

HANOVER INSURANCE GROUP, INC.
Form DEF 14A
March 29, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the Commission |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | |
| <input type="checkbox"/> Definitive Additional Materials | Only (as permitted by Rule 14a-6(e)(2)) |
| <input type="checkbox"/> Soliciting Material Under Rule 14a-12 | |

The Hanover Insurance Group, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount previously paid:

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THE HANOVER INSURANCE GROUP, INC.

Notice of Annual Meeting

and Proxy Statement

Annual Meeting

of Shareholders

to be held

May 15, 2012

Corporate Headquarters

440 Lincoln Street

Worcester, Massachusetts 01653

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THE HANOVER INSURANCE GROUP, INC.

440 Lincoln Street

Worcester, Massachusetts 01653

April 3, 2012

TO OUR SHAREHOLDERS:

You are cordially invited to attend the Annual Meeting of Shareholders of The Hanover Insurance Group, Inc. to be held on Tuesday, May 15, 2012, at 9:00 a.m. local time, at the Company's headquarters in Worcester, Massachusetts.

We have elected to take advantage of Securities and Exchange Commission rules that allow us to furnish proxy materials to our shareholders via the Internet. We believe that these rules allow us to provide our shareholders with the information they need, while lowering the costs of printing and delivery and reducing the environmental impact of our Annual Meeting.

The accompanying Notice and Proxy Statement describe in detail the matters to be acted on at the Annual Meeting. Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope that you will vote as soon as possible. Please review the instructions concerning each of your voting options described in the Proxy Statement. Your cooperation will assure that your shares are voted and will also greatly assist us in preparing for the Annual Meeting.

Sincerely,

Frederick H. Eppinger

President and Chief Executive Officer

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THE HANOVER INSURANCE GROUP, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 15, 2012

To the Shareholders of

The Hanover Insurance Group, Inc.:

The Annual Meeting of Shareholders of The Hanover Insurance Group, Inc. (*THG* or the *Company*) will be held at THG's headquarters, 440 Lincoln Street, Worcester, Massachusetts 01653 on Tuesday, May 15, 2012, at 9:00 a.m. local time, for the purpose of considering and voting on:

1. The election of three individuals to the Board of Directors;
2. The approval of the 2006 Long-Term Incentive Plan to comply with §162(m) of the Internal Revenue Code;
3. The advisory approval of the Company's executive compensation;
4. The ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of THG for 2012; and
5. Such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed March 22, 2012 as the record date for determining the shareholders of THG entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

By Order of the Board of Directors,

CHARLES F. CRONIN

Vice President and Secretary

Worcester, Massachusetts

April 3, 2012

Your vote is important. Whether or not you plan to attend the Meeting, you are requested to vote your shares. Please follow the voting instructions set forth in the Proxy Statement. If you do attend the Annual Meeting and desire to withdraw your proxy and vote in person, you may do so.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 15, 2012: The Proxy Statement and Annual Report to Shareholders are available at www.envisionreports.com/thg.

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2012 ANNUAL MEETING OF SHAREHOLDERS

PROXY STATEMENT

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THE HANOVER INSURANCE GROUP, INC.

440 Lincoln Street

Worcester, Massachusetts 01653

PROXY STATEMENT

We have made these proxy materials available to you on or about April 3, 2012 via the Internet or, at your request, have forwarded paper copies of these proxy materials to you by mail, in connection with the solicitation of proxies by the Board of Directors (the *Board*) of The Hanover Insurance Group, Inc. (*THG* or the *Company*) for use at the Annual Meeting of Shareholders of THG to be held on May 15, 2012 (the *Annual Meeting* or *Meeting*). In accordance with rules and regulations adopted by the Securities and Exchange Commission (the *SEC*), we have elected to provide access to our proxy materials over the Internet. If you received a Notice of Internet Availability of Proxy Materials (the *Notice*) by mail, you will not receive a paper copy of the proxy materials in the mail unless you request one. Instead, the Notice instructs you how to access and review the proxy materials via the Internet. The Notice also instructs you how to vote your shares via the Internet. If you received a Notice by mail and would like to receive a paper copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

QUESTIONS AND ANSWERS ABOUT PROXY MATERIALS AND THE ANNUAL MEETING

What is included in these proxy materials?

