



Strictly Private & Confidential

19th January 2016

Michael Kloter, David A. Fisher, George K. Watterson
The Independent Directors of the Board
Argo Group Limited
33-37 Athol Street
Douglas
Isle of Man
IM1 1MB

Dear Sirs,

Argo Group Limited (the "Company") – Shareholder Circular proposing a Share Buy-back and Waiver of Obligations under Rule 9 of the City Code on Takeovers and Mergers ("Rule 9")

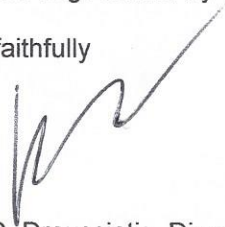
We refer to the circular to be posted to the shareholders of the Company pursuant to Rule 9 of the Code and the provisions of Isle of Man law in the near future (the "Circular"). All terms in this letter are as defined in the Circular.

A 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 Kyriakos Rialas and Andreas Rialas as the current holders of 36.20% per cent. of the Company's net issued share capital (being 23.19% held by Andreas Rialas and 13.00% held by Kyriakos Rialas), if that shareholding increased as a result of the Company purchasing and cancelling some or all of its own Ordinary Shares.

We hereby confirm that we consent to the inclusion in the Circular of references to our name in the form and context in which they appear.

This letter is governed by and shall be construed in accordance with English law.

Yours faithfully



Peter G. Droussiotis, Director,
For and on behalf of
PGD STRATEGY LIMITED

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