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If you have sold or otherwise transferred all your Ordinary Shares, please send this document and the accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document, which relates to Argo Group Limited, has been prepared in accordance with the City Code on Takeovers and Mergers.

Argo Group Limited

(Incorporated in the Isle of Man under the Isle of Man Companies Act 2006 with company number 2306V)

Waiver of Rule 9 of the City Code on Takeovers and Mergers

Notice of General Meeting

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Notice of an General Meeting of the Company, to be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB at 3 p.m. on Monday 19 September 2016 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible and in any event so as to be received by the Company's registrars, not less than 48 hours before the time appointed for holding the General Meeting. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting. The Whitewash Resolution will be taken as a poll.

The recommendations of the Independent Directors on the Whitewash Resolution referred to in this document are set out on page 8 of this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	3 p.m., Thursday 15 September 2016
General Meeting	3 p.m., Monday 19 September 2016

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act”	Isle of Man Companies Act 2006
“acting in concert”	shall have the meaning ascribed thereto in the City Code
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Buyback”	the acquisition by the Company of its own shares in the market, spending up to a maximum of £2 million, with the minimum price of 8p per Ordinary Share over a twelve month period
“City Code”	the City Code on Takeovers and Mergers
“Code Waiver”	the waiver by the Panel, conditional upon the passing of the Whitewash Resolution, of the obligation on the Concert Party (arising as a result of the Buyback) that may otherwise arise under Rule 9 of the City Code to make a mandatory cash offer for the issued Ordinary Shares not already owned by it
“Company”	Argo Group Limited
“Concert Party”	Kyriakos Rialas and Andreas Rialas
“Directors” or “the Board”	the directors of the Company at the date of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
“General Meeting”	the annual general meeting of the Company (or any adjournment of such meeting) convened for 3 p.m. on 19 September 2016 to be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB for which the notice is set out at the end of this document
“Independent Directors”	Michael Kloter, David Fisher and Kenneth Watterson
“Independent Shareholders”	Shareholders other than the members of the Concert Party
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares” or “Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“PGD Strategy”	PGD Strategy Limited of Kemp House, 152 – 160 City Road, London EC1Y 2NX, the Rule 3 adviser
“Proposals”	the passing of the Whitewash Resolution
“Shareholder”	a holder of Ordinary Shares
“Whitewash Resolution”	Resolution 1 set out in the notice of General Meeting at the end of this document, to be taken on a poll, in relation to approval by Independent Shareholders of the Code Waiver

PART I

LETTER FROM THE INDEPENDENT DIRECTORS

Argo Group Limited

Registered office

33–37 Athol
Street
Douglas
Isle of Man
IM1 1MB

15 August 2016

Directors

Michael Kloter (*Non-Executive Chairman*)*

Kyriakos Rialas (*Chief Executive Officer*)

Andreas Rialas (*Chief Investment Officer*)

David Fisher (*Non-Executive Chairman*)*

Kenneth Watterson (*Non-Executive Chairman*)*

*Independent Director

To the holders of Ordinary Shares and all persons with information rights

Approval for waiver of obligations under Rule 9 of the City Code on Takeover and Merger

Introduction

Further to a successful programme of buybacks carried out by the Company following approval by the Independent Shareholders on 3 March 2016, your Board is proposing that the Company undertakes the purchase of further Ordinary Shares in the market, and cancels them. The Company will undertake this purchase in accordance with the provisions of Isle of Man law. The Board intends to use up to £2 million to acquire the Ordinary Shares in the market, with the minimum price of 8p to be paid per Ordinary Share, over a twelve month period.

The Whitewash Resolution is proposed to seek approval for a waiver granted by the Panel of the obligations under Rule 9 of the Code which would otherwise apply to Andreas Rialas as the holder of 33.07% per cent. of the Company's net issued share capital as at 11 August 2016, the last practicable date prior to the posting of this document, and Kyriakos Rialas (together with Andreas Rialas, forming the Concert Party), who himself holds 18.09% per cent. of the Company's net issued share capital as at that date (together the Concert Party holding 51.15% per cent. of the Company's net issued share capital as at that date), if that shareholding increased as a result of the Company purchasing and cancelling some or all of its own Ordinary Shares.

