

Enhancing Shareholder Value with New Board Members

PRESENTATION TO ARGO GROUP SHAREHOLDERS

**CAPITAL
RETURNS**

NOVEMBER 2022

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What Is This Proxy Contest About?



After incumbent nominees have overseen significant value destruction during their tenures, **should shareholders trust them to guide a complex strategic transformation** for which their lack of industry experience makes them ill-suited?

OR

Would shareholders be better served by electing two new directors to provide fresh and independent perspectives, one of whom is one of the Company's largest active shareholders and **both of whom are industry experts with decades of experience?**

I. Executive Summary

Executive Summary

We believe this Board has made significant errors in judgment

- Argo has underperformed peers and the applicable indices over relevant measurement periods and during the tenure of every incumbent director
- In our view, shareholders have suffered because of unforced errors in judgment, including a stubborn reluctance to sell far-flung, non-core assets, inadequate leadership succession planning, poor hiring decisions, lack of expense discipline and untimely and inadequate financial reporting
- A year ago, we approached the Board with our concerns and an offer to help; our advice was initially ignored

The Company's strategic review process and purported "transformation" have failed to drive value

- By the time the Board acceded to our logic and announced a formal strategic review process in April 2022, more than \$300 million in shareholder value had already been destroyed¹
- The Board then delayed Argo's annual meeting by more than six months without any valid rationale, denying shareholders a meaningful say in the announced "strategic review"
- Shareholders have seen little evidence of the "progress"² that this Board is now touting, other than a few piecemeal asset sales; meanwhile, another \$600 million in shareholder value has been destroyed³
- We believe there is no reason to be optimistic about Argo's prospects as an independent company

We believe the Board would benefit from highly qualified directors with relevant experience and fresh perspectives

- Our candidates, Ron Bobman and Dave Michelson, are insurance industry experts with decades of experience successfully analyzing, investing in and operating insurance companies all over the world
- In contrast, Directors Bailey and Ramji are primarily technologists and lack industry expertise and, in our view, appear ill-suited to oversee a complex transformation or a sale process
- Directors Bailey and Ramji also lack sufficient skin in the game; directors appear to be doing the bare minimum to satisfy the Board's stock ownership guidelines
- Our candidates, if elected, will work diligently with Argo's incumbent directors and management team to drive value on behalf of all shareholders

1. Source: FactSet. Data from September 13, 2021, to April 28, 2022.

2. Source: Argo Group International Holdings Letter to Shareholders, dated October 31, 2022.

3. Source: FactSet. Data from April 28, 2022, to November 4, 2022.

Overview of Argo Group

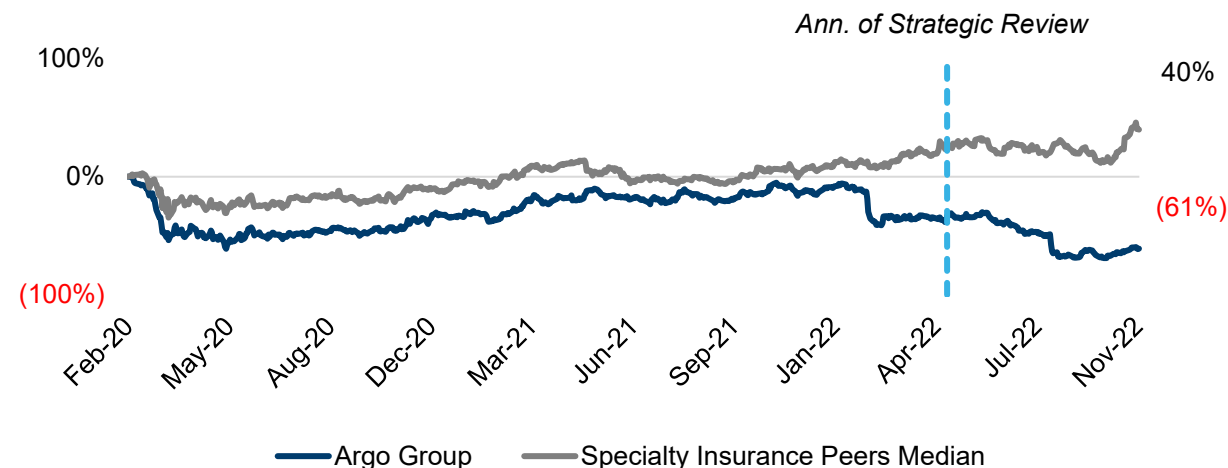


- Argo Group International Holdings Ltd. (“Argo”) is a specialty insurer founded in 1957 and headquartered in Pembroke, Bermuda
- Since approximately February 2020, Argo has been undergoing a strategic transformation into a pure-play, U.S.-focused specialty insurer, but a multitude of scandals, poor strategy overhauls and personnel shifts have caused more harm than good
 - Argo removed CEO Mark Watson after a shareholder campaign that brought damaging facts to light and an SEC investigation that highlighted inappropriate expenses in a gross abuse of power
 - The Company is now on its third CEO in three years, having replaced its CEO twice since Watson, and has appointed a new CFO and head of the Company’s U.S. insurance business, in addition to several other executive-level appointments
 - Argo has taken a piecemeal approach to strategic realignment, exiting its international businesses through over a dozen different transactions, while continuing to suffer losses
- Since Argo began its “transformation,” the stock has declined by 64%⁴

Source: FactSet, Company filings.

- Total Shareholder Return measured from February 7, 2020, until November 4, 2022. “Specialty Insurance Peers” include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Market Corp.
- Data as of November 4, 2022.
- Data is LTM as of Q2 2022.
- Data as of November 4, 2022. Start date for transformation based on initial Board refreshment in February 2020.

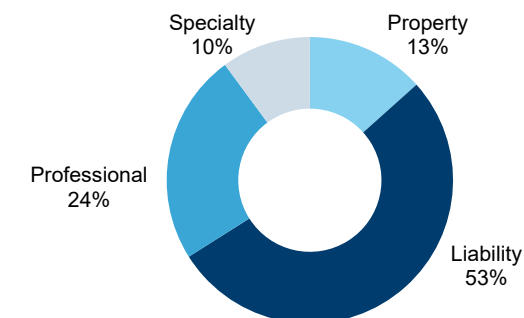
TSR Since Argo Began Its “Transformation”¹



Market Data²

| | |
|------------------------------|-----------|
| Enterprise Value (\$M) | \$1,344.5 |
| Market Cap (\$M) | \$846.8 |
| Share Price | \$24.18 |
| 2023E Book Value per Share | \$36.22 |
| 2023E EPS | \$3.82 |
| P/2023E Book Value per Share | 0.7x |
| P/2023E EPS | 6.3x |
| Employees (as of 12/31/21) | 1,290 |