These proxy materials include:

Our Proxy Statement for the Annual Meeting; and

Our Annual Report to Shareholders for the fiscal year ended December 31, 2011 (the *Annual Report*), including financial statements for THG and its subsidiaries and the report of PricewaterhouseCoopers LLP thereon. The Annual Report to Shareholders is neither a part of this Proxy Statement nor incorporated herein by reference.

If you requested a paper copy of these materials by mail, these materials also include the proxy card for submitting your vote prior to the Annual Meeting.

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will act on the following matters:

The election of three directors;

The approval of the 2006 Long-Term Incentive Plan (the *2006 Plan*) to comply with §162(m) of the Internal Revenue Code (*§162(m)*);

The advisory approval of the Company's executive compensation; and

The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2012.

Any other business that properly comes before the Annual Meeting will also be considered. In addition, management will report on the performance of the Company and respond to questions from shareholders.

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Who is entitled to vote at the Annual Meeting?

Only shareholders of record at the close of business on March 22, 2012 (the *Record Date*) are entitled to vote at the Meeting.

What are the voting rights of the holders of the Company's common stock?

Each share of THG's common stock, par value \$0.01 per share (the *Common Stock*), entitles its holder to one vote.

Who is soliciting my vote?

The Board is soliciting your vote at the Annual Meeting. We have retained Georgeson, Inc. of New York, N.Y., to help us solicit proxies personally or by mail, phone or Internet. We anticipate the costs of this service will be \$8,500, plus reasonable expenses. Proxies may also be solicited on the Board's behalf by directors, officers or employees of the Company, in person or by telephone, mail, electronic transmission or facsimile transmission. The Company will pay the cost of soliciting proxies, including reimbursing banks, brokerage firms and others for the reasonable expenses incurred by them for forwarding proxy material on behalf of the Board to you as a beneficial owner of THG Common Stock.

How does the Board recommend I vote?

Our Board recommends that you vote your shares **FOR** the election of each nominee to the Board, **FOR** the approval of the 2006 Plan, **FOR** the advisory vote on executive compensation, and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2012 fiscal year.

How many shares are entitled to vote at the Annual Meeting?

As of the Record Date, 45,028,713 shares of Common Stock were issued, outstanding and entitled to be voted.

How many shares must be present to hold the Annual Meeting?

A quorum (a majority of the issued and outstanding shares of Common Stock entitled to vote at the Annual Meeting) must be present either in person or by proxy. Abstentions and broker non-votes will be treated as present at the Annual Meeting for the purpose of determining a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner returns a proxy, but does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Banks and brokers that have not received voting instructions from their clients cannot vote on their clients' behalf on non-routine proposals, including the election of directors, approval of the 2006 Plan and advisory approval of executive compensation. Such broker non-votes and abstentions, because they are not votes cast, are not counted for these proposals and will have no effect on the outcome. Banks and brokers that have not received voting instructions from their clients may, however, vote their clients' shares on the ratification of the appointment of the Company's independent registered public accounting firm for the 2012 fiscal year.

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What vote is required to approve each item?

The affirmative vote of the majority of the votes properly cast (in person or by proxy) is required to elect director nominees. For purposes of electing directors, a majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. If a nominee who is serving as a director is not elected at the Annual Meeting, under Delaware law, the director would continue to serve on the Board as a holdover director. However, under our by-laws, any director who fails to be elected shall promptly tender his or her resignation to the Board. The Nominating and Corporate Governance Committee (the *NCGC*) will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. In making their determinations, the *NCGC* and the Board may consider any factors deemed relevant. The Board will act on the *NCGC*'s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the *NCGC*'s recommendation or the Board's decision. If a nominee who was not already serving as a director is not elected at the Annual Meeting, then, under Delaware law, that nominee would not become a director and would not serve on the Board as a holdover director.