The Independent Directors believe it is in the best interests of the Company to be able to buy Ordinary Shares if they become available for purchase at an attractive price as an important mechanism for creating liquidity, particularly given the success of the previous buyback.

It is important to note that the Board would only proceed if it considered that the effect of such purchase would be to increase earnings and/or net assets per Ordinary Share and that such exercise would be in the best interests of Shareholders generally. In addition, the Board would only proceed where the acquisition is in accordance with Isle of Man law.

Shareholders should note that it is expected that on 8 September 2016 the Company will release the unaudited interim results of the Company for the six month period ended 30 June 2016, and on and after that date such results will be available at <http://www.argogrouplimited.com/Reports/Interim-2016.pdf> and a hard copy will be posted to Shareholders.

Waiver of Requirements of the City Code

As indicated above, the terms of the proposals set out in this letter give rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protection they afford are given

below.

The purpose of the City Code is to supervise and regulate takeovers and other matters to which it applies. The City Code is issued and administered by the Panel. The Company is a company to which the Code applies and as such its Shareholders are therefore entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, an interest (as defined in the City Code) in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders to acquire their shares.

Additionally, under Rule 9 of the City Code, where any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, that person is normally required by the Panel to make a general offer to all the remaining shareholders to acquire their shares.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. Under the City Code, control means an interest, or aggregate interests, in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the interest or interests gives *de facto* control. Kyriakos Rialas and Andreas Rialas are considered by the Panel to be acting in concert and therefore a Concert Party.

Following the Buyback (assuming the Company buys back the maximum number of Ordinary Shares it is able to buy back under the authority being sought, at the minimum price per share and assuming neither of the Concert Parties themselves sell any Shares to the Company), as a result of the reduced number of Ordinary Shares in issue, the Concert Parties would own 100% of the issued share capital of the Company, with a surplus of £105,823.68 outstanding under the £2 million buyback authority. Individually, Andreas Rialas' interest in the Company would be of 16,028,145 Ordinary Shares and Kyriakos Rialas would then also hold 8,768,145 Shares (and together the Concert Party would hold 24,796,507 Shares). This will have the effect of increasing the amount to which the Concert Party will be able to exercise significant influence over all matters requiring Shareholder approval, including election of Directors, significant corporate transactions and the ability to pass special resolutions.

Under Rule 37 of the City Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9.

The Panel has been consulted and has agreed to waive the requirement for each of Andreas Rialas and Kyriakos Rialas to make a general offer under Rule 9 of the City Code in cash for Ordinary Shares in the Company which might otherwise arise as a result of the exercise by the Company of the Buyback (whether exercised in whole or in part), subject to the Whitewash Resolution (as set out in the notice convening the General Meeting) being passed on a poll by the Independent Shareholders. To be passed, the Whitewash Resolution will require a simple majority of the votes cast by the Independent Shareholders. Members of the Concert Party will not vote on the Whitewash Resolution.

Following completion of the proposals set out in this letter, the Concert Party will between them be interested in shares carrying more than 50 per cent. of the Company's voting share capital and may, depending on the price per share and the number of shares purchased, individually hold more than 50% of the Ordinary Shares. As the Concert Party holds more than 50% of the Ordinary Shares, then, for so long as they continue to be treated as acting in concert, the Concert Party may accordingly increase their aggregate interests in shares without incurring any obligation under Rule 9 of the City Code to make a general offer, although each

individual member of the Concert Party will not be able to increase his percentage interest in shares through or between a Rule 9 threshold without Panel consent.

The members of the Concert Party will not be restricted from making an offer for the Company.

The intentions of the Concert Party

Argo Group Limited is an independent alternative investment manager offering a multi-strategy platform for investing in global emerging markets. The Company is focused on delivering a diversified approach to investing in emerging markets with the aim of seeking lower volatility than, and lower correlation to, wider global markets.