% of Gross Premiums Written³



Overview of Capital Returns

- Long/short equity fund founded by Ron Bobman in 2003
- Insurance specialist with industry operating, acquisition and investing experience spanning 30+ years
 - Including eight years as corporate finance and insurance industry M&A executive for investor Sam Zell
- Patient, long-term investor with a typical investment horizon of multiple years
- History of successful investor advocacy in the insurance sector, including:
 - FBL Financial – Challenged corporate governance with respect to affiliated party transaction and executed successful proxy fight resulting in approximately 10% higher transaction sale price
 - Health Innovations – Successfully urged board to initiate strategic review and introduced private equity buyer in take private transaction at significant premium
 - Watford Holdings – Challenged corporate governance with respect to affiliated party transactions and initiated activist campaign resulting in sale of company at significant premium
 - Protective Insurance – Successfully urged Board to initiate strategic review and introduced financial advisor resulting in successful sale of company to Progressive Corp. at significant premium
- Significant, long-term Argo Group shareholder
 - Capital Returns continues to own approximately 1%, making it one of the Company's largest shareholders among actively-managed funds
 - Owned Argo stock for years

Shareholders Should Support Our Nominees



Argo's Board Has Destroyed Value

- The Company has underperformed its peers and the applicable indices over relevant measurement periods
- In our view, the Board has exercised poor judgment in hastily appointing executive team members, including Kevin Rehnberg as CEO; Thomas Bradley, first as Chairman and then as CEO; and most recently Jessica Snyder as President of U.S. Insurance
- Late financial reporting and an insistence upon an illogical business configuration provide further evidence of the Board and management team's inability to exercise proper judgment and manage risk
- As the Board and management team flail about in their protracted attempt to reposition the Company through piecemeal asset sales, shareholders have continued to lose money on their investment, and Argo remains deeply undervalued¹



We Believe Our Nominees Will Drive Positive Change

- + Ron Bobman and Dave Michelson have decades of experience as investors and executives in the insurance industry
- + Argo incumbents Bernard Bailey and Al-Noor Ramji, by contrast, are technologists who do not appear to have any meaningful experience in property and casualty insurance
- + We believe that substituting our two insurance industry experts for Bailey and Ramji is likely to enhance the quality and objectivity of the Board's deliberations
- + If elected, Messrs. Bobman and Michelson will work diligently with Argo's incumbent directors and executive management team to drive value on behalf of all shareholders

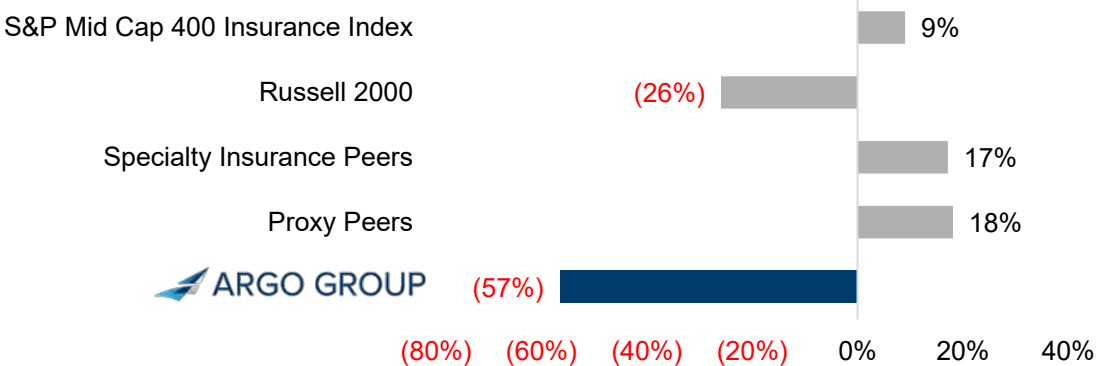
1. As of November 4, 2022, Argo trades at approximately 0.7x consensus estimates of projected 2023 book value per share and just 6.3x consensus estimates of projected 2023 earnings per share, while its specialty insurance peers enjoy a median valuation of 2.6x consensus estimates of projected 2023 book value per share and 14.6x consensus estimates of projected 2023 earnings per share, according to FactSet. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp.

II.

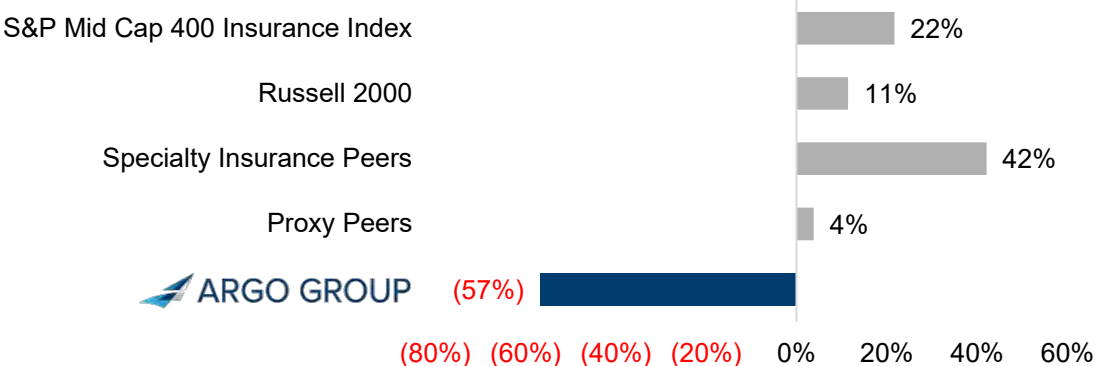
Significant Value Has Been
Destroyed Because of
Poor Decisions by the Board

