NO CONSIDERATION OF SUSTAINABILITY ADVERSE IMPACTS

Hanover Investors will consider ESG factors as part of the Fund's investment process but, at this stage, will not consider adverse impacts of investment decisions on "sustainability factors" as specifically contemplated by the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) ("SFDR"). Hanover has elected not to do so at the present time as it considers its existing ESG policies and procedures to be appropriate, proportional and tailored to the investment strategies of its funds.

Hanover Investors has formulated a Responsible Investment Policy which details the extent of integration of sustainability risks in its investment decision-making process. It recognises environmental, social and governance matters ("ESG") are critical contributors to creating long-term value, driving competitiveness, and mitigating risks throughout the deal sourcing process, ownership and exit period. However, sustainability risks are not the primary focus of the products offered by Hanover. The Company, at its discretion, actively engages with its portfolio companies about specific activities and / or industries in order to consider whether they can be excluded from such investments on an on-going basis. In such cases, the Company undertakes to identify such investments, liaise with those clients/investors and agree a suitable approach with them.

While the Company is strongly committed to considering environmental, social and governance risks, it has decided not to consider the adverse impacts of its investment decisions on sustainability factors. The above decision is the consequence of a cost-benefit analysis, where the Company, due to its size, finds that the full application of SFDR may damage its profitability with a negative impact to its clients and investors.

Hanover continues to closely monitor regulatory developments with respect to the SFDR and other applicable ESG-focused laws and regulations, including the implementation of related and secondary legislation and regulatory guidance.

Hanover intends to work towards considering adverse impacts of investment decisions on sustainability factors, as prescribed by the SFDR, in due course.

ARTICLE 8 AND ARTICLE 9 DISCLOSURES

Hanover does not currently manage any funds as referred to in Article 8(1) and Article 9(1), (2) and (3) of the SFDR.

ALIGNMENT OF REMUNERATION POLICY WITH SUSTAINABILITY INVESTMENTS

In terms of our Remuneration Policy, Hanover has adopted a fixed and variable remuneration component structure. The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility and job complexity, performance and local market conditions. The performance-based remuneration motivates and rewards the employees in case of outstanding performance of the Company. The Board of Directors shall determine a maximum percentage of performance-based remuneration relative to the fixed remuneration, which percentage varies according to the type of position held. Performance-based remuneration may be disbursed once a year as a cash bonus at the discretion of the Board of Directors.

Due to the very limited impact on the risk-profile of Hanover's clients, as well as the nature of its business, the Company deems that there is no risk of misalignment with the integration of sustainability risks, if any, in the investment decision-making process.

As such, the Company's existing structures are sufficient to prevent excessive risk taking in respect of sustainability risks, if any. Hanover has updated its Remuneration Policy in line with SFDR and a copy of the policy is available on request. Kindly contact us on pkeegan@hanoverinv.com to obtain a copy of the Company's Remuneration Policy.

Date: 30 June 2023