The members of the Concert Party have each confirmed to the Company that they intend to operate the Company's business in the future as they currently do and that they have no intention to make any changes, following any increase in their percentage interests in Ordinary Shares or voting rights as a result of any buyback of its Ordinary Shares by the Company, to the Company's current plans regarding:

- the continued employment of its employees and management (and those of its subsidiaries), including any material change in conditions of employment;
- the strategic plans and investment strategy of the Company and their likely repercussions on employment and the locations of the Company's places of business;
- employer contributions into the Company's pension schemes, the accrual of benefits for new members and the admission of new members;
- the deployment of the Company's fixed assets; and
- maintenance of the Company's trading on AIM.

The General Meeting

You will find at the end of this document a notice convening the annual general meeting of the Company, to be held at its registered offices, at 3 p.m. on 19 September 2016 at which the following resolution will be proposed on a poll:

Resolution 1 (the Whitewash Resolution)

The Whitewash Resolution relates to the disapplication of Rule 9 of the City Code following the exercise by the Company of the Buyback (whether exercised in whole or in part). The Panel has confirmed that, subject to the Whitewash Resolution being passed by the requisite majority of the Independent Shareholders on a poll, no mandatory bid obligation Andreas Rialas under Rule 9 of the City Code would be triggered by virtue of the Buyback.

In accordance with the requirements of the City Code, the members of the Concert Party will not vote on the Whitewash Resolution in respect of their aggregate holding of 24,796,507 Ordinary Shares.

Pursuant to regulation 22(1) of the Isle of Man Uncertificated Securities Regulations 2006, the Company specifies that only those members registered on the Company's register of members at:

- 3.00 p.m., Saturday 17 September 2016; or,
- if the General Meeting is adjourned, at 11.00 a.m. on the day two days (not including non-working days) prior to the adjourned meeting,

shall be entitled to attend and vote at the General Meeting.

Voting on the Whitewash Resolution will be by way of a poll and, following the General Meeting, the Company will announce its result.

Additional information

Your attention is drawn to the additional information in Part II of this document.

Action to be taken

You will find enclosed a Form of Proxy for use at the General Meeting. Please complete, sign and return the Form of Proxy as soon as possible in accordance with the instructions printed thereon. Whether or not you intend to be present at the General Meeting, you are requested to complete the enclosed Form of Proxy and return it to the Company's registrars, Capita Registrars (Isle of Man), so as to arrive as soon as possible, and in any event no later than 48 hours (not including non-working days) before the time appointed for the General Meeting. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

Recommendation

The Independent Directors, having been so advised by PGD Strategy, consider the Proposals to be in the best interests of the Independent Shareholders and the Company as a whole and therefore recommend that you vote in favour of the Proposals. In providing advice to the Independent Directors, PGD Strategy has taken into account their commercial assessment. Accordingly, your Independent Directors unanimously recommend that Shareholders vote in favour of the Whitewash Resolution as they intend to do in respect of their own shareholdings of 1,088,141 Ordinary Shares, representing approximately 2.24% per cent. of the Ordinary Shares as at 11 August 2016, the last practicable date prior to the posting of this document. The Concert Parties will abstain from voting in respect of their own holdings.

Yours sincerely,

Michael Kloter

On behalf of the Independent Directors

PART II ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names are set out on page 4 of this document, accept responsibility for the information contained in this document save for that which relates to the Concert Party, and save that Kyriakos Rialas and Andreas Rialas do not accept responsibility for the views of the Independent Directors as to the merits of the Whitewash Resolution. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Kyriakos Rialas accepts responsibility for the information contained in this document relating to himself. To the best of the knowledge and belief of Kyriakos Rialas, who has taken all reasonable care to ensure that such is the case, the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Andreas Rialas accepts responsibility for the information contained in this document relating to himself. To the best of the knowledge and belief of Andreas Rialas, who has taken all reasonable care to ensure that such is the case, the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INFORMATION ON KYRIAKOS RIALAS AND ANDREAS RIALAS

Kyriakos Rialas has over 28 years of professional investment and managerial experience in the financial services sector. He has overall responsibility for risk management, legal, regulatory and general management of the Argo business. Prior to joining Argo, he was General Manager of Emporiki Bank in Cyprus from 1999 to 2003 where he managed a portfolio of syndicated loans worth US\$1 billion. Kyriakos has also worked for the Treasury department of the Bank of Cyprus Group and London Forfaiting Cyprus where he was Finance Director, overseeing subsidiaries in India, Russia, Thailand and Hong Kong. Before that he worked for Capital Intelligence in bank analysis and rating for emerging markets. He has a degree in Engineering from the University of Cambridge and qualified as a Chartered Accountant with KPMG in London. He started his banking career in the fixed income division of S G Warburg & Co in London.

