subject to the provisions of this Article. Upon receipt of such notification and subject to the other provisions of this Article, the Trustee shall take such action as may be necessary in order to distribute the Participant's vested Accrued Benefit.

A Participant whose employment status changes from that of a common law employee to that of a "leased employee" within the meaning of Code Section 414(n) shall not be considered to have a severance from employment for the purposes of this Section and this Article (unless the safe harbor plan requirements described in Code Section 414(n)(5) are met).

- 13.02 Late Retirement Benefits. If a Participant shall continue in active employment following his or her Normal Retirement Age, he or she shall continue to participate under the Plan and Trust. Except as provided in Section 13.06, upon actual retirement such Participant shall be entitled to a benefit that can be provided by the value of his or her Accrued Benefit. Late Retirement benefits shall be distributed in accordance with the further provisions of this Article.
- 13.03 Death Benefits. If a Participant or Former Participant shall die prior to the commencement of any benefits otherwise provided under this Article XIII, except as provided below, his or her Beneficiary shall be entitled to a lump sum death benefit equal to the vested amount credited to the Participant's Account as of the date the Plan Administrator receives due proof of the Participant's death. In lieu of receiving benefits in a lump sum, a Beneficiary may elect to receive benefits under any applicable option described in Section 13.06.
-

Notwithstanding anything in the Plan to the contrary, if a Participant or Former Participant is married on the date of his or her death, Plan pre-retirement death benefits will be paid to the Participant's or Former Participant's then spouse unless such spouse has consented to payment to another Beneficiary, as provided in Section 13.08.

Notwithstanding the first paragraph, if a Rollover Account is being maintained for a married Participant who dies prior to the commencement of Plan benefits and if any portion of the amount in the Rollover Account is attributable to amounts transferred directly (or indirectly from another transferee Plan) to this Plan from a defined benefit pension plan, from a money purchase pension plan or from a stock bonus or profit sharing plan which would otherwise provide for a life annuity form of payment to the Participant, the amount in the Rollover Account will be used to purchase a life annuity for the Participant's spouse unless the Participant has requested that the Rollover Account be distributed in a different form or be paid to another Beneficiary. Any such request must be made during the election period, which shall begin on the first day of the Plan Year in which the Participant attains Age 35 and shall end on the date of the Participant's death. If a Participant severs employment prior to the first day of the Plan Year in which Age 35 is attained, with respect to the value of the Rollover Account as of the date of separation, the election period shall begin on the date of separation. Any such request must be consented to by the Participant's spouse. To be effective, the spousal consent must meet the requirements of Section 13.08. Any annuity provided with a portion of Participant's Rollover Account in accordance with this paragraph shall be payable for the life of the Participant's spouse and shall commence on the date the Participant would have attained Age 55 or, if the Participant was over Age 55 on the date of his or her death, such life annuity shall commence immediately. At the request of the spouse, such Rollover Account may be used to purchase a life annuity or may be taken in another form allowed under the Plan at an earlier or later commencement date.

If a Participant shall die subsequent to the commencement of any benefit otherwise provided under this Article XIII, the death benefit, if any, shall be determined in accordance with the benefit option in effect for the Participant.

The Plan Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Accounts of a deceased Participant or a deceased Former Participant, as the Administrator deems necessary. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive and binding on all persons.

All distributions required under this section on account of the Participant's or Former Participant's death shall be determined and made in accordance with Code Section 401(a)(9) and guidance issued thereunder. Effective for any Participant who dies on or after January 1, 2020 and before distribution of the Participant's entire Accrued Benefit, and notwithstanding anything herein to the contrary:

- (a) if the distributee of a deceased Participant's Accrued Benefit is a designated Beneficiary who is not an eligible designated beneficiary, then the Plan will distribute the Participant's Accrued Benefit in full no later than December 31 of the tenth year following the year of the Participant's death;
 - (b) the Plan will distribute the Participant's Accrued Benefit in accordance with Code Section 401(a)(9)(B)(iii) only if the distributee of the deceased Participant's Accrued Benefit is an eligible designated beneficiary; and
 - (c) if an eligible designated beneficiary dies before receiving distribution of the Beneficiary's entire interest in the Participant's Accrued Benefit, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the eligible designated beneficiary's death. Similarly, if a Participant died before January 1, 2020, the limitations of this section shall apply to distributions to the beneficiary of the Participant's designated Beneficiary who dies on or after
-

January 1, 2020 and the Participant's designated Beneficiary shall be treated as an eligible designated beneficiary for purposes of Code Section 401(a)(9)(H)(ii);

provided, however, that these rules shall be interpreted in a manner consistent with the SECURE Act 1.0 and guidance issued thereunder. For this purpose, "eligible designated beneficiary" means an individual who qualifies as a designated beneficiary under section 401(a)(9)(E) of the Code and is (i) the Participant's spouse; (ii) the Participant's child who has not reached the age of majority (as defined for purposes of section 401(a)(9)(F) of the Code); (iii) an individual not more than ten years younger than the Participant; (iv) a disabled individual (as defined in section 72(m)(7) of the Code); or (v) an individual who has been certified to be chronically ill (as defined in section 7702B(c)(2) of the Code) for a reasonably lengthy period, or indefinitely.

Effective January 1, 2024, if the Participant's designated beneficiary is the Participant's surviving spouse, the surviving spouse may elect to be treated as the Employee in which case the date on which such distributions are required to begin shall not be earlier than the date on which the Employee would have attained the applicable age and, if the surviving spouse dies before distributions to such spouse begin, these rules shall be applied as if the surviving spouse is the Employee.

13.04 Death Benefits Under USERRA. In the case of a Participant who dies while performing qualified military service as defined in Code Section 414(u), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

13.05 Designation of Beneficiary. Each Participant shall designate his or her Beneficiary on a form provided by the Plan Administrator, and such designation may include primary and contingent beneficiaries; provided, however, that if a Participant or Former Participant is married on the date of his or her death, the Participant's then spouse shall be the Participant's Beneficiary unless such spouse consented to the designation of another Beneficiary in accordance with Section 13.08. If a Participant does not designate a Beneficiary and is not married at the date of his or her death, the estate of the Participant shall be deemed to be the designated Beneficiary. If a Participant has completed a Beneficiary designation in which the Participant designates his or her spouse as the Beneficiary, and the Participant and the Participant's spouse are legally divorced subsequent to the date of such designation, then the designation of such spouse as a Beneficiary hereunder will be deemed null and void unless the Participant, subsequent to the legal divorce, reaffirms the designation by completing a new Beneficiary designation form, with the consent of his or her then spouse.

A designated Beneficiary shall include a non-spouse designated Beneficiary. For this purpose, a non-spouse designated Beneficiary means a designated Beneficiary other than (a) a surviving spouse (as defined in Section 13.08) or (b) a spouse or former spouse who is an Alternate Payee under a Qualified Domestic Relations Order.

13.06 Distribution of Benefits. The Plan Administrator shall direct the Trustee to make payment of any benefits provided under this Article XIII within 60 days of the event giving rise to distribution of such benefit, or as soon thereafter as administratively practicable.

All distributions under this Plan will be made in accordance with Code Section 401(a)(9), including the incidental death benefit requirements of Code Section, §401(a)(9)G, Treasury Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9, and any other provisions reflecting Code Section 401(a)(9) that are prescribed in revenue rulings, notices and other guidance published in the Internal

Revenue Bulletin. The Plan provisions reflecting Code Section 401(a)(9) shall override any distribution options set out in the Plan that are inconsistent with Code Section 401(a)(9).

Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the latest of the close of the Plan Year in which:

- (a) the Participant attains Age 65;
- (b) occurs the 10th anniversary of the year in which the Participant commenced participation in the Plan; or,
- (c) the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution when a benefit is immediately distributable, within the meaning of Section 13.12, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section. Except as provided in this Article, in no event will benefits begin to be distributed prior to the later of Age 62 or Normal Retirement Age without the consent of the Participant.