The affirmative vote of a majority of the votes properly cast (in person or by proxy) is required to approve the 2006 Plan, to approve the advisory vote on executive compensation and to ratify the appointment of the Company's independent registered public accounting firm.

How do I vote?

You may either vote in person at the Annual Meeting or by proxy without attending the Meeting.

How do I vote by proxy?

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and such brokerage firm or nominee will forward the Notice and/or a printed copy of the proxy materials to you together with voting instructions. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote.

If you are a registered shareholder (that is, if you hold THG stock certificates directly in your name), you may vote via the Internet in accordance with the instructions set forth in the Notice. If you have requested a paper copy of the proxy materials by mail, you may vote by mail, via the Internet, or via the toll-free number in accordance with the instructions set forth on the proxy card that accompanies the printed materials. The shares of Common Stock represented by your proxy will be voted as directed by you, the shareholder, or, if the proxy card is signed, dated and returned without instructions, in accordance with the Board's recommendations as set forth in this Proxy Statement.

The proxy also confers discretionary authority with respect to any other proposals that may properly be brought before the Annual Meeting. As of the date of this Proxy Statement, management is not aware of any other matters to be presented for action at the Annual Meeting. If any other matters properly come before the Annual Meeting, however, then the proxies solicited hereby will be voted in accordance with the recommendations of the Board.

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Can I change my vote after I submit my proxy?

Yes. Any registered shareholder giving a proxy may revoke it at any time before it is exercised by delivering written notice thereof to the Company's Corporate Secretary, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. If you are a beneficial owner of shares held in street name, you may revoke or change your voting instructions prior to the Meeting by contacting your broker, trustee or nominee. Any shareholder of record attending the Annual Meeting may vote in person whether or not the shareholder has previously filed a proxy. Shares held beneficially in street name may be voted in person only if you obtain and bring to the meeting a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Presence at the Annual Meeting by a shareholder who has submitted a proxy, however, does not in itself revoke the proxy.

How do participants in the Chaucer Share Incentive Plan vote their shares?

If you are a participant in the Chaucer Share Incentive Plan (*Chaucer SIP*) and you have shares of Common Stock allocated to your account, then you may provide voting instructions to the trustee under the plan in accordance with the instructions provided by the trustee. The trustee will vote the shares allocated to your account in accordance with your instructions. If you do not instruct the trustee how to vote, the trustee will not vote your shares. Your voting instructions will be kept confidential by the trustee.

Who can attend the Annual Meeting?

The Meeting is open to all shareholders of the Company and to invited guests of the Board. Individuals who hold shares in street name may be required to provide a brokerage account statement or some other proof of their share ownership, as of the Record Date, March 22, 2012.

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The following table sets forth information regarding the number of shares of Common Stock beneficially owned as of March 9, 2012 by (i) each director of THG, (ii) the named executive officers in the Summary Compensation Table appearing later in this Proxy Statement (the *NEOs*), and (iii) all directors, NEOs and other executive officers of THG as a group. This information has been furnished by the persons listed in the table.

| Name of Beneficial Owner | Shares Beneficially Owned | Percent of Class |
|--|---------------------------|------------------|
| Michael P. Angelini | 35,868(1) | * |
| Steven J. Bensinger | (2) | * |
| John J. Brennan | 9,672 | * |
| P. Kevin Condron | 1,000(3) | * |
| Frederick H. Eppinger | 884,036(4) | 1.9% |
| Neal F. Finnegan | 18,564 | * |
| David J. Gallitano | 10,012(5) | * |
| David B. Greenfield | 20,504(6) | * |
| J. Kendall Huber | 133,639(7) | * |
| Wendell J. Knox | 17,701(8) | * |
| Robert J. Murray | 20,781 | * |
| Joseph R. Ramrath | 12,512(9) | * |
| Andrew S. Robinson | 63,880(10) | * |
| Harriett Tee Taggart | 4,959(11) | * |
| Marita Zuraitis | 216,993(12) | * |
| Directors, NEOs and other executive officers as a group (20 persons) | 1,682,452(13) | 3.6% |