Prior to founding Argo, Andreas Rialas worked for Deutsche Bank for three years where he was involved in emerging markets proprietary trading and trade finance specialist products. Before that, he was at London Forfaiting (Asia) Ltd as Head of Secondary Debt Trading in emerging markets. Andreas has travelled extensively in both Eastern and Western Europe visiting and cultivating relationships with banks. He originated and syndicated many pioneering syndicated loan and trade finance transactions for Eastern European borrowers in the Baltic States, Bulgaria, the Czech Republic, Croatia, Kazakhstan, Macedonia, Romania, Russia, Slovakia and Ukraine. In his role as Head of Secondary Debt Trading at London Forfaiting, he developed extensive knowledge of the Asian Debt Markets and was responsible for the secondary trading in Europe of primary assets originated by the Hong Kong subsidiary of London Forfaiting (Asia) Ltd. He studied Law at the University of London, graduating in 1991 and subsequently trained to be an English Barrister specialising in banking law qualifying in 1993.

3. INTERESTS AND DEALINGS

(a) *Definitions and interpretation*

For the purposes of this paragraph 3:

- (i) "arrangement" includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the relevant securities of the Company which may be an inducement to deal or refrain from dealing;
- (ii) "associate" of any company has the meaning ascribed to it in the City Code and includes (without limitation):
 - A. its parent companies, subsidiaries, fellow subsidiaries and associated companies and companies of which any such companies are associated

- companies (“related companies”);
 - B. connected advisers and persons controlling, controlled by or under the same control of any such connected advisers;
 - C. its directors and the directors of any company referred to in (A) above (together in each case with their close relatives and related trusts);
 - D. its pension funds or the pension funds of any related company;
 - E. an employee benefit trust of any related company;
 - F. an investment company, unit trust or other person whose investments an associate (as otherwise defined in paragraph 3(a)(iii)(A)) manages on a discretionary basis, in respect of the relevant investment accounts; and
 - G. a company having a material trading arrangement with the Company;
- (iii) a “connected adviser” means, in relation to any person, the organisation which is advising the person in relation to the Proposals and, if that person is the Company or a member of the Concert Party, the corporate broker to that person (other than any corporate broker which is unable to act in connection with the offer because of a conflict of interest);
- (iv) “dealing” or “dealt” includes the following:
- A. the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
 - B. the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - C. subscribing or agreeing to subscribe for relevant securities;
 - D. the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights;
 - E. the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - F. entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - G. any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (v) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (vi) “Disclosure Period” means the period commencing on 12 August 2015 and ending on 11 August 2016 (being the latest practicable date prior to the publication of this document);
- (vii) “relevant securities of the Company” means the Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto;
- (viii) ownership or control of 20 per cent. or more of the equity share capital is regarded as the test of associated company status and “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;

- (ix) a person is treated as “interested” in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “interested” in securities if:
- A. he owns them;
 - B. he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - C. by virtue of any agreement to purchase, option or derivative, he:
 - (a) has the right or option to acquire them or call for their delivery; or
 - (b) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - D. he is a party to any derivative:
 - (a) whose value is determined by reference to their price; and
 - (b) which results, or may result, in his having a long position in them.