Except as provided below and in Sections 13.03, 13.07, 13.11 and 13.12, if benefits become payable to a Participant as a result of termination of employment or retirement, the Participant's vested Accrued Benefit shall be distributed by the Trustee in such manner as the Participant shall direct, in accordance with one or more of the options listed below. Provided, however, that a married Participant may not elect an option involving a life contingency without the consent of his or her spouse. To be effective, the spousal consent must meet the requirements of Section 13.08.

Notwithstanding the foregoing, if on the date of severance from employment of a married Participant prior to the attainment of his or her Qualified Early Retirement Age, a Rollover Account as described in Section 13.03 is being maintained for the Participant, such Account will remain in force until the Former Participant attains Age 55 when, if the Former Participant is then married, the value of such Rollover Account will be used to purchase a Qualified Joint and Survivor Annuity for the benefit of the Former Participant and his or her then spouse. At any time prior to the date of purchase, the Former Participant may request that his or her Rollover Account be distributed under one or more of the options listed below; provided, however, that if the Former Participant is married on the date of the request, the Former Participant's then spouse must consent thereto. To be effective, the spousal consent must meet the requirements of Section 13.08. If a Former Participant who was married on the date of his or her severance from employment is not married at Age 55, at Age 55 the Former Participant's Rollover Account (as described in Section 13.03) shall be distributed by the Trustee in such manner as the Former Participant shall direct, in accordance with one or more of the options listed below. If a Former Participant entitled to a deferred benefit pursuant to this paragraph dies prior to Age 55 and prior to commencement of Plan benefits, his or her Beneficiary shall be entitled to a death benefit pursuant to Section 13.03.

If a Qualified Joint and Survivor Annuity is not required under the above rules or pursuant to Section 13.07, the portion of the Participant's Accrued Benefit that is attributable to a Rollover Account as described in Section 13.03 shall be distributed by the Trustee in such manner as the Participant shall elect, in accordance with one or more of the following methods of distribution, which may be paid in cash or in kind, or a combination of them; provided that an in-kind distribution shall only be available with respect to an annuity contract that is purchased by the Trustee at the time of distribution:

- (a) One lump sum payment.
 - (b) An annuity for the life of the Participant.
-

(c) An annuity for the joint lives of the Participant and his or her spouse with 50%, 66^{2/3}%, 75% or 100% (whichever is specified when this option is elected) of such amount payable as an annuity for life to the survivor. No further benefits are payable after the death of both the Participant and his or her spouse.

(d) An annuity for the life of the Participant with installment payments for a period certain not longer than the life expectancy of the Participant.

(e) A series of substantially equal periodic cash installments of a fixed percentage, a specified dollar amount, or an amount calculated to result in the payment of such Rollover Account over a fixed period no longer than the life expectancy of the Participant or the joint life expectancy of the Participant and his or her Beneficiary, or an amount calculated to result in the payment of the Rollover Account pursuant to any similar objectively determined formula or method.

A Participant may change his or her prior distribution election at any time to accelerate or decelerate installment payments, modify installment payments, stop payments entirely, or receive a lump sum or partial lump sum distribution of the remainder of his or her Rollover Account.

The portion of the Participant's Accrued Benefit that is not attributable to a Rollover Account as described in Section 13.03 shall be distributed in whole or in part by the Trustee in such manner as the Participant shall elect, in accordance with one or more of the following methods of distribution, which shall be paid in cash:

(i) One lump sum payment.

(ii) A series of substantially equal periodic cash installments of a fixed percentage, a specified dollar amount, or an amount calculated to result in the payment of such Accrued Benefit over a fixed period no longer than the life expectancy of the Participant or the joint life expectancy of the Participant and his or her Beneficiary, or an amount calculated to result in the payment of the Accrued Benefit pursuant to any similar objectively determined formula or method.

A Participant may change his or her prior distribution election at any time to accelerate or decelerate installment payments, modify installment payments, stop payments entirely, or receive a lump sum or partial lump sum distribution of the remainder of his or her Accrued Benefit.

All optional forms of benefits shall be actuarially equivalent.

Notwithstanding anything in the Plan to the contrary, any annuity policy which is distributed by the Trustee shall provide by its terms that the same shall not be sold, transferred, assigned, discounted, pledged or encumbered in any way except to or through the insurer, and then only in accordance with a right conferred under the terms of the annuity policy.

Notwithstanding anything in the Plan to the contrary, the entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date; provided, however, that, effective January 1, 2024, as provided in SECURE Act 2.0 and guidance issued thereunder, Code Section 401(a)(9)(A) and the incidental death benefit requirements of Code Section 401(a) shall not apply to Roth Elective Deferrals.

The Required Beginning Date of a Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 73 (or age 72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020) provided, however, that a Participant, who is not a Five Percent Owner and who does not retire by the end of the calendar year in which such Participant reaches age 73 (or age

72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020), may elect to defer their Required Beginning Date to the first day of April of the calendar year following the calendar year in which the Participant retires. If, after the date of such election, a Participant becomes a Five Percent Owner, the Required Beginning Date is the first day of April following the later of: (i) the calendar year in which the Participant attains age 73 (or age 72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020); or (ii) the earlier of the calendar year with or within which ends the Plan Year in which the Participant becomes a Five Percent Owner, or the calendar year in which the Participant retires.

Notwithstanding any provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are equal to the 2009 RMDs will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

Notwithstanding any provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least ten (10) years ("Extended 2020 RMDs"), will not receive those distributions for 2020 unless the Participant or Beneficiary affirmatively chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

- 13.07 Automatic Joint and Survivor Annuity. Notwithstanding anything in Section 13.06 to the contrary, if a Rollover Account as described in Section 13.03 is being maintained for a married Participant and if Plan benefits become payable to such Participant on or after the Participant's Qualified Early Retirement Age, such Rollover Account will be used to purchase a Qualified Joint and Survivor Annuity unless the Participant has elected otherwise. To be effective, any election out of a Qualified Joint and Survivor Annuity must be consented to by the Participant's spouse at the time Plan benefits become payable. Any election (by a Participant on whose behalf a Rollover Account as described in Section 13.03 is maintained) out of a Qualified Joint and Survivor Annuity must be in writing and may be made during the election period, which shall be the 180-day period ending on the annuity starting date.
- 13.08 Participant Elections and Spousal Consents. Married Participants may choose a Beneficiary other than their spouse or, in the case of a Rollover Account described in Section 13.03, may choose a form of retirement benefit other than a Qualified Joint and Survivor Annuity. Any Beneficiary designation shall be in accordance with the requirements of Section 13.05. Any election (by a Participant on whose behalf a Rollover Account as described in Section 13.03 is maintained) out of a Qualified Joint and Survivor Annuity must be in writing and may be made during the election period, which shall be the 180-day period ending on the annuity starting date. To be effective, any designation of a Beneficiary who is not the spouse of the Participant on the date of the Participant's death or any such election out of the Qualified Joint and Survivor Annuity must be consented to by Participant's spouse.
-

For purposes of this Section the term “spouse” means the spouse of the Participant on the date of the Participant’s death or on the date Plan benefits commence, whichever is applicable; provided that a former spouse will be treated in the same manner as a spouse to the extent provided under a Qualified Domestic Relations Order as described in Code Section 414(p).