As to shares listed in this column of the table, each person has sole voting and investment power, except as indicated in other footnotes to this table. Certain directors and executive officers have deferred, or under certain compensation programs were required to defer, receipt of certain stock grants. Deferred stock is held in a rabbi trust (the *Rabbi Trust*), the trustee of which is Wells Fargo Bank, N.A. As of March 9, 2012, the Rabbi Trust held 240,238 shares of Common Stock pursuant to deferrals by the directors and executive officers identified in this table. Deferred shares held in the Rabbi Trust are *not* included in the amounts set forth in this column. These shares may be voted by the trustee of the Rabbi Trust, but not the individuals on whose behalf the shares are held in the Rabbi Trust. For information regarding specific deferrals, please refer to the notes below.

* Less than 1%.

- (1) Excludes 18,525 shares held by the Rabbi Trust, the receipt of which Mr. Angelini has deferred. Includes 4,000 shares held by the Domenic A. Angelini Residuary Trust, under Agreement dated October 25, 2003 (the *Trust*). Mr. Angelini is a co-trustee of the Trust and shares voting and investment power with respect to the shares of Common Stock held by the Trust.
- (2) On March 1, 2011, Mr. Bensinger relinquished his position as CFO in advance of his resignation from the Company occurring in June 2011.

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- (3) Excludes 11,673 shares held by the Rabbi Trust, the receipt of which Mr. Condron has deferred.
- (4) Excludes 160,362 shares held by the Rabbi Trust, the receipt of which Mr. Eppinger was required to defer. Includes 827,200 shares underlying options exercisable within 60 days of March 9, 2012, and 13,750 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer.
- (5) Excludes 13,859 shares held by the Rabbi Trust, the receipt of which Mr. Gallitano has deferred.
- (6) Includes 7,500 shares underlying options exercisable within 60 days of March 9, 2012 and 5,500 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer.
- (7) Mr. Huber shares voting and investment power with his wife with respect to 14,387 shares. Includes 91,050 shares underlying options exercisable within 60 days of March 9, 2012, and 3,750 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer.
- (8) Excludes 27 shares held by the Rabbi Trust, the receipt of which Mr. Knox has deferred.
- (9) Mr. Ramrath shares voting and investment power with his wife.
- (10) Includes 49,512 shares underlying options exercisable within 60 days of March 9, 2012, and 3,250 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer.
- (11) Dr. Taggart shares voting and investment power with her husband.
- (12) Excludes 35,792 shares held by the Rabbi Trust, the receipt of which Ms. Zuraitis was required to defer. Includes 178,250 shares underlying options exercisable within 60 days of March 9, 2012, and 5,750 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer.
- (13) Includes 1,309,360 shares underlying options exercisable within 60 days of March 9, 2012; 43,000 shares of restricted stock that, prior to vesting (January 20, 2014), are subject to forfeiture and restrictions on transfer; and 30 shares held by the trustee of the Chaucer SIP. Excludes 240,238 shares held by the Rabbi Trust. See notes 1 through 12 above.

Who are the largest owners of the Company's stock?

The following table lists the only persons who, to the best of the Company's knowledge, are beneficial owners (as defined by SEC regulations) of more than five percent of the issued and outstanding shares of Common Stock as of March 9, 2012.

| Name and Address of Beneficial Owner | Shares Beneficially Owned | Percent of Class |
|--|---------------------------|------------------|
| BlackRock, Inc. 40 East 52 nd Street New York, NY 10022 | 3,274,675(1) | 7.3% |
| Security Investors, LLC One Security Benefit Place Topeka, KS 66636-0001 | 2,871,009(2) | 6.4% |

- (1) Based on a Schedule 13G/A filed on February 10, 2012 by BlackRock, Inc., which reported having sole voting and dispositive power over such shares.
- (2) Based on a Schedule 13G filed on January 31, 2012 by Security Investors, LLC, which reported having sole voting and dispositive power over such shares.