(b) **Interests and dealings in the Ordinary Shares**

- (i) As at the close of business on 11 August 2016 (being the latest practicable date prior to the publication of this document), the interests of the Directors (including the members of the Concert Party), all of which are beneficial unless otherwise stated, in the share capital of the Company (as shown in the register required to be kept under the provisions the Act or which have been notified to the Company pursuant to the articles of association of the Company) were as follows:

Name	At present		Following the Buyback [*]	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital
Andreas Rialas	16,028,145	33.07	16,028,145	64.64
Kyriakos Rialas	8,768,363	18.09	8,768,363	35.36
Michael Kloter	1,000,000	2.06
Kenneth Watterson	88,141	0.18
David Fisher	–	–	–	–

* assuming (i) the Company buys back the maximum number of Ordinary Shares it is able to buy back, all at the minimum price of 8p per Ordinary Share and (ii) no Ordinary Shares are bought back from the Concert Party, the members of the Concert Party would then hold 100% of the issued share capital of the Company, with a surplus of £105,823.68 outstanding under the £2 million buyback authority (and on this assumption all shares owned by the non-Concert Party Directors would have been bought back by the Company).

- (ii) Save as disclosed in sub-paragraph (i) above, as at the close of business on 11 August 2016 (being the latest practicable date prior to the publication of this document), the interests of Shareholders holding a more than 5 per cent. (direct or indirect) interest, all of which are beneficial unless otherwise stated, in the share capital of the Company (as shown in the register required to be kept under the provisions of article 41 of the Act or which have been notified to the Company pursuant to the articles of association of the Company) are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Lynchwood Nominees Limited	24,508,853*	50.56
HSBC Global Custody Nominee (UK) Limited	5,136,000	10.60
Jim Nominees Limited	3,427,204	7.07

* The shares held by Lynchwood Nominees Limited include 15,177,313 Ordinary Shares held as nominee for Andreas Rialas and 8,768,363 Ordinary Shares held as nominee for Kyriakos Rialas.

(c) **General**

- (i) As at the last day of the Disclosure Period, save as disclosed in paragraph 3(b)(i), none of:
- A. the Directors;
 - B. the members of the Concert Party;
 - C. any persons acting in concert with the members of the Concert Party; nor
 - D. any persons acting in concert with the Company,

had an interest or right to subscribe for any relevant securities of the Company (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor had any of the foregoing dealt in any relevant securities of the Company during the Disclosure Period.

- (ii) As at the last day of the Disclosure Period, neither the Company, nor any member of the Concert Party, nor any person acting in concert with them has borrowed or lent any relevant securities of the Company.
- (iii) As at the last day of the Disclosure Period there were no arrangements between the Company or any associate of the Company and any other person having any connection with or dependence upon the Buyback.

4. MARKET QUOTATIONS

The following table shows the closing middle market quotations of the Ordinary Shares for the first business day in each of the six months immediately prior to the date of this document and on 11 August 2016 (being the latest practicable date prior to publication of this document):

<i>Date</i>	<i>Price (p)</i>
11 August 2016	9.75
1 August 2016	9.75
1 July 2016	10.25
1 June 2016	10.25
3 May 2016	11.25
1 April 2016	9.25
1 March 2016	9.00
1 February 2016	9.00

5. DIRECTORS' SERVICE AGREEMENTS WITH THE COMPANY

- (a) Set out below are details of the service agreements or letters of appointment of each of the Directors:
- (i) On 11 November 2008 a service agreement between the Company and Andreas Rialas was entered into pursuant to which Andreas Rialas was to be employed as Chief Executive Officer of Argo UK and director of the Company, terminable by either party on not less than 3 months' written notice. His current remuneration comprises a salary (subject to annual review) of £144,500 per annum and other benefits commensurate with his position including private medical insurance