Argo Has Significantly Underperformed Its Peers

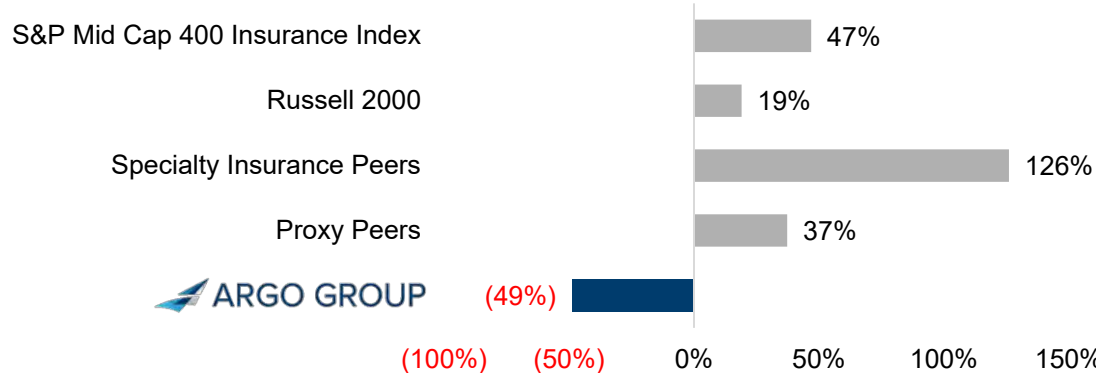
1-Year Total Shareholder Return



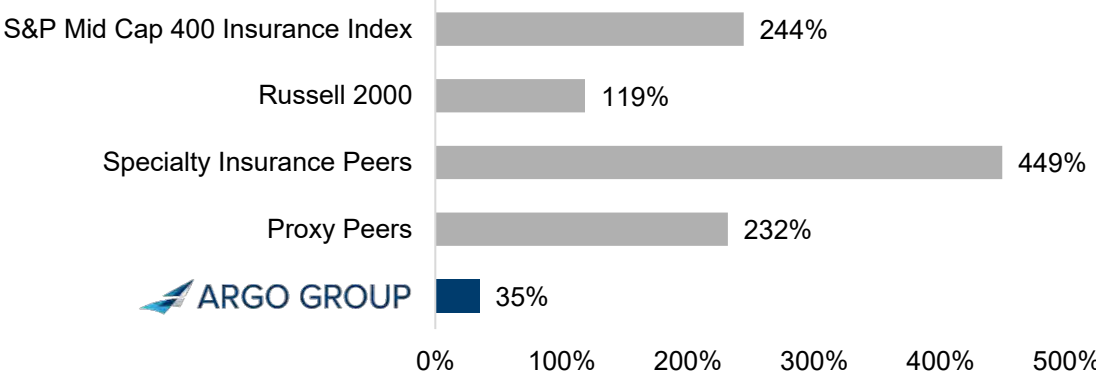
3-Year Total Shareholder Return



5-Year Total Shareholder Return



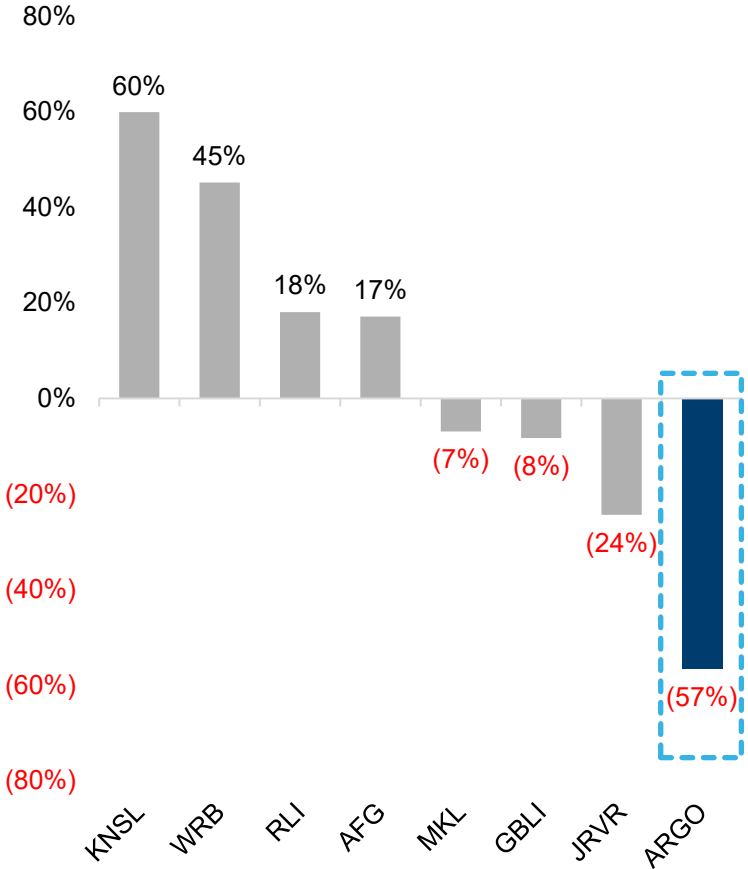
10-Year Total Shareholder Return



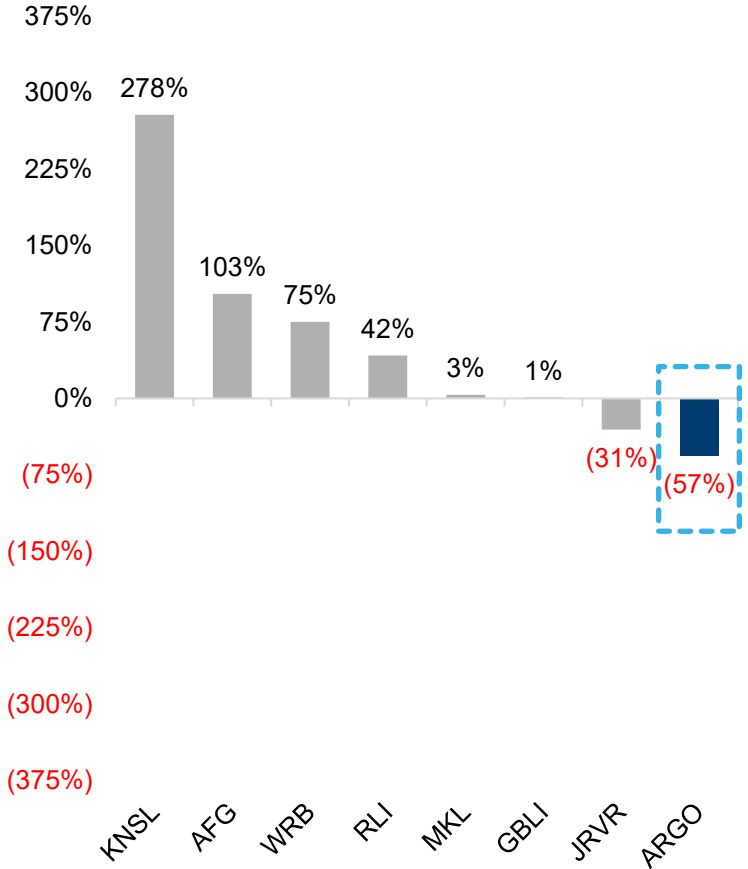
Source: FactSet. Data as of November 4, 2022. "Proxy Peers" include: Arch Capital Group, AXIS Capital Holdings, Beazley Plc, Enstar Group, Hanover Insurance Group, Hiscox Ltd., James River Group, ProAssurance, RenaissanceRe, RLI Corp. and Selective Insurance Group. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Market Corp. Peer data refers to peer median.

Argo's TSR Is Not Just Bad – It Is Worst-In-Class

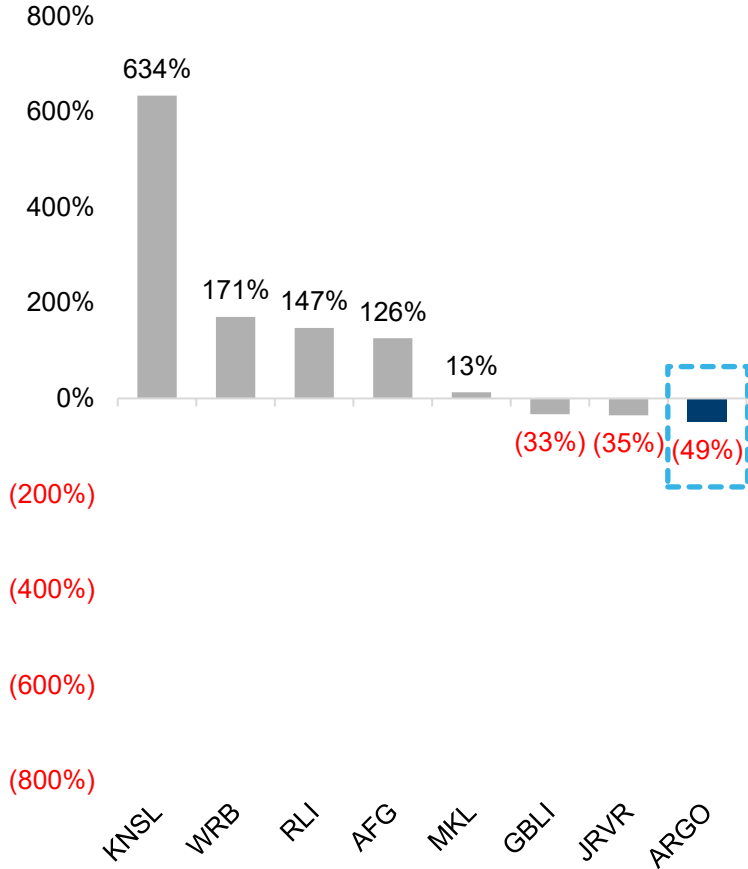
1-Year Total Shareholder Return



3-Year Total Shareholder Return



5-Year Total Shareholder Return

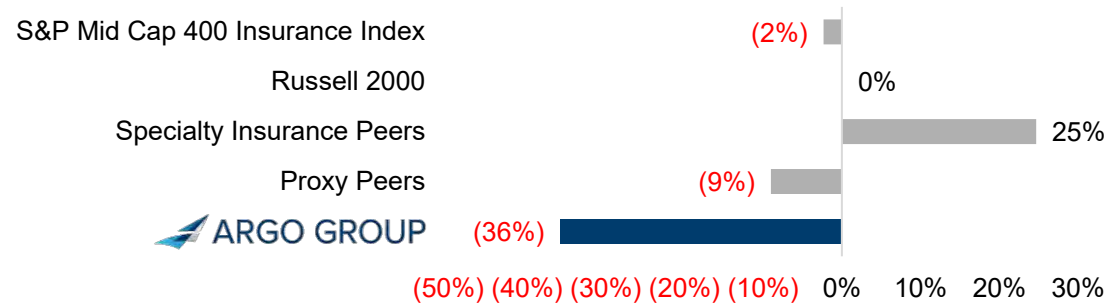


Source: FactSet. Data as of November 4, 2022. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Market Corp.

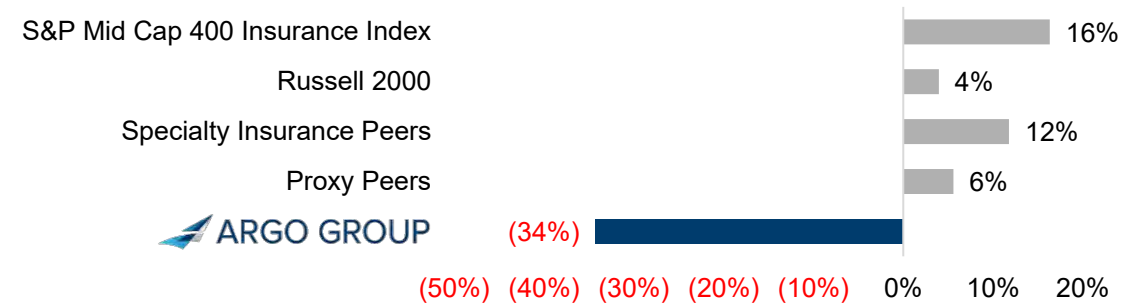
Argo's "Transformation" Has Failed

From any reasonable point that marks the beginning of a "turnaround," Argo has underperformed

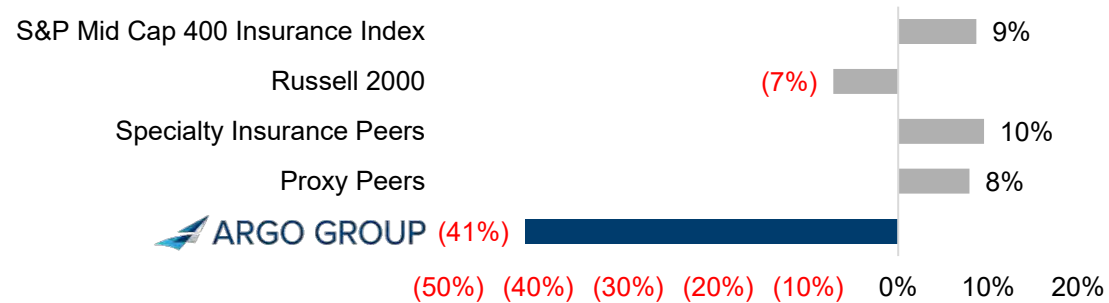
During Kevin Rehnberg's Tenure



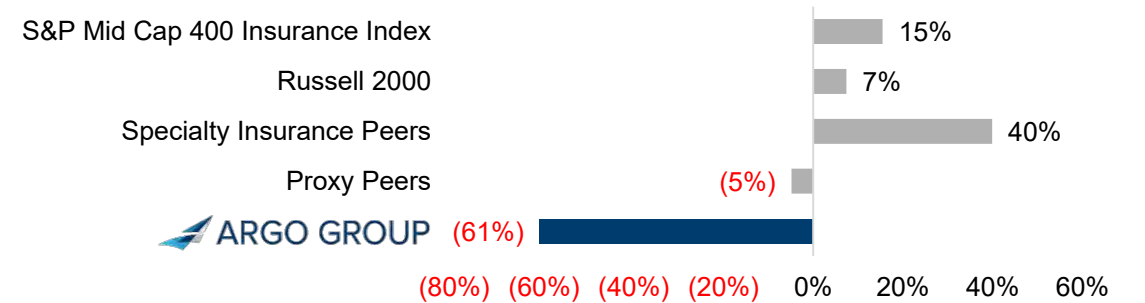
During Thomas Bradley's Tenure



Since Strategic Review Announcement



Since February 2020 Board Refreshment

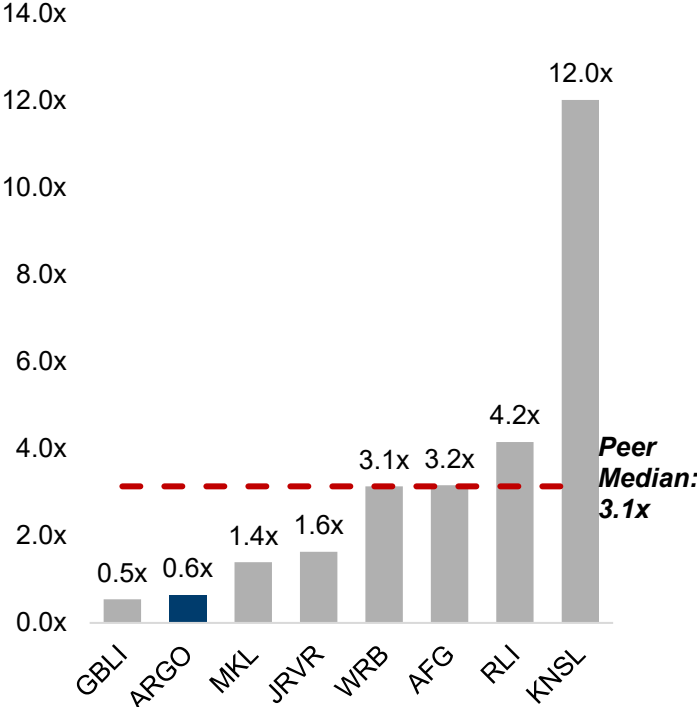


Source: FactSet. Data as of November 4, 2022. "Proxy Peers" include: Arch Capital Group, AXIS Capital Holdings, Beazley Plc, Enstar Group, Hanover Insurance Group, Hiscox Ltd., James River Group, ProAssurance, RenaissanceRe, RLI Corp. and Selective Insurance Group. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Market Corp. Peer data refers to peer median.

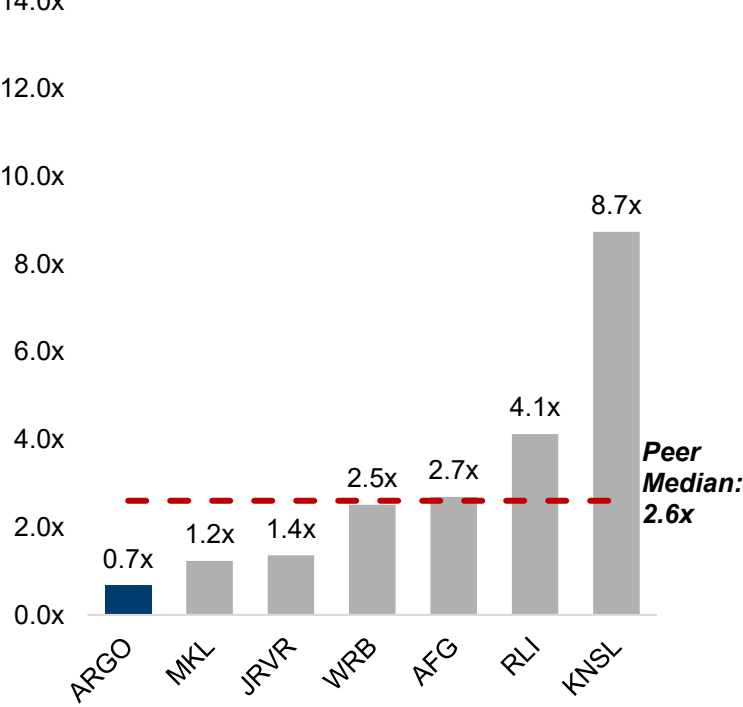
Argo Remains Dramatically Undervalued

Shareholders are skeptical of this team and plan

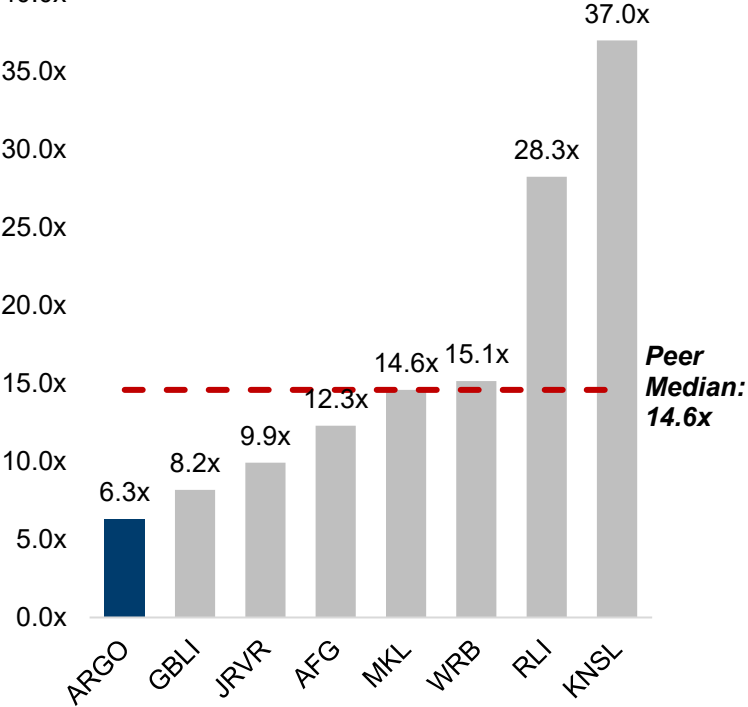
P/Book Value per Share



P/2023E Book Value per Share¹



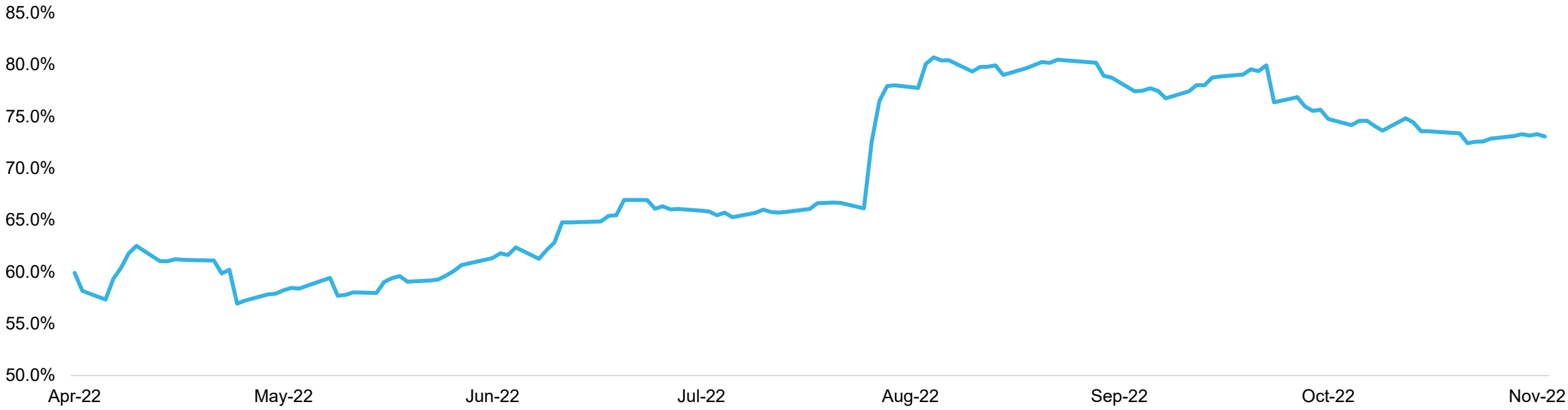
P/2023E EPS



Source: FactSet. Data as of November 4, 2022. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp.
 1. Excludes GBLI, for which data is unavailable.

The Gap Between Argo and Its Peers Has Widened

Discount of Argo's P/BV to Median P/BV of Specialty Insurance Peers Since Announcement of Strategic Review



Argo claims its recent actions are “driving positive results,”¹ but its valuation discount to its peers is increasing

Source: FactSet. Data as of November 4, 2022. “Specialty Insurance Peers” include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp. Peer data refers to peer median.
1. Source: Argo Group Investor Presentation dated September 8, 2022.

We Believe a Sale Is the Best Path Forward

In our view, the Board must prioritize a sale of the whole Company to achieve maximum value for shareholders

- Though the Board has begun a strategic review (seven months after we implored it to do so) **we believe its approach is suboptimal**
 - To date, the Board's strategic review process has yielded little more than piecemeal sales of non-core assets
 - Meanwhile, the Company has lost over \$950 million in value¹; we believe the Board's protracted review is harming shareholders
- In our view, **the Board must prioritize a sale of the whole Company** to achieve maximum value for shareholders
 - We believe there are numerous acquirers willing to pay a premium – buyers that could consolidate and improve Argo's operations while providing significant additional capital to the Company's leading U.S. specialty business
 - In the absence of a sale, we see no reason why the Company will not continue its current trajectory of value destruction

1. Source: FactSet. Data from September 13, 2021, to November 4, 2022.

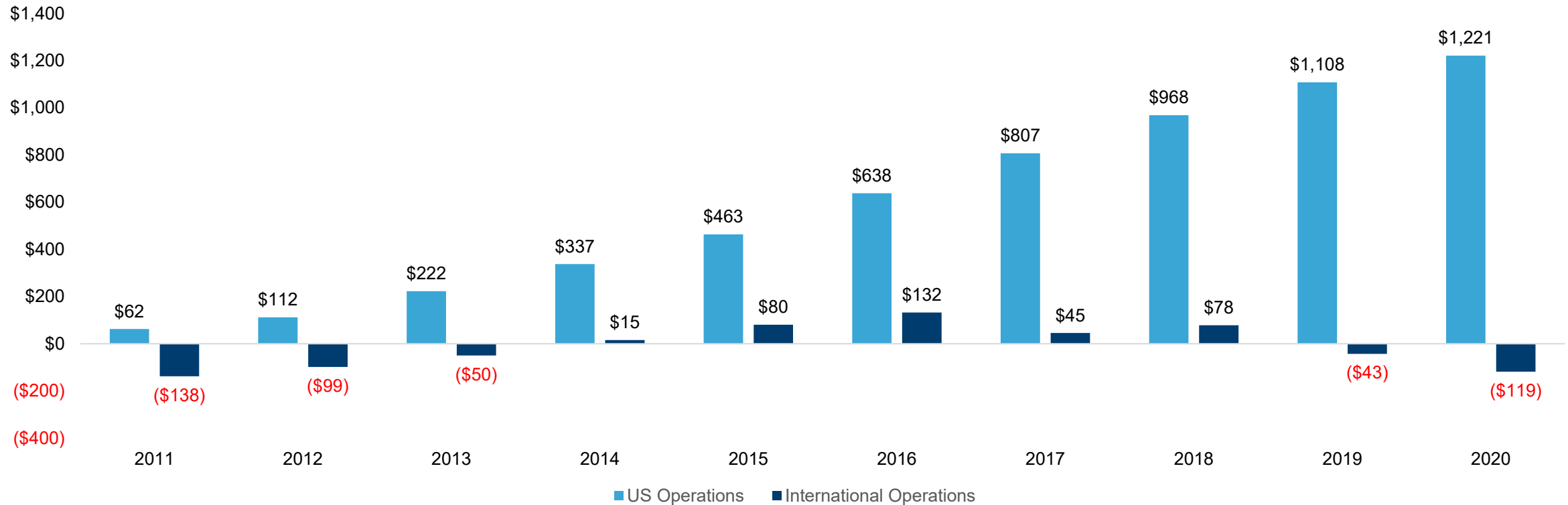
We Believe Argo's Underperformance and Low Valuation Have Known Causes

- 1 Argo's business configuration was and remains suboptimal
- 2 Poor succession planning and hiring
- 3 Lack of expense discipline
- 4 Non-compliance with SEC reporting obligations
- 5 The Board has manipulated election machinery to disenfranchise shareholders and avoid accountability

Argo's International Business Had Underperformed for Years

Argo's International business had been a drag on the Company's performance for many years, vying for capital and management attention despite losses

Cumulative Pre-Tax Operating Income (\$M)¹

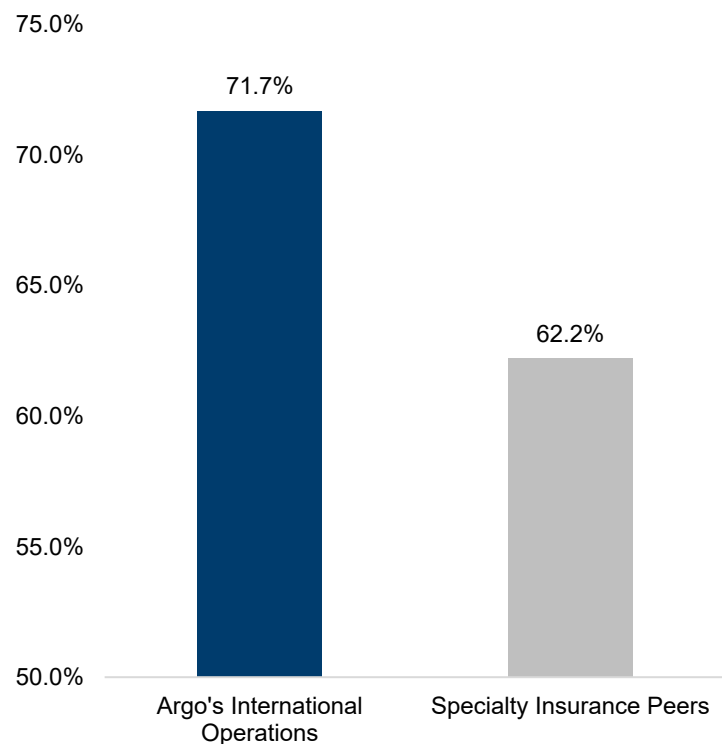


¹ Source: Company filings.

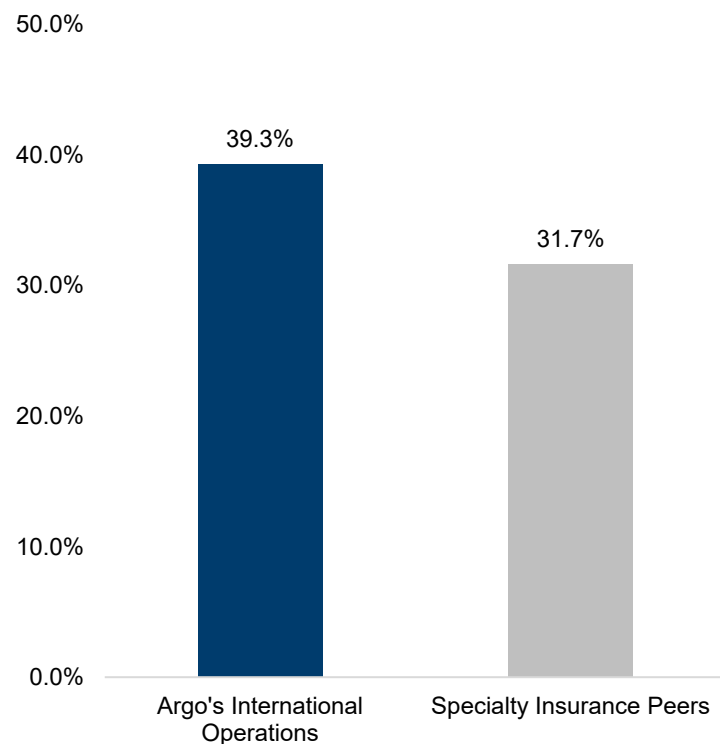
Argo's International Business Had Underperformed for Years (continued)

Argo's International business was operating inefficiently and had only nominal growth

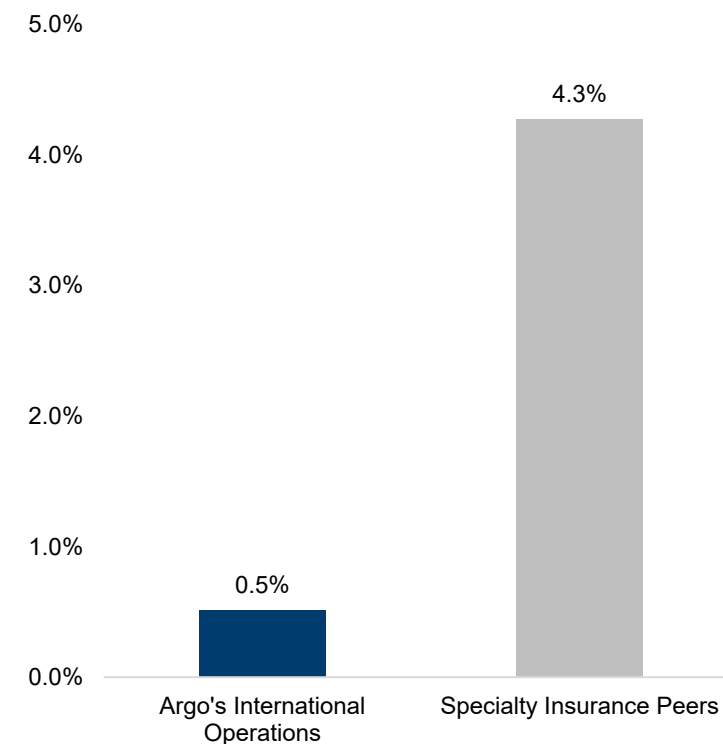
'16-'20 Average Loss Ratio¹



'16-'20 Average Expense Ratio¹



'16-'20 Net Earned Premiums CAGR¹

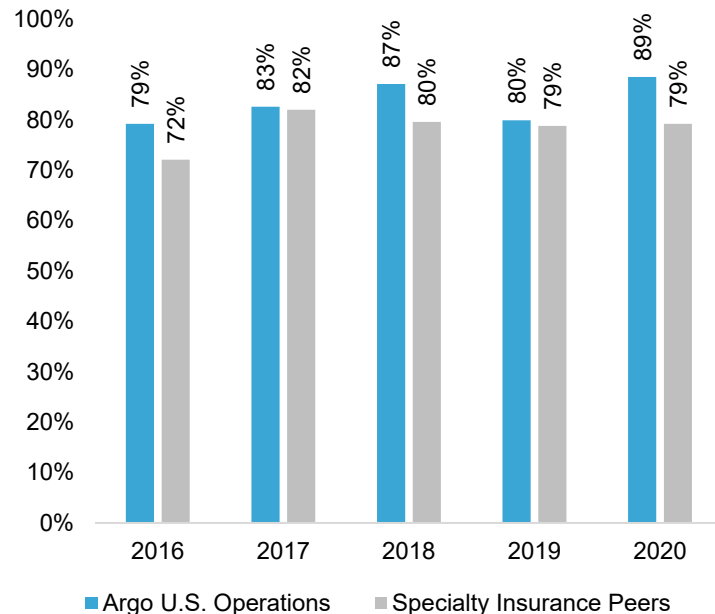


1. Source: FactSet and Company filings. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp. Peer data refers to median.

The Failing International Business Suppressed Argo's U.S. Operations

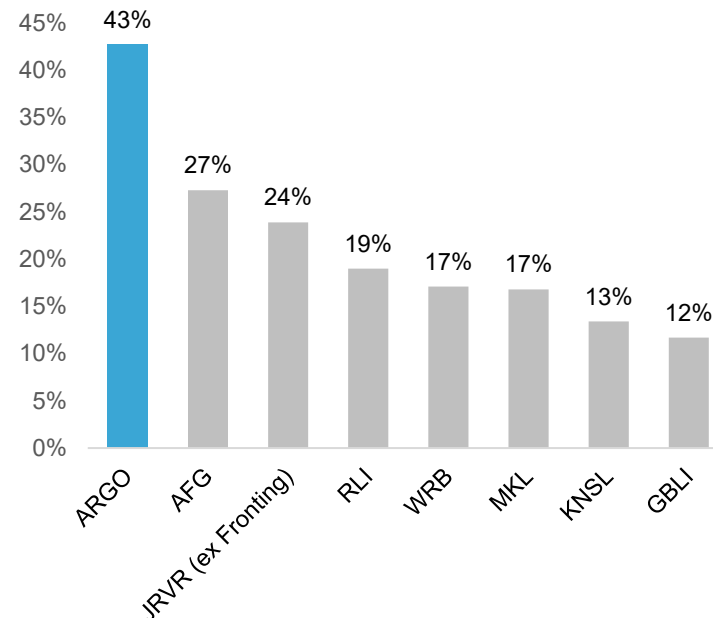
Argo's U.S. specialty business generated competitive underwriting margins...

U.S. Excess & Surplus Direct Combined Ratio¹



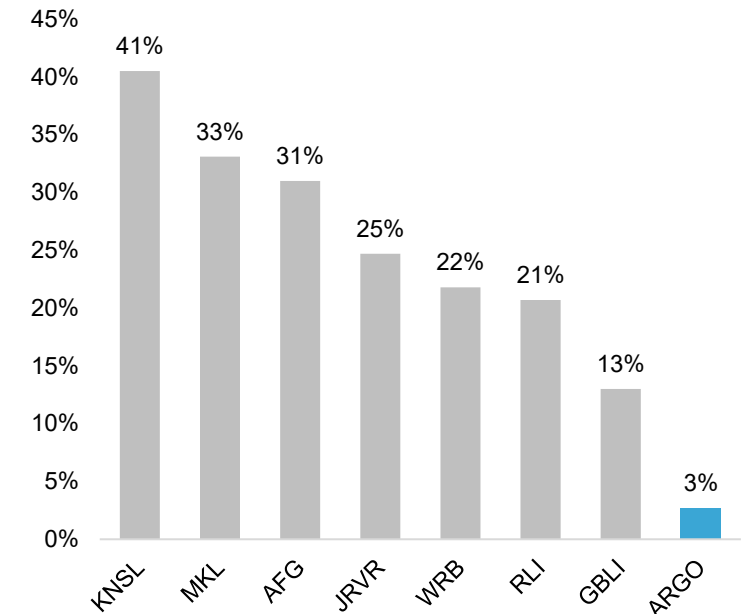
...But was starved of capital and forced to purchase excessive amounts of reinsurance...

Percent Premiums Ceded to Reinsurance²



...And we believe these capital constraints suppressed Argo's ability to grow at the same pace as its peers

1H 2021 Excess & Surplus Direct Written Premium Growth³



1. Source: SNL reports.

2. Source: Company filings and Capital Returns analysis. Data represents three-year average from 2018 to 2020.

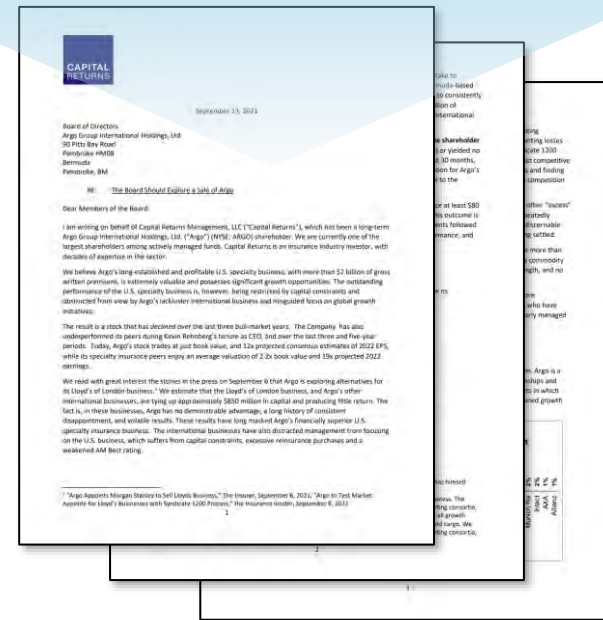
3. Source: SNL reports and company filings.

1

Capital Returns Warned the Board of the Company's Suboptimal Business Configuration

- In September 2021, Capital Returns sent a letter to the Argo Board of Directors urging the Company to immediately explore a sale of the entire Company; our advice went largely unheeded
- The Company initially pursued a piecemeal approach, seeking to sell two Lloyd's of London syndicates, and an Italian and Brazilian operation
 - In our view, the dangers of such an approach were obvious, with the disclosed collapse of the Argo Italy sale and the prolonged strategic review of Lloyd's Syndicate 1200, proving us correct
- Finally, in April 2022 – more than seven months after our first letter – the Company announced a formal strategic review process
 - At best, Argo waited too long to listen to shareholder input
 - At worst, the Board needed a shareholder to explain the illogic of the Company's strategy

“We believe Argo’s long-established and profitable U.S. specialty business, with more than \$2 billion of gross written premiums, is extremely valuable and possesses significant growth opportunities. The outstanding performance of the U.S. specialty business is, however, being restricted by capital constraints and obstructed from view by Argo’s lackluster international business...”¹



1. Source: Capital Returns Letter to Argo Group International Shareholders, September 13, 2021.

2 Poor Succession Planning

In our view, the Board must be held responsible for hiring underqualified leaders and allowing them to destroy value at Argo

- Upon the resignation of former CEO Mark Watson, **the Company had the opportunity to conduct a full search and bring in the highest-quality talent available** to help correct the gross abuse of power and SEC violations for which Mr. Watson was responsible
- **However, the Board’s “solution” was to appoint Kevin Rehnberg** as Interim CEO before making his role permanent in February 2020
 - As an internal promotion with no prior CEO experience, Mr. Rehnberg doubled down on the flawed strategy of the previous management team
 - Mr. Rehnberg immediately appeared out-of-his-depth; at an investor conference attended by Capital Returns, Mr. Rehnberg struggled to name even one line of business underwritten by the Lloyd’s Syndicate 1200 and was frequently lost for words
 - During Mr. Rehnberg’s tenure, the Company lost more than a third of its value even as Argo’s Specialty Insurance Peers enjoyed a 25% median return over the same time period
- **The Board repeated the same mistake by replacing Mr. Rehnberg with Thomas Bradley** who, like Mr. Rehnberg, has no prior experience leading a publicly traded insurance company as Chairman or CEO
- Furthermore, since he was named as CEO, **the Board has allowed Mr. Bradley to continue in his position as Chair**
 - In our view, the combined position of Chair and CEO should be *earned* through a demonstration of exceptional leadership, not simply given as a courtesy or due to a lack of alternatives
 - Our concerns regarding the concentration of authority in the hands of Mr. Bradley are exacerbated by the Board’s appointment of a Lead Independent Director (Bernard Bailey) with no meaningful insurance experience

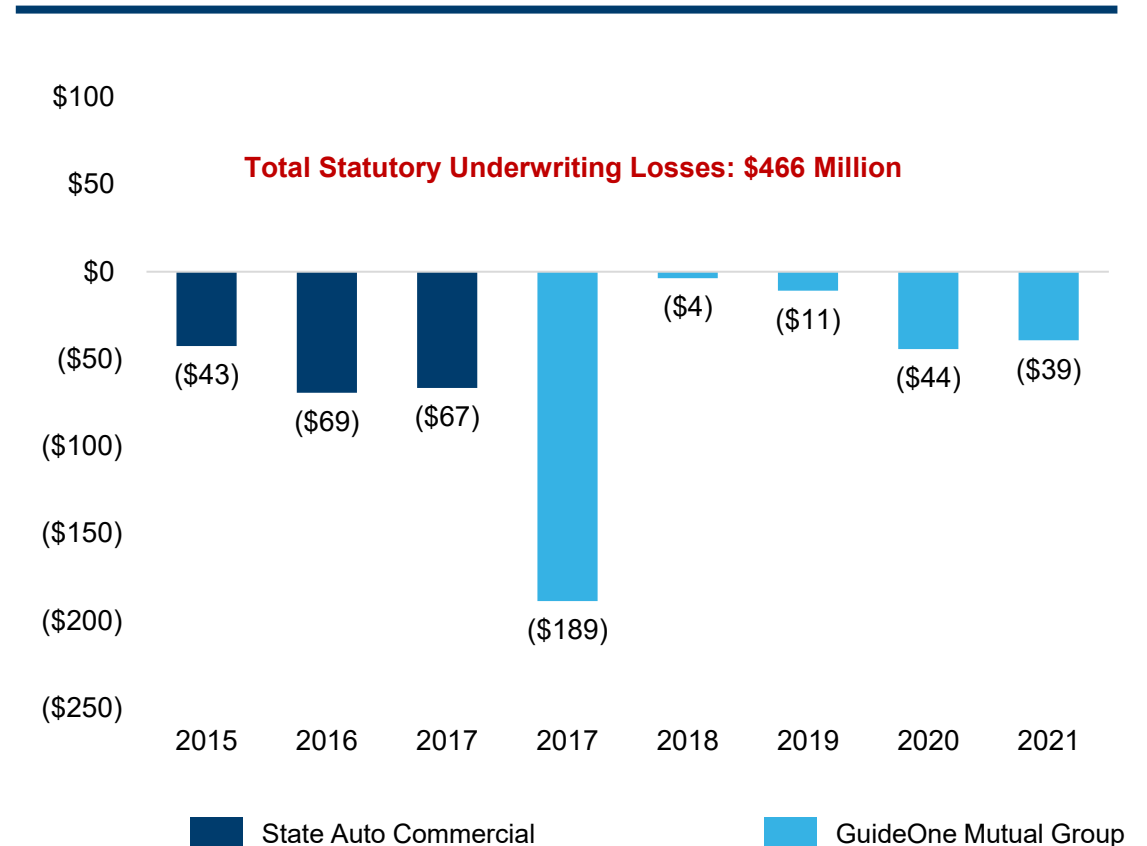
Source: Statutory insurance and SEC filings.

The Board's Latest Hire Evidences a Lack of Diligence

- The Company recently hired Jessica Snyder as **President of Argo's U.S. insurance operations**
 - Ms. Snyder has a known, abysmal track record**, including recent but limited professional experience at mutual insurers GuideOne and State Auto
 - These companies reported **statutory underwriting losses and combined ratios in excess of 100%** during each year of her tenure
- Other investors appear to share our view; on the first trading day **following the announcement of Ms. Snyder's appointment, Argo's stock price declined ~10%**²
- In our view, **the Board has demonstrated poor judgment by approving the hiring of Ms. Snyder**

1. Source: Statutory insurance and SEC filings.
 2. Source: FactSet.