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CORPORATE GOVERNANCE

The Board has adopted Corporate Governance Guidelines, which can be found on the Company's website at www.hanover.com under About Us-Corporate Governance. For a printed copy of the Guidelines, shareholders should contact the Company's Corporate Secretary, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653.

There are three nominees for election to our Board this year. Each of the nominees has served as a director since the last Annual Meeting. Information regarding the business experience and qualifications of each nominee and continuing director are provided below.

Who are the nominees for director?

Frederick H. Eppinger, 53, has been Director, President and Chief Executive Officer of THG since joining the Company in 2003. Before joining the Company, Mr. Eppinger was Executive Vice President of Property and Casualty Field and Service Operations for The Hartford Financial Services Group, Inc. Prior to that, he was Senior Vice President of Strategic Marketing from 2000 to 2001 for ChannelPoint, Inc., a firm that provided business-to-business technology for insurance and financial service companies, and was a senior partner at the international consulting firm of McKinsey & Company. Mr. Eppinger led the insurance practice at McKinsey, where he worked closely with chief executive officers of many leading insurers over a period of 15 years, beginning in 1985. Mr. Eppinger began his career as an accountant with the firm then known as Coopers & Lybrand. He is a director of Centene Corporation, a publicly-traded, multi-line healthcare company. We believe Mr. Eppinger's qualifications to serve on our Board include his over 25 years of experience in the insurance industry, including as our President and Chief Executive Officer for over eight years, and the experience he has gained on the board of directors of Centene Corporation.

If re-elected, Mr. Eppinger's term of office as a director of THG will expire in 2015.

Joseph R. Ramrath, 55, has been a director of THG since 2004. Mr. Ramrath has been Managing Director of Colchester Partners LLC, an investment banking and strategic advisory firm, since 2002. Mr. Ramrath was Executive Vice President and Chief Legal Officer of the United Asset Management division of Old Mutual plc, an international financial services firm headquartered in London, England, from 2000 to 2002. Prior to that, he was Senior Vice President, General Counsel and Secretary of United Asset Management Corporation from 1996 until its acquisition by Old Mutual in 2000. Mr. Ramrath also serves as an Adjunct Professor at Boston College Law School. Earlier in his career, Mr. Ramrath was a partner of Hill & Barlow, a Boston law firm, and a certified public accountant with Arthur Andersen & Co. We believe Mr. Ramrath's qualifications to serve on our Board include his accounting, financial and legal background, his experience as a member of management and on the board of directors with other public companies, as well as his years of experience as an advisor to investment advisory companies.

Mr. Ramrath is Chairman of the Audit Committee. If re-elected, Mr. Ramrath's term of office as a director of THG will expire in 2015.

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Harriett Tee Taggart, 63, has been a director of THG since 2009. She currently manages a professional practice, Taggart Associates. She serves as an endowment investment committee member, evaluating global portfolio managers and asset allocation strategies, for several major non-profit organizations. From 1983 through 2006, Dr. Taggart was a Partner, Senior Vice President and sector portfolio manager at Wellington Management LLC, a global investment company. Dr. Taggart is a director of Albemarle Corporation, a publicly-traded specialty chemical manufacturer, and is a trustee of the Eaton Vance Mutual Fund Complex, a fund complex comprised of 182 funds. She served as a director of The Lubrizol Corporation, a publicly-traded specialty chemical manufacturer, from 2007 until its acquisition by Berkshire Hathaway in 2011. Dr. Taggart is also on the boards of trustees and advisory committees of several non-profit organizations and active in a number of corporate governance organizations. We believe Dr. Taggart's qualifications to serve on our Board include her three decades of experience in the financial services industry, as well as her executive leadership and management experience and experience with other public company boards of directors.

Dr. Taggart is a member of the Audit Committee. If re-elected, Dr. Taggart's term of office as a director of THG will expire in 2015.

Who are the directors continuing in office?