To be effective, spousal consent must be in writing on a form furnished by or satisfactory to the Plan Administrator and witnessed by a Plan representative or notary public. Provided, however, spousal consent shall not be required under such circumstances as may be prescribed by the Plan Administrator in accordance with rules and regulations promulgated by the Secretary and the Treasury. Any spousal consent will be valid only with respect to the spouse who signs the consent. Additionally, a revocation of an election out of a Qualified Joint and Survivor Annuity may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

- 13.09 Distribution to a Minor Participant or Beneficiary. In the event a distribution is to be made to a minor, then the Plan Administrator may, in the Administrator’s sole discretion, direct that such distribution be paid to the legal guardian of the minor, or if none, to a parent of such minor or a responsible adult with whom the minor maintains his or her residence, or to the custodian for such minor under the Uniform Gift to Minors Act, if such is permitted by the laws of the state in which said minor resides. Such a payment to the legal guardian or parent of a minor or to such a custodian shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.
- 13.10 Location of Participant or Beneficiary Unknown. In the event that all, or any portion, of the distribution payable to a Participant or his or her Beneficiary hereunder shall, at the expiration of five years after it shall become payable, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a registered letter, return receipt requested, to the payee’s last known address, and after reasonable effort, to ascertain the whereabouts of such Participant or his or her Beneficiary, the amount so distributable shall be forfeited and allocated in accordance with the terms of this Plan. In the event a Participant or Beneficiary is located subsequent to his or her benefit being forfeited, such benefit shall be restored, unadjusted for earnings or losses.
- 13.11 Forfeitures; Restoration of Benefits Upon Reemployment. If a Participant terminates from employment, the Participant’s vested Accrued Benefit shall be deferred to the earliest of the Participant’s death, Total and Permanent Disability or attainment of Normal Retirement Age, at which time such vested benefit shall be payable in accordance with Sections 13.06 and 13.13.

Notwithstanding the foregoing, such a Participant may elect to have payments commence at any time after termination in accordance with Section 13.06. Partial distributions of vested benefits will not be permitted except in accordance with Section 13.06. The non-vested portion of the Participant’s Accrued Benefit shall be forfeited when the Participant incurs five consecutive One Year Breaks in Service or, if earlier, when the Participant or his or her spouse (or surviving spouse) receives a distribution of his or her vested Accrued Benefit. If the value of the Participant’s vested Accrued Benefit is zero when the Participant terminates employment, the Participant shall be deemed to have received a distribution of such vested Accrued Benefit.

Except as provided below, the non-vested portion of the Accrued Benefit of any terminated Participant will be used to reduce Employer Match Contributions for the Plan Year in which the forfeiture occurs and for subsequent Plan Years, if necessary.

A Participant who severs employment and who subsequently resumes employment with the Employer will again become a Participant when the Participant becomes an Eligible Employee. If a Former Participant is subsequently reemployed, the following rules shall also be applicable:

(a) If any Former Participant shall be reemployed by the Employer before incurring five consecutive One Year Breaks in Service, and such Former Participant had received a distribution of his or her vested Accrued Benefit prior to his or her reemployment, his or her forfeited Account balance shall be reinstated if he or she repays the full amount attributable to Employer Contributions which was distributed to him or her, not including, at the Participant's option, amounts attributable to any Salary Reduction Contributions. Such repayment must be made by the Former Participant before the date on which the individual incurs five consecutive One Year Breaks in Service following the date of distribution. A Participant who was deemed to have received a distribution of his or her vested amount shall be deemed to have repaid such amount as of the first date on which he or she again becomes a Participant. In the event the Former Participant does repay the full amount distributed to him or her, the forfeited portion of the Participant's Account must be restored in full, unadjusted by any gains or losses occurring subsequent to the date of distribution.

(b) Restorations of forfeitures will be made as of the date that the Plan Administrator is notified that the Trustee has received the required repayment. Any forfeiture amount that must be restored to a Participant's Account will be taken from any forfeitures that have not yet been applied and, if the amount of forfeitures available for this purpose is insufficient, the Employer will make a timely supplemental contribution of an amount sufficient to enable the Trustee to restore the forfeiture amount to the Participant's Account.

(c) If a Former Participant resumes service after incurring five consecutive One Year Breaks in Service, forfeited amounts will not be restored under any circumstances.

If a Former Participant resumes service before incurring five consecutive One Year Breaks in Service, both the pre-break and post-break service will count in vesting both any restored pre-break and post-break employer-derived Account balance.

13.12 Restrictions on Immediate Distributions.

(a) If the value of a Participant's vested Accrued Benefit is immediately distributable, the Participant and the Participant's spouse (or where either the Participant or the spouse has died, the survivor) must consent to any distribution of such Accrued Benefit.

Except as provided below, the consent of the Participant and the Participant's spouse shall be obtained in writing within the 180-day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and/or the Participant's spouse of the right to defer any distribution until the Participant's Accrued Benefit is no longer immediately distributable and the consequences of failing to defer receipt of the distribution. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Code Section 417(a)(3), if applicable, and shall be provided no less than 30 days and no more than 180 days prior to the annuity starting date.

However, distribution may commence less than 30 days after the notice described in the preceding sentence is given, provided the distribution is not one to which Code Section 417 applies, the Participant is clearly informed of his or her right to take 30 days after receiving the notice to decide whether or not to elect a distribution (and, if applicable, a particular distribution option), and the Participant, after receiving the notice, affirmatively elects to receive the distribution prior to the expiration of the 30-day minimum period.

If a distribution is one to which Code Sections 411(a)(11)(A) and 417 applies, a Participant may commence receiving a distribution in a form other than a Qualified Joint and Survivor Annuity less

than 30 days after receipt of the written explanation described in the preceding paragraph provided: (1) the Participant has been provided with information that clearly indicates that the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) a form of distribution other than a Qualified Joint and Survivor Annuity; (2) the Participant is permitted to revoke any affirmative distribution election at least until the Distribution Commencement Date or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and (3) the Distribution Commencement Date is after the date the written explanation was provided to the Participant. The Distribution Commencement Date may be a date prior to the date the written explanation is provided to the Participant if the distribution does not commence until at least 30 days after such written explanation is provided, subject to the waiver of the 30-day period. For the purposes of this paragraph, the Distribution Commencement Date is the date a Participant commences distributions from the Plan. If a Participant commences distribution with respect to a portion of his/her Account Balance, a separate Distribution Commencement Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Distribution Commencement Date is the first day of the first period for which annuity payments are made.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Accrued Benefit is immediately distributable. Furthermore, if payment in the form of a Qualified Joint and Survivor Annuity is not required with respect to the Participant, only the Participant need consent to the distribution of an Accrued Benefit that is immediately distributable. The consent of the Participant or the Participant's spouse shall not be required to the extent that a distribution is required to satisfy Code Section 401(a)(9) or 415. In addition, upon termination of this Plan if the Plan does not offer an annuity option (purchased from a commercial provider) and if the Employer or any entity within the same controlled group as the Employer does not maintain another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the Participant's Accrued Benefit may, without the Participant's consent, be distributed to the Participant. However, if any entity within the same controlled group as the Employer maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)) then the Participant's Accrued Benefit will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

An Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or age 62.

13.13 Rollovers to Other Qualified Plans.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a Direct Rollover. For purposes of determining the portion of a disbursement of benefits from the Plan to a distributee that is not includible in gross income under Code Section 72, the guidance under I.R.S. Notice 2014-54 shall be followed.

(b) Definitions.

(i) **Eligible rollover distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments

(not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any hardship distribution described in Code Section 401(k)(2)(B)(i)(iv); any emergency personal expense distribution; any withdrawal on account of domestic abuse; any withdrawal for the birth or adoption of the Participant's child; any withdrawal on account of a federally-declared disaster; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any corrective distributions of Excess Elective Deferrals or Roth Elective Deferrals under Code Section 402(g), and the income attributable thereto; and any other distribution(s) that is reasonably expected to total less than \$200 during a year. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because it consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or individual retirement annuity described in Code Section 408(a) or 408(b), or to a qualified plan described in Code Section 401(a) or an annuity plan described in Code Section 403(a), or to an annuity contract described in Code Section 403(b), which plan or contract agrees to separately account for amounts so transferred, including separate accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Such portion may also be transferred to a Roth IRA.

(ii) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified Plan described in Code Section 401(a), that accepts the distributee's eligible rollover distribution, an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. An Eligible Retirement Plan shall also include a Roth individual retirement account as described in Code Section 408A.

(iii) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee. A Direct Rollover of a distribution from a Roth Elective Deferral Account under this Plan will be made to another Roth Elective Deferral Account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

Notwithstanding the provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, 2009 RMDs (as defined in Section 13.06), but only if paid with an additional amount that is an eligible rollover distribution without regard to IRC §401(a)(9)(H), will be treated as eligible rollover distributions.

(c) A non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account or an individual

retirement annuity as defined in Code Section 408(a) and 408(b) or Roth IRA as defined in Code Section 408A, that is established on behalf of the Beneficiary. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a “60-day” rollover.

If the Participant’s named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a “designated beneficiary” within the meaning of Code Section 401(a)(9)(E).

A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treasury Regulation Section 1.401(a)(9)-3 Q&A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary’s distribution.

- 13.14 Payment under Qualified Domestic Relations Orders. Notwithstanding any provisions of the Plan to the contrary, if there is entered any Qualified Domestic Relations Order that affects the payment of benefits hereunder, such benefits shall be paid in accordance with the applicable requirements of such Order, provided that such Order (i) does not require the Plan to provide any type or form of benefits, or any option, that is not otherwise provided hereunder, (ii) does not require the Plan to provide increased benefits, and (iii) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a Qualified Domestic Relations Order.

To the extent required or permitted by any such Order, at any time on or after the date the Plan Administrator has determined that the Order is a Qualified Domestic Relations Order, the alternate payee shall have the right to request the Plan Administrator to commence distribution of benefits under the Plan regardless of whether the Participant is otherwise entitled to a distribution at such time under the Plan. Except as specifically provided in a Qualified Domestic Relations Order, amounts distributed under this Section shall be taken pro rata from the investment options in which each of the Participant’s Accounts is invested. The Plan Administrator shall establish reasonable procedures to determine whether an order or other decree is a Qualified Domestic Relations Order, and to administer distributions under such orders.

13.15 USERRA.

(a) Severance from Employment. An individual shall be treated as having been severed from employment for purposes of Code Section 401(k)(2)(B)(i)(I) during any period the individual is performing service in the uniformed services described in Code Section 3401(h)(2)(A). If an individual performing such service in the uniformed services elects to receive a distribution by reason of severance from employment, the individual may not make a Salary Reduction Contribution or other Employee contribution during the 6-month period beginning on the date of the distribution.

(b) Qualified Reservist Distribution under USERRA. A Participant who is ordered or called to active duty may take a Qualified Reservist Distribution if the following are satisfied:

- (i) the distribution consists solely of elective deferrals (Salary Reduction Contributions);
- (ii) the Participant was ordered or called to active duty for a period in excess of one hundred and seventy-nine (179) days or for an indefinite period; and

(iii) the distribution from the Plan is made during the period which begins on the date of such order or call and ends at the close of the active duty period.

The ten percent (10%) early withdrawal penalty tax will not apply to a qualified reservist distribution, which meets the requirements stated above.

ARTICLE XIV

PLAN FIDUCIARY RESPONSIBILITIES

14.01 Plan Fiduciaries. The Plan Fiduciaries shall be:

- (a) the Trustee(s) of the Plan;
- (b) the Plan Administrator; and
- (c) such other person or persons as may be designated by the Plan Administrator in accordance with the provisions of this Article XIV.

14.02 General Fiduciary Duties. Each Plan Fiduciary shall discharge his or her duties solely in the interest of the Participants and their Beneficiaries and act:

- (a) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;
- (b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- (c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, if the Fiduciary has the responsibility to invest plan assets; and
- (d) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of current laws and regulations.

Each Plan Fiduciary shall perform the duties specifically assigned to him or her. No Plan Fiduciary shall have any responsibility for the performance or non-performance of any duties not specifically allocated to him or her.

14.03 Duties of the Trustee(s). The specific responsibilities and duties of the Trustee(s) are set forth in the Trust Indenture between the Employer and the Trustee(s). In general the Trustee(s) shall:

- (a) invest Plan assets, subject to directions from the Plan Administrator or from any duly appointed investment manager;
- (b) maintain adequate records of receipts, disbursements, and other transactions involving the Plan; and
- (c) prepare such reports, statements, tax returns and other forms as may be required under the Trust Indenture or applicable laws and regulations.

14.04 Powers and Duties of the Plan Administrator. The Plan Administrator is the Benefits Committee. The Plan Administrator shall have the power, discretionary authority, and duty to interpret the

provisions of the Plan and to make all decisions and take all actions that shall be necessary or proper in order to carry out the provisions of the Plan. Without limiting the generality of the foregoing, the Plan Administrator shall:

- (a) monitor compliance with the provisions of ERISA and other applicable laws with respect to the Plan;
- (b) establish an investment policy and funding method consistent with objectives of the Plan and with the requirements of applicable laws and regulations;
- (c) invest Plan assets except to the extent that the Plan Administrator has delegated such investment duties to an investment manager;
- (d) evaluate from time to time investment policy and the performance of any investment manager or investment advisor appointed by it;
- (e) interpret and construe the Plan in order to resolve any ambiguities therein;
- (f) determine all questions concerning the eligibility of any person to participate in the Plan, the right to and the amount of any benefit payable under the Plan to or on behalf of an individual and the date on which any individual ceases to be a Participant, with any such determination to be conclusively binding and final, to the extent permitted by applicable law, upon all persons interested or claiming an interest in the Plan;
- (g) establish guidelines as required for the orderly and uniform administration of the Plan;
- (h) exercise overall control of the operation and administration of the Plan in matters not allocated to some other Fiduciary by the terms of this Plan;
- (i) administer the Plan on a day-to-day basis in accordance with the provisions of this Plan and all other pertinent documents;
- (j) retain and maintain Plan records, including Participant census data, participation dates, compensation records, and such other records necessary or desirable for proper Plan administration;
- (k) prepare and arrange for delivery to Participants of such summaries, descriptions, announcements and reports as are required to be given to Participants under applicable laws and regulations;
- (l) file with the U.S. Department of Labor, the Internal Revenue Service and other regulatory agencies on a timely basis all required reports, forms and other documents;
- (m) prepare and furnish to the Trustee(s) sufficient records and data to enable the Trustee(s) to properly perform its obligations under the Trust Indenture; and
- (n) to take appropriate actions required to correct any errors made in determining the eligibility of any Employee for benefits under the Plan or the amount of benefits payable under the Plan and in correcting any error made in computing the benefits of any Participant or Beneficiary, the Plan Administrator may make equitable adjustments (an increase or decrease) in the amount of any future benefits payable under the Plan, including the recovery of any overpayment of benefits paid from the Plan as provided in Treasury Regulation Section 1.401(a)-13(c)(2)(iii).

The Plan Administrator may appoint or employ such advisers or assistants as the Plan Administrator deems necessary and may delegate to any one or more of its members any responsibility it may have

under the Plan or designate any other person or persons to carry out any responsibility it may have under the Plan.

Notwithstanding any provisions elsewhere to the contrary, the Plan Administrator shall have total discretion to fulfill the above responsibilities as the Plan Administrator sees fit on a uniform and consistent basis and as the Plan Administrator believes a prudent person acting in a like capacity and familiar with such matters would do.

- 14.05 Designation of Fiduciaries. The Plan Administrator shall have the authority to appoint and remove Trustee(s) in accordance with the Trust Indenture. The Plan Administrator may appoint and remove an investment manager and delegate to said investment manager power to manage, acquire or dispose of any assets of the Plan.

While there is an investment manager, the Plan Administrator shall have no obligation under this Plan with regard to the performance or non-performance of the duties delegated to the investment manager.

The Plan Administrator shall appoint all other Fiduciaries of this Plan. In making its appointment or delegation of authority, the Plan Administrator may designate all of the responsibilities to one person or it may allocate the responsibilities, on a continuing basis or on an ad hoc basis, to one or more individuals either jointly or severally. No individual named a Fiduciary shall have any responsibility for the performance or non-performance of any responsibilities or duties not allocated to him or her.

The appointing authority of a Fiduciary shall periodically, but not less frequently than annually, review the performance of each fiduciary appointed in order to carry out the general fiduciary duties specified in Section 14.02 and, where appropriate, take or recommend remedial action.

- 14.06 Delegation of Duties by a Fiduciary. Except as provided in this Plan or in the appointment as a Fiduciary, no Plan Fiduciary may delegate his or her fiduciary responsibilities. If authorized by the appointing authority, a Fiduciary may appoint such agents as may be deemed necessary and delegate to such agents any non-fiduciary powers or duties, whether ministerial or discretionary. No Fiduciary or agent of a Fiduciary who is a • full-time employee of the Employer will receive any compensation from the Plan for his or her services, but the Employer or the Plan shall pay all expenses that such employee reasonably incurs in the discharge of his or her duties.

ARTICLE XV

BENEFITS COMMITTEE

- 15.01 Appointment of Benefits Committee. The Benefits Committee shall consist of three or more members appointed from time to time by the president of the Employer (the “President”), who shall also designate one of the members as chairman. Each member of the Benefits Committee and its chairman shall serve at the pleasure of the President.
- 15.02 Benefits Committee to Act by Majority Vote, etc. The Benefits Committee shall act by majority vote of all members. All actions, determinations, interpretations and decisions of the Benefits Committee with respect to any matter within their jurisdiction will be conclusive and binding on all persons. Any person may rely conclusively upon any action if certified by the Benefits Committee.

Notwithstanding the above, a member of the Benefits Committee who is also a Participant shall not vote or act upon any matter relating solely or primarily to him or herself.

- 15.03 Records and Reports of the Benefits Committee. The Benefits Committee shall keep a record of all of its proceedings and acts, and shall keep such books of account, records and other data as may be
-

necessary for the proper administration of the Plan and file or deliver to Participants and their Beneficiaries whatever reports are required by any regulatory authority.

- 15.04 Costs and Expenses of Administration. Notwithstanding any provisions of the Plan to the contrary (but subject to the provisions of Section 12.01), all clerical, legal and other expenses of the Plan and the Trust, including Trustee's fees, shall be paid by the Plan, except to the extent the Employer elects to pay such amounts; provided, however, that if the Employer pays such amounts it shall be reimbursed by the Trust for such amounts unless the Employers elects not to be so reimbursed.
- 15.05 Indemnification of the Plan Administrator and Assistants. The Employer shall indemnify and defend to the extent permitted under the By-Laws of the Employer any Employee or former Employee (i) who serves or has served as a member of the Benefits Committee, (ii) who has been appointed to assist the Benefits Committee in administering the Plan, or (iii) to whom the Benefits Committee has delegated any of its duties or responsibilities against any liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission to act is in good faith and without gross negligence; provided that such Employee or former Employee is not otherwise indemnified or saved harmless under any liability insurance or other indemnification arrangement.

ARTICLE XVI

INVESTMENT OF THE TRUST FUND

- 16.01 In General. Subject to the direction of the Plan Administrator or any duly appointed investment manager in accordance with Section 14.05, the Trustee shall receive all contributions to the Trust and shall hold, invest and control the whole or any part of the assets in accordance with the provisions of the annexed Trust Indenture.
- 16.02 Investment of the Trust Fund. In order to provide retirement and other benefits for Plan Participants and their Beneficiaries, the Trustee shall invest Plan assets in one or more permissible investments specified in the Trust Indenture ("Permissible Investments").

All collective investment trusts and group trusts shall also conform to the terms of the Plan.

This Plan is intended to comply with the requirements of ERISA Section 404(c). Each Participant is responsible and has sole discretion to give directions to the Trustee in such form as the Trustee may require concerning the investment of his or her Accrued Benefit in one or more of the Permissible Investments, which directions must be followed by the Trustee. The designation by a Participant of the allocation of his Accrued Benefit among the Permissible Investments may be made from time to time, with such frequency and in accordance with such procedures as are established and set forth in the Trust Indenture and applied in a uniform nondiscriminatory manner. Any such procedure shall be communicated to the Participants and designed with the intention of permitting the Participants to exercise control over the assets in their respective accounts within the meaning of ERISA Section 404(c) and the regulations thereunder.

Neither the Plan Administrator, the Trustee, the Employer nor any other person shall be under any duty to question any investment, voting or other direction of the Participant or make any suggestions to the Participant in connection therewith, and the Trustee shall comply as promptly as practicable with directions given by the Participant hereunder. All such directions may be of continuing nature or otherwise and may be revoked by the Participant at any time in such form as the Trustee may require. Neither the Plan Administrator, the Trustee, the Employer nor any other person shall be responsible or liable for any costs losses or expenses which may arise or result from or be related to

the compliance or refusal or failure to comply with any directions from the Participant. The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole or absolute discretion, deems such direction improper by virtue of applicable law or regulations. For purposes of this Section, all references to "Participant" shall include all Beneficiaries of Participants who are deceased and any Alternate Payees under a Qualified Domestic Relations Order, as provided for in Section 19.01.

16.03 Default Investment.

(a) General Rules.

(i) Qualified Default Investment Alternative. If a Participant or Beneficiary has the opportunity to direct the investment of the assets in his or her Account (but does not direct the investment of such assets), then such assets in his or her Account will be invested in a Qualified Default Investment Alternative.

(ii) Transfer from Qualified Default Investment Alternative. Any Participant or Beneficiary on whose behalf assets are invested in a Qualified Default Investment Alternative may transfer, in whole or in part, such assets to any other investment alternative available under the Plan with a frequency consistent with that afforded to a Participant or Beneficiary who elected to invest in the Qualified Default Investment Alternative, but not less frequently than once within any 3-month period.

(iii) No Fees during First 90 Days. Any Participant's or Beneficiary's election to make such transfer from the Qualified Default Investment Alternative or other first investment in a Qualified Default Investment Alternative on behalf of a Participant or Beneficiary, will not be subject to any restrictions, fees or expenses (including surrender charges, liquidation or exchange fees, redemption fees and similar expenses charged in connection with the liquidation of, or transfer from, the investment), except as permitted in Department of Labor Regulation Section 2550.404c-5(c)(5)(ii)(B).

(iv) Limited Fees after First 90 Days. Following the end of the 90-day period described in paragraph (iii), any transfer described in paragraph (ii) above shall not be subject to any restrictions, fees or expenses not otherwise applicable to a Participant or Beneficiary who elected to invest in that Qualified Default Investment Alternative.

(v) Materials Must Be Provided. A Plan fiduciary shall provide to a Participant or Beneficiary the materials set forth in Department of Labor Regulation Section 2550.404c-1(b)(2)(i)(B)(1)(viii) and (ix) and Department of Labor Regulation Section 404c-1(b)(2)(i)(B)(2) relating to a Participant's or Beneficiary's investment in a Qualified Default Investment Alternative.

(b) Notice Requirements. The following provisions apply to the notice required by a Qualified Default Investment Alternative:

(i) Manner. Such notice will be written in a manner calculated to be understood by the average Plan Participant.

(ii) Content. Such notice will contain the following:

(A) A description of the circumstances under which assets in the individual account of a Participant or Beneficiary may be invested on behalf of the Participant or Beneficiary in a Qualified Default Investment Alternative; and, if applicable, an explanation of the circumstances under which Automatic Contributions will be made on behalf of a Participant,

the percentage of Compensation that such Automatic Contributions represent, and the right of the Participant to elect not to have such made on the Participant's behalf (or to elect to have Salary Reduction Contributions made at a different percentage);

(B) An explanation of the right of Participants and Beneficiaries to direct the investment of assets in their individual accounts;

(C) A description of the Qualified Default Investment Alternative, including a description of the investment objectives, risk and return characteristics (if applicable), and fees and expenses attendant to the Qualified Default Investment Alternative;

(D) A description of the right of the Participants and Beneficiaries on whose behalf assets are invested in a Qualified Default Investment Alternative to direct the investment of those assets to any other investment alternative under the Plan, including a description of any applicable restrictions, fees or expenses in connection with such transfer; and

(E) An explanation of where the Participants and Beneficiaries can obtain investment information concerning the other investment alternatives available under the Plan.

(iii) Timing. The Participant or Beneficiary on whose behalf an investment in a Qualified Default Investment Alternative may be made must be furnished such notice during the following periods: (1) At least 30 days in advance of the Participant's eligibility to participate in the Plan, or at least 30 days in advance of the date of any first investment in a Qualified Default Investment Alternative on behalf of a Participant or Beneficiary; and (2) Within a reasonable period of time of at least 30 days in advance of each subsequent Plan Year.

ARTICLE XVII

CLAIMS PROCEDURE

17.01 Claims Fiduciary. The Plan Administrator will act as Claims Fiduciary except to the extent that the Plan Administrator has delegated the function to some other person or persons, committee or entity.

Notwithstanding any provision elsewhere to be contrary, the Claims Fiduciaries shall have total discretion to fulfill their fiduciary duties as they see fit on a uniform and consistent basis as they believe a prudent person acting in a like capacity and familiar with such matters would do.

17.02 Claims for Benefits. Claims for benefits under the Plan may be filed with the Plan Administrator on forms supplied by the Employer. For the purpose of this procedure, "claim" means a request for a Plan benefit by a Participant or a Beneficiary of a Participant. If the basis of the claim includes documentation not a part of the records of the Plan or of the Employer, all such documentation must be included with the claim.

17.03 Notice of Denial of Claim. If a claim is wholly or partially denied, the Plan Administrator shall notify the claimant of the denial of the claim within a reasonable period of time. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain (A) the specific reason or reasons for denial of the claim, (B) a specific reference to the pertinent Plan provisions upon which the denial is based, (C) a description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation why such material or information is necessary, and (D) an explanation of the Plan's claim review procedure. Unless special circumstances require an extension of time for processing the claim, the Plan Administrator shall notify, the claimant of the claim denial no later than ninety (90) days after receipt of the claim. If such an extension is required, written notice of the extension shall be furnished

to the claimant prior to the termination of the initial 90-day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render the final decision.

- 17.04 Request for Review of Denial of Claim. Within 120 days of the receipt of the claimant of the written notice of the denial of the claim, or such later time as shall be deemed reasonable taking into account the nature of the benefit subject to the claim and any other attendant circumstances or if the claim has not been granted within a reasonable period of time, the claimant may file a written request with the Plan Administrator to conduct a full and fair review of the denial of the claimant's claim for benefits. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review pertinent documents and may submit issues and comments in writing.
- 17.05 Decision on Review of Denial of Claim. The Plan Administrator shall deliver to the claimant a written decision on the claim promptly, but not later than 60 days, after the receipt of the claimant's request for review, except that if there are special circumstances, which require an extension of time for processing, the aforesaid 60-day period may be extended to 120 days. Such decision shall (i) be written in a manner calculated to be understood by the claimant, (ii) include specific reasons for the decision, and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based.
- 17.06 Limitations Periods for Filing Claims and Legal Actions. To be considered timely filed under the Plan's claims procedures and notwithstanding anything in this Plan to the contrary, a claim for benefits filed after January 31, 2016 must be filed with the appropriate Claims Fiduciary under Sections 17.02 or 17.04 before the first (1st) anniversary of the date on which claimant knew or reasonably should have known of the principal facts upon which the claim is based. Notwithstanding anything in this Plan to the contrary, a legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether statutory or not, may not be brought after January 31, 2016 by any claimant on any matter pertaining to this Plan unless the legal action is initiated in the proper forum before the earlier of (i) the expiration of thirty (30) completed calendar months after the date on which the claimant knew or reasonably should have known of the principal facts on which the claim is based, or (ii) the expiration of six (6) completed calendar months after the claimant has exhausted the applicable claims procedures under this Plan. For the purpose of applying this Section, knowledge of all facts that the Participant knew or reasonably should have known will be imputed to every claimant who is, or who purports to be, a Beneficiary of the Participant or otherwise purports to derive an entitlement to a Plan benefit or a Plan right by reference to the Participant.

Exhaustion of the Plan's claims procedures is mandatory for every claim and dispute of whatever nature or from whatever source and arising under this Plan. As to such claims and disputes, no claimant shall be permitted to commence any legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether or not statutory, until the applicable claims procedures set forth in the Plan have been exhausted in their entirety.

In any legal action described in this Section, all explicit and all implicit determinations by the Administrator, any Claims Fiduciary and all other persons determining or reviewing claims in such legal action (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law.

Any interpretation, determination or other action of such persons shall be subject to change only if it was arbitrary or capricious or a more serious abuse of discretion. Any external review of a final

decision or action by such persons reviewing a claim under this Plan shall be based only on such evidence presented to or considered by such persons at the time they made the decision or decisions that are the subject of review.

ARTICLE XVIII

AMENDMENT AND TERMINATION

- 18.01 Employer May Amend Plan. The Plan may be modified or amended in whole or in part by the action of the Board of Directors of the Employer at any time or times, and retroactively if it is deemed advisable by the Directors to conform the Plan to conditions which must be met to qualify the Plan or the Trust Indenture for tax benefits available under the applicable provisions of the Internal Revenue Code as it exists at any such time or times; provided, however, that no such modifications or amendment shall make it possible for any part of the Trust Fund to be used for purposes other than the exclusive benefit of the Participants or their Beneficiaries.

Notwithstanding the above paragraph, an amendment to the Plan may not decrease a Participant's Accrued Benefit, and may not reduce or eliminate a benefit, right or feature of this Plan that is protected under Code Section 411(d)(6) (except as provided for by the Code or the Treasury Regulations issued thereunder) determined immediately prior to the date of adoption, or if later, the effective date of the amendment. Should any early retirement benefit or other optional retirement benefits be changed by amendment to this Plan, all benefits accrued prior to the date of such amendment shall not be reduced.

- 18.02 Employer May Discontinue Plan. The Employer reserves the right at any time to partially terminate the Plan or to terminate the Plan in its entirety. Any such termination or partial termination of such Plan shall become effective immediately upon receipt by the Trustee of a copy of the vote or resolutions of the Directors of the Employer terminating its Plan, certified as true and correct by the clerk or secretary of the Employer. A partial plan termination shall be deemed to have occurred based on the facts and circumstances in existence at the time as required by Section 1.411(d)-2(b)(1) of the Treasury Regulations and Revenue Ruling 2007-43 and upon any such partial termination, the rights of all affected employees to the amounts credited to their accounts shall be non-forfeitable.

In the event of termination of the Plan there shall be a 100% vesting and nonforfeitability of all rights and benefits under this Trust and Plan irrespective of the length of participation under the Plan. However, the Trust shall remain in existence, and all of the provisions of the Trust shall remain in force, which are necessary in the sole opinion of the Trustees other than the provisions relating to Employer and Employee contributions. All of the assets on hand on the date specified in such resolution shall be held, administered and distributed by the Trustees in the manner provided in the Plan, except that a Participant shall have a 100% vested and nonforfeitable interest in his or her Accounts, subject to Section 18.05.

Subject to Section 18.05, any other remaining assets of the Trust Fund shall also be vested in Participants on a pro rata basis based on their respective Accrued Benefit in relation to the aggregate of the Accrued Benefits of all Participants. In the event of a partial termination of Plan, this Section will only apply to those Participants who are affected by such partial termination of Plan. In the event that the Board of Directors of the Employer shall decide to terminate completely the Plan and Trust, they shall be terminated as of a date to be specified in certified copies of its resolution to be delivered to the Trustees. Upon termination of the Plan and Trust, after payment of all expenses and proportional adjustment of Participants' Accounts to reflect such expenses, fund profits or losses and reallocations to the date of termination, each Participant shall be entitled to receive in cash any amounts then credited to his or her Participants' Accounts.

- 18.03 Discontinuance of Contributions. In the event that the Employer shall completely discontinue its contributions, each Participant or Beneficiary of a Participant affected shall be fully vested in any values credited to his or her Participant's Accounts. All of the assets on hand on the date contributions are discontinued shall be held, administered and distributed by the Trustees in the manner provided in the Plan.
- 18.04 Merger and Consolidation of Plan, Transfer of Plan Assets or Liabilities. In the case of any merger, consolidation with or transfer of assets or liabilities by the Employer to another plan, each Participant in the Plan on the date of the transaction shall have a benefit in the surviving plan (determined as if such plan were terminated immediately after the transaction) at least equal to the benefit to which he or she would have been entitled to receive immediately prior to the transaction if the plan had then terminated.
- 18.05 Return of Employer Contributions Under Special Circumstances. Notwithstanding any provisions of this Plan to the contrary:
- (a) Any monies or other Plan assets held in Trust by the Trustee attributable to any contributions made to this Plan by the Employer because of a mistake of fact may be returned to the Employer within one year after the date of contribution.
 - (b) Any monies or other Plan assets held in Trust by the Trustee attributable to any contribution made by the Employer which is conditional on the initial qualification of the Plan, as amended, under the Internal Revenue Code may be refunded to the Employer; provided that:
 - (i) the Plan amendment is submitted to the Internal Revenue Service for qualification within one year from the date the amendment is adopted, and
 - (ii) Such contribution that was made conditioned upon Plan requalification is returned to the Employer within one year after the date the Plan's requalification is denied.
 - (c) Any monies or other Plan assets held in Trust by the Trustee attributable to any contribution made by the Employer which is conditional on the deductibility of such contribution may be refunded to the Employer, to the extent the deduction is disallowed under Code Section 404, within one year after the date of such disallowance.

ARTICLE XIX

MISCELLANEOUS

- 19.01 Protection of Employee Interest. No Participant, Beneficiary or other person, including alternate payees entitled to benefits pursuant to a Qualified Domestic Relations Order, shall have the right to assign, pledge, alienate or convey any right, benefit or payment to which he or she shall be entitled in accordance with the provisions of the Plan, and any such attempted assignment, pledge, alienation or conveyance shall be null and void and of no effect. To the extent permitted by law, none of the benefits, payments, proceeds or rights herein created and provided for shall in any way be subject to any debts, contracts or engagements of any Participant, Beneficiary, alternate payee or other person entitled to benefits hereunder, nor to any suits, actions or other judicial process to levy upon or attach the same for the payment thereof. Provided, however, that this provision does not preclude the Plan Administrator from complying with the terms of a Qualified Domestic Relations Order.

If any Participant shall attempt to alienate or assign his or her interest provided by the Plan, the Plan Administrator shall take such steps as it deems necessary to preserve such interest for the benefit of the Participant or his or her Beneficiary.

Notwithstanding anything in this Section or in the Plan to the contrary, the Plan Administrator (i) shall comply with the terms of any Qualified Domestic Relations Order, as described in Code Section 414(p) entered on or after January 1, 1985, and (ii) shall comply with the terms of any domestic relations order entered before January 1, 1985 if the Administrator is paying benefits pursuant to such order on such date.

- 19.02 USERRA Compliance. Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with the rules and requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 and Code Section 414(u).
- 19.03 Amendment to Vesting Schedule. No amendment to the Plan vesting schedule shall deprive a Participant of his or her nonforfeitable rights to benefits accrued to the date of the amendment. Further, if the vesting schedule of the Plan is amended, or the Plan is amended in any way that directly or indirectly affects the computation of a Participant's nonforfeitable percentage, each Participant with at least 3 Years of Service with the Employer may elect, within a reasonable period after the adoption of the amendment, to have his or her nonforfeitable percentage computed under the Plan without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted and shall end on the latest of:
- (a) 60 days after the amendment is adopted;
 - (b) 60 days after the amendment becomes effective; or
 - (c) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.
- 19.04 Meaning of Words Used in Plan. Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply. Wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.
- Titles used herein are for general information only and this Plan is not to be construed by reference thereto.
- 19.05 Plan Does Not Create Nor Modify Employment Rights. The Plan and Trust shall not be construed as creating or modifying any contracts of employment between the Employer and any Participant. All Employees of the Employer shall be subject to discharge to the same extent that they would have been if the Plan and Trust had never been adopted.
- 19.06 Massachusetts Law Controls. This Plan shall be governed by the laws of the Commonwealth of Massachusetts to the extent that they are not pre-empted by the laws of the United States of America.
- 19.07 Payments to Come from Trust Fund. All benefits and amounts payable under the Plan or Trust Indenture shall be paid or provided for solely from the Trust Fund, and neither the Employer nor the Plan Administrator assumes any liability or responsibility therefor.
- 19.08 Receipt and Release for Payments. Any payment to any Participant, his or her legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan and Trust, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, any of whom may require such Participant, legal representative, Beneficiary, guardian, custodian or committee, as a condition
-

precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

- 19.09 Electronic Communications. Any electronic communications made by the Plan to Participants in regards to eligible rollover distribution tax notices, Participant consents to distributions, and tax withholding notices shall comply with the requirements contained in Treasury Regulation Section 1.401(a)-21, in addition to all otherwise applicable requirements relating to the specific communication.
- 19.10 Plan Interpretation. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Plan Administrator in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by all Plan fiduciaries in a fashion consistent with its intent, as determined by the Employer in its sole discretion. The Employer shall amend the Plan retroactively to cure any such ambiguity. This Section may not be invoked by any person to require the Plan to be interpreted in a manner that is inconsistent with its interpretation by Plan fiduciaries.

EXECUTED this 18th day of November 2024.

The Hanover Insurance Company

By: /s/ Denise Lowsley

Name: Denise Lowsley

Title: EVP & CHRO

APPENDIX A

Special provisions applicable to Employees formerly employed by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD.

Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person (i) who became employed by the Employer on or after December 3, 2009, in connection with the transactions contemplated by the Renewal Rights and Asset Purchase Agreement dated December 3, 2009 by and among The Hanover Insurance Company, The Hanover Insurance Group, Inc., One Beacon Insurance Group, LTD. and certain business entities affiliated with One Beacon Insurance Group, LTD. and (ii) who was employed by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD. immediately before being employed by the Employer:

1. For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with One Beacon Insurance Group, LTD. or any business entity affiliated with One Beacon Insurance Group, LTD. from his most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.
 2. Any compensation paid to any such person by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD. prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.
-

APPENDIX B

Special provisions applicable to Employees formerly employed by (i) Campania Holding Company, Inc. or its direct or indirect subsidiaries ("Campania"); (ii) Benchmark Professional Insurance Services, Inc. or its direct or indirect subsidiaries ("Benchmark"); or (iii) Insurance Company of the West or its direct or indirect subsidiaries ("ICW").

Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person who became employed by the Employer:

- On or about January 15, 2010, in connection with the transactions contemplated by the Stock Purchase Agreement by and among The Hanover Insurance Group, Inc., Richard J. O’Gorman, Katherine Dimitrakopoulos and Benchmark Professional Insurance Services, Inc. dated January 15, 2010, and who was employed by Benchmark immediately before being employed by the Employer;
 - On about March 31, 2010, in connection with the transactions contemplated by the Stock Purchase Agreement by and among The Hanover Insurance Group, Inc., Iona LLC, Campania Holding Company, Inc. and the Principal Members of Iona, LLC, dated January 15, 2010, and who was employed by Campania immediately before being employed by the Employer; or
 - On or after July 8, 2010, in connection with the transactions contemplated by Surety Business Transition Agreement by and among Insurance Company of the West, certain of its insurance company subsidiaries and The Hanover Insurance Company dated July 8, 2010, and who was employed by ICW immediately before being employed by the Employer.
1. For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with, as applicable, Campania, Benchmark or ICW, that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.
 2. Any compensation paid to any such person by, as applicable, Campania, Benchmark or ICW prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.
-

APPENDIX C

Special provisions applicable to Employees formerly employed by (i) Professionals Direct, Inc. or its direct or indirect subsidiaries (“PDI”); (ii) Verlan Holdings, Inc. or its direct or indirect subsidiaries (“Verlan”); or (iii) AIX Holdings, Inc. or its direct or indirect subsidiaries (“AIX”).

(a) PDI

Pursuant to a certain Agreement and Plan of Merger by and among Professionals Direct, Inc., Hanover Acquisition Corp. and The Hanover Insurance Group, Inc. dated June 25, 2007, on September 14, 2007 (the “PDI Closing Date”), an Affiliate of the Employer acquired Professionals Direct, Inc. and its subsidiaries. Employees of PDI who continued to be employed by PDI after the PDI Closing Date (“PDI Closing Hires”) remained employees of PDI (now an Affiliate of Employer) on a separate PDI payroll up to and through December 31, 2007 (the “PDI Transition Period”) when their employment was transferred from PDI to the Employer.

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to PDI Closing Hires:

(i) PDI Closing Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of the PDI Closing Date and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such PDI Closing Hires commenced employment with the Employer on the PDI Closing Date.

(ii) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with PDI that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer (or if terminated during the PDI Transition Period, until the date of termination) to the same extent as though such period were a period of employment with the Employer.

(iii) Any compensation paid to any such person by PDI prior to the PDI Closing Date shall NOT be taken into account for the purposes of this Plan.

(b) Verlan

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person who became employed by the Employer effective on or about March 14, 2008, in connection with the transactions contemplated by the Agreement and Plan of Merger by and among The Hanover Insurance Group, Inc., Northdale Acquisition Corp. and Verlan Holdings, Inc. dated January 10, 2008, and who was employed by Verlan immediately before being employed by the Employer;

(i) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with Verlan that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.

(ii) Any compensation paid to any such person by Verlan prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.

(c) AIX

Pursuant to a certain Stock Purchase Agreement by and among AIX Holdings, Inc., certain of its shareholders and The Hanover Insurance Group, Inc. dated August 5, 2008, on November 28, 2008 (the "AIX Closing Date"), an Affiliate of the Employer acquired AIX Holdings, Inc. and its subsidiaries. Employees of AIX who continued to be employed by AIX after the AIX Closing Date ("AIX Closing Hires") remained employees of AIX (now an Affiliate of Employer) on a separate AIX payroll up to and through December 31, 2009 (the "AIX Transition Period") when the employment of these employees was transferred from AIX to the Employer. Additionally, those employees hired by AIX during the AIX Transition Period ("AIX Transition Hires") also remained employees of AIX on a separate AIX payroll until the expiration of the AIX Transition Period when such employees were transferred from AIX to the Employer.

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to AIX Closing Hires and AIX Transition Hires:

(i) AIX Closing Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of the AIX Closing Date and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such AIX Closing Hires commenced employment with the Employer on the AIX Closing Date.

(ii) AIX Transition Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of as their date of hire by AIX and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such AIX Transition Hires commenced employment with the Employer on their date of hire with AIX.

(iii) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with AIX that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer (or if terminated during the AIX Transition Period, until the date of termination) to the same extent as though such period were a period of employment with the Employer.

(iv) Any compensation paid to any such person by AIX prior to the AIX Closing Date shall NOT be taken into account for the purposes of this Plan.

**THE HANOVER INSURANCE GROUP
RETIREMENT SAVINGS PLAN**

FIRST AMENDMENT

This First Amendment (the “**Amendment**”) is executed by The Hanover Insurance Company, a New Hampshire corporation (the “**Company**”).

WHEREAS the Company sponsors The Hanover Insurance Group Retirement Savings Plan (the “**Plan**”); and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2025; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 18.01 of the Plan; and

WHEREAS the Company desires to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows effective as stated below:

The following Section 17.07 is added to Article XVII (“Claims Procedure”) of the Plan:

- 17.07 **Class Action Forum.** Any putative class action lawsuit brought in whole or in part under ERISA Section 502 and relating to the Plan, the lawfulness of any Plan provision, the administration of the Plan, or actions taken or not taken by Plan fiduciaries or administrators must be filed in the United States District Court in the District of Massachusetts. If any such action is filed in a jurisdiction other than the United States District Court in the District of Massachusetts, or if any non-class action filed in such a jurisdiction is subsequently amended or altered to include class action allegations, then all parties to such action that are related to the Plan (such as the Plan, the Employer, the Plan Administrator, the Trustee and any other any Plan Fiduciary) shall take all necessary steps to have the action removed to, transferred to, or re-filed in the United States District Court in the District of Massachusetts. Such steps may include, but are not limited to (a) a joint motion to transfer the action, or (b) a joint motion to dismiss the action without prejudice to its re-filing in the United States District Court in the District of Massachusetts, with any applicable time limits or statutes of limitations applied as if the suit or class action allegation had originally been filed or asserted in the United States District Court in the District of Massachusetts at the same time as it was filed in a jurisdiction other than the United States District Court in the District of Massachusetts. This forum selection provision is waived if no party invokes it within 120 days of the filing of a putative class action or the assertion of class action allegations. In no event shall the provisions of this Section 17.07 be deemed to negate the obligation of a claimant to exhaust the Plan’s claims procedures described in this Article XVII prior to filing a Claim in any court and in no event shall the provisions of this Section 17.07 be deemed to negate the application of the Limitations Period under Section 17.06 of this Article XVII.

IN WITNESS WHEREOF, this Amendment has been executed this 2nd day of December, 2025.

THE HANOVER INSURANCE COMPANY

/s/ Elena N. Patronas
Authorized Representative

**THE HANOVER INSURANCE GROUP
RETIREMENT SAVINGS PLAN**

SECOND AMENDMENT

This Second Amendment (the “**Amendment**”) is executed by The Hanover Insurance Company, a New Hampshire corporation (the “**Company**”).

WHEREAS the Company sponsors The Hanover Insurance Group Retirement Savings Plan (the “**Plan**”); and

WHEREAS, the Plan was most recently restated generally effective January 1, 2025 and has been amended from time to time; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 18.01 of the Plan; and

WHEREAS the Company desires to amend the Plan to reflect certain required legal changes under the SECURE Act 2.0.

NOW, THEREFORE, the Plan is amended as follows effective January 1, 2026:

1. Article II (“Definitions”) of the Plan is amended by the addition of the following new Section 2.70 at the end thereof:

2.70 “High Earner” shall mean, for any Plan Year beginning on or after January 1, 2026, a Participant who: (a) is eligible to make Catch-up Contributions to the Plan for such Plan Year, and (b) had wages (as defined in Code Section 3121(a) for purposes of the taxes imposed by Code Sections 3101(a) and 3111(a)) during the preceding Plan Year from the Employer that exceeded \$150,000 (as adjusted for Plan Years after 2026 as provided in Code Section 414(v)(7)(E)).

2. Section 5.04 (“Salary Reduction Contributions”) of the Plan is amended by the addition of the following new subsection (c) at the end thereof:

- (c) Catch-up Contributions by High Earners. Notwithstanding anything the Plan to the contrary, with respect to any Participant who is a High Earner for any Plan Year beginning on or after January 1, 2026, the Plan Administrator shall establish practices and procedures designed to ensure that such Participant’s Catch-up Contributions comply with Code Section 414(v)(7) and guidance issued thereunder.

In the event a Catch-up Contribution is made by a High Earner as a Pre-Tax Elective Deferral when it was required to have been a Roth Elective Deferral under this subsection, the Plan Administrator shall take appropriate steps to timely correct such error for all affected Participants for such Plan Year, which may include distribution of the Pre-Tax Elective Deferrals to the Participant in accordance with rules under Sections 9.04 and 9.05.

IN WITNESS WHEREOF, this Amendment has been executed this 17th day of September, 2026.

THE HANOVER INSURANCE COMPANY

/s/ Elena N. Patronas
Authorized Representative

**CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, John C. Roche, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hanover Insurance Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2026

/s/ John C. Roche

John C. Roche

President, Chief Executive Officer and Director

**CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey M. Farber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hanover Insurance Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2026

/s/ Jeffrey M. Farber

Jeffrey M. Farber

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President, Chief Executive Officer and Director of The Hanover Insurance Group, Inc. (the “Company”), does hereby certify that to the undersigned’s knowledge:

- 1) the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company’s Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John C. Roche

John C. Roche

President, Chief Executive Officer and Director

Dated: October 29, 2026

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Executive Vice President and Chief Financial Officer of The Hanover Insurance Group, Inc. (the “Company”), does hereby certify that to the undersigned’s knowledge:

- 1) the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company’s Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey M. Farber

Jeffrey M. Farber

Executive Vice President and

Chief Financial Officer

Dated: October 29, 2026