- (ii) On 11 November 2008 a service agreement between the Company and Kyriakos Rialas was entered into pursuant to which Kyriakos Rialas was to be employed as Chief Executive Officer of Argo Cyprus and director of the Company, terminable by either party on not less than 3 months' written notice. His current remuneration comprises a salary (subject to annual review) of €170,000 per annum and other benefits commensurate with his position including private medical insurance.
 - (iii) Michael Kloter entered into a Non-Executive Director letter of appointment directly with the Company. The Non-Executive Director letter of appointment is dated 11 November 2008 and was for an initial period of 12 months and then terminable by either party on not less than 3 months' prior written notice at an annual fee (exclusive of VAT) of CHF75,000. Following admission, a sum was paid to Michael Kloter for the sole purpose of purchasing 300,000 shares.
 - (iv) David Fisher entered into a Non-Executive Director letter of appointment directly with the Company. The Non-Executive Director letter of appointment is dated 11 November 2008 and was for an initial period of 12 months and then terminable by either party on not less than 3 months' prior written notice. The current annual fee (exclusive of VAT) is £35,000.
 - (v) Kenneth Watterson entered into a Non-Executive Director letter of appointment directly with the Company. The Non-Executive Director letter of appointment is dated 11 November 2008 and was for an initial period of 12 months and then terminable by either party on not less than 3 months' prior written notice. The current annual fee (exclusive of VAT) is £35,000.
- (b) Except as stated above, no service contracts between the Directors and the Company have been entered into or amended in the six months prior to the date of this document.
 - (c) Save as disclosed above, there are no other contracts of service between directors of the Company and the Company or any of its subsidiaries.

6. MATERIAL CONTRACTS

No contracts have been entered into by the Company or either member of the Concert Party, not being contracts entered into in the ordinary course of business, which are, or may be material, during the period beginning two years before the announcement of the Proposals.

7. FINANCING ARRANGEMENTS

Any Ordinary Shares acquired pursuant to the Buyback will be acquired using the Company's current cash reserves. There are no financing arrangements being put in place pursuant to the Buyback whereby the repayment thereof or the security for any liability will depend to any significant extent on the business of the Company.

8. MATERIAL CHANGES

Save as disclosed in this document there has been no material change in the financial or trading position of the Company since 31 December 2015 (the date to which the latest published audited accounts of the Company were prepared).

9. MISCELLANEOUS

- (a) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party or any person acting in concert with them for the purposes of the Proposals and any of the Directors, or recent Directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon or which is conditional on the outcome of the Proposals.
- (b) Save as disclosed in this document, no proposal exists in connection with the Proposals for any payment or other benefit to be made or given by any member of the Concert Party or any person acting in concert with them for the purposes of the Proposals to any Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- (c) PGD Strategy has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in

which it appears.

- (d) All share prices are derived from the Official List.
- (e) All references to time in this document are to London time unless the context provides otherwise.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Argo Capital Management Limited of 24-25 New Bond Street, London W1S 2RR and at the following website address www.argogrouplimited.com from the date of posting of this document up to the date of the General Meeting and at the place of meeting for 15 minutes prior to the meeting and during the meeting:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated accounts of the Argo Group for the years ended 31 December 2015, 31 December 2014 and 31 December 2013;
- (c) the interim reports of the Group for the six months ended 30 June 2015 and the prior interim period ended 30 June 2014;
- (d) the current service agreements and letters of appointment referred to in paragraph 5 above;
- (e) the written consent of PGD Strategy referred to in paragraph 9 above; and
- (f) this document.

11. DOCUMENTS INCORPORATED BY REFERENCE

The following information is incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code and is available free of charge on the Company's website at www.argogrouplimited.com.

- (a) the unaudited interim results of the Company for the six month period ended 30 June 2015 (<http://www.argogrouplimited.com/Reports/Interim-2015.pdf>);
- (b) the annual report and accounts of the Company for the year ended 31 December 2015 (accounts at pages 16-45, http://www.argogrouplimited.com/Reports/Annual_Report_2015.pdf);
- (c) the annual report and accounts of the Company for the year ended 31 December 2014 (accounts at pages 16-41, <http://www.argogrouplimited.com/Reports/Annual-Report-2014.pdf>);
- (d) the annual report and accounts of the Company for the year ended 31 December 2013 (accounts at pages 15-40, <http://www.argogrouplimited.com/Reports/Annual-Report-2013.pdf>); and
- (e) the annual report and accounts of the Company for the year ended 31 December 2012 (accounts at pages 14-38, <http://www.argogrouplimited.com/Reports/Annual-Report-2012.pdf>).

In addition, it is expected that on 8 September 2016 the Company expects to release the unaudited interim results of the Company for the six month period ended 30 June 2016, and on and after that date such results will be available at <http://www.argogrouplimited.com/Reports/Interim-2016.pdf>.

All reports referenced above can be found at the indicated website address.

The Company's annual report and accounts listed above contain the Company's audited consolidated financial statements for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, together with the audit report in respect of each year.

Hard copies of documents incorporated by reference to this document can be obtained from Argo Capital Management Limited of 24-25 New Bond Street, London W1S 2RR (tel: 020 7016 7660). Unless requested hard copies will not be sent.

15 August 2016

Argo Group Limited

(Incorporated in the Isle of Man under the Isle of Man Companies Act 2006 with company number 2306V)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the above named Company will be held at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB, on 19 September 2016 at 3 p.m. for the purpose of passing the following resolutions (resolution 1 of which will be taken on a poll):

RESOLUTIONS

1. **THAT** the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on Kyriakos Rialas and Andreas Rialas or any person connected to them individually or collectively, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the increase in their shareholding pursuant to the purchase of up to £2 million of Ordinary Shares in the market (at not less than 8p per Ordinary Share) by the Company over a twelve month period commencing on the date of the General Meeting be approved.
2. To receive and adopt the accounts for the year ended 31 December 2015 and the Directors' Report and Auditor's Report contained in the Annual Report and Accounts.
3. To appoint Baker Tilly Klitou & Partners Limited as Auditors of the Company and to authorise the directors to determine their remuneration.
4. To re-elect Michael Kloter as a director of the Company having been appointed in accordance with the Company's Articles of Association.
5. To re-elect Kyriakos Rialas as a director of the Company having been appointed in accordance with the Company's Articles of Association.
6. To re-elect Andreas Rialas as a director of the Company having been appointed in accordance with the Company's Articles of Association.
7. To re-elect David Andrew Fisher as a director of the Company having been appointed in accordance with the Company's Articles of Association
8. To re-elect Kenneth Watterson as a director of the Company having been appointed in accordance with the Company's Articles of Association.

Note that in order to comply with the City Code on Takeovers and Mergers, Resolution 1 will be taken on a poll and the members of the Concert Party have undertaken not to vote on Resolution 1.

Registered Office
33 – 37 Athol Street
Douglas
Isle of
Man
IM1 1LB

By Order of the Board
Jeremy Bradshaw
Company secretary

Dated: 15 August 2016

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxy to attend, speak and vote at the meeting instead of such shareholder provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A proxy need not also be a shareholder. The delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment thereof.
2. A form of proxy is enclosed. If you do not intend being present at the meeting and in order for the proxy to be valid please sign and return it so as to reach Capita Registrars (Isle of Man) Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, at

least 48 hours (not counting non-working days) before the time appointed for holding the meeting (or, as the case may be, any adjournment of such meeting). The return by a member of a duly completed form of proxy will not preclude such member from attending in person and voting at the meeting.

3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (by order in the register of members) who tenders a vote will be accepted to the exclusion of the others.
4. The quorum for the meeting is two shareholders present either in person or by proxy. The majority required for the passing of the resolutions is a simple majority of the total number of votes cast on that resolution. Shareholders are entitled to ask questions in relation to the business of the meeting.
5. At the meeting the votes on Resolution 1 will be taken on a poll. On a poll every shareholder who is present, in person or by proxy, shall have one vote for every ordinary share held by him. On a poll votes may be given either personally or by proxy. A shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.
6. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
7. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
8. Pursuant to regulation 22(1) of the Isle of Man Uncertificated Securities Regulations 2006, the Company specifies that only those shareholders entered in the Company's register of members 48 hours before the date fixed for the general meeting will be entitled to attend or vote at the meeting and that the number of votes which any such shareholder may cast, upon a poll, will be determined by reference to the number of shares registered in such shareholder's name at the time. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
9. Copies of the directors' service contracts, other than those expiring or determinable without payment of compensation within one year, are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday and public holidays excluded) from the date of this notice until the general meeting and will be available for inspection at the place of the general meeting for at least 15 minutes prior to and during the meeting.