Michael P. Angelini, 69, has been a director of THG since its formation in 1995 and Chairman of the Board since 2002, and was a director of a predecessor company from 1984 to 1996. Mr. Angelini is Chairman of the law firm of Bowditch & Dewey LLP, Worcester, Massachusetts, with which he has been associated since 1968. In 2011, Mr. Angelini was appointed by the Governor of Massachusetts to the Board of Directors of the Massachusetts Port Authority, and from 2007 until 2009, when it was merged into the Massachusetts Department of Transportation, Mr. Angelini served on the Board of Directors of the Massachusetts Turnpike Authority. Mr. Angelini is also a director of Commerce Bank & Trust Company, a regional bank headquartered in Worcester, Massachusetts, L. Hardy Company, Inc., a manufacturer of industrial cutting devices, and a number of other privately-held businesses primarily located in central Massachusetts. We believe Mr. Angelini's qualifications to serve on our Board include his years of legal and management experience, his experience as a member of the board of directors of numerous other businesses, and the leadership he exhibited in 2002 and 2003 when he assumed the role of Chairman of the Board at a time when we did not have a CEO.

Mr. Angelini is Chairman of the Board and a member of the Nominating and Corporate Governance Committee. Mr. Angelini's term of office as a director of THG expires in 2013.

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John J. Brennan, 57, has been a director of THG since 2010. Mr. Brennan is chairman emeritus and senior advisor of The Vanguard Group, Inc. Mr. Brennan joined Vanguard in 1982, was elected president in 1989, and served as chief executive officer from 1996 to 2008 and chairman of the board from 1998 to 2009. Mr. Brennan is also a director at LPL Investment Holdings Inc., a publicly-traded financial services company, and Guardian Life Insurance Company, a mutually-owned financial services company. Mr. Brennan is chairman of the Financial Accounting Foundation; a governor of the Financial Industry Regulatory Authority; and a trustee of the University of Notre Dame and King Abdullah University of Science and Technology. We believe Mr. Brennan's qualifications to serve on our Board include his high level of financial and accounting literacy and operating and management experience, gained through his roles as chairman and CEO of The Vanguard Group, Inc. and through his service with the Financial Accounting Foundation and the Financial Industry Regulatory Authority.

Mr. Brennan is a member of the Audit Committee. Mr. Brennan's term of office as a director of THG expires in 2014.

P. Kevin Condrón, 66, has been a director of THG since 2007. Mr. Condrón has served as Chairman and Chief Executive Officer of The Granite Group LLC, a plumbing and heating wholesaler, since 1998. From 1972 until it was merged with Capitol Plumbing and Heating Supply in 1997 to create The Granite Group, LLC, Mr. Condrón was President and Chief Executive Officer of Central/Goulet Supply. Mr. Condrón is a director of TD Bank, Inc., a financial services company, and is Chairman of the Board of Trustees at the College of the Holy Cross. We believe Mr. Condrón's qualifications to serve on our Board include his experience as a CEO, his experience on numerous other boards of directors, including with TD Bank, which was a public company during much of his tenure on that board, and his experience as an entrepreneur with substantial business experience.

Mr. Condrón is a member of the Compensation Committee. Mr. Condrón's term of office as a director of THG expires in 2013.

Neal F. Finnegan, 74, has been a director of THG since 2006. Mr. Finnegan served as President and Chief Executive Officer of Lumber Insurance Company, a specialty insurer to the lumber industry, from 2000 to 2001. From 2000 to 2005, Mr. Finnegan was Chairman of Citizens Bank of Massachusetts. Prior to that, Mr. Finnegan was President and Chief Executive Officer of UST Corporation from 1993 to 2000. Previously, Mr. Finnegan served in the financial services sector as an executive with Bankers Trust Company of New York, Bowery Savings Bank, Worcester Bancorp, and Shawmut Bank, NA. Mr. Finnegan is currently a member of the Board of Directors at Solution Inc., a software provider traded on the Toronto Stock Exchange, and several other privately-held companies and charitable organizations. In addition, Mr. Finnegan is Chairman Emeritus of the Northeastern University Board of Trustees. We believe Mr. Finnegan's qualifications to serve on our Board include his experience as a CEO of a prominent, publicly-traded financial institution, his nearly four decades of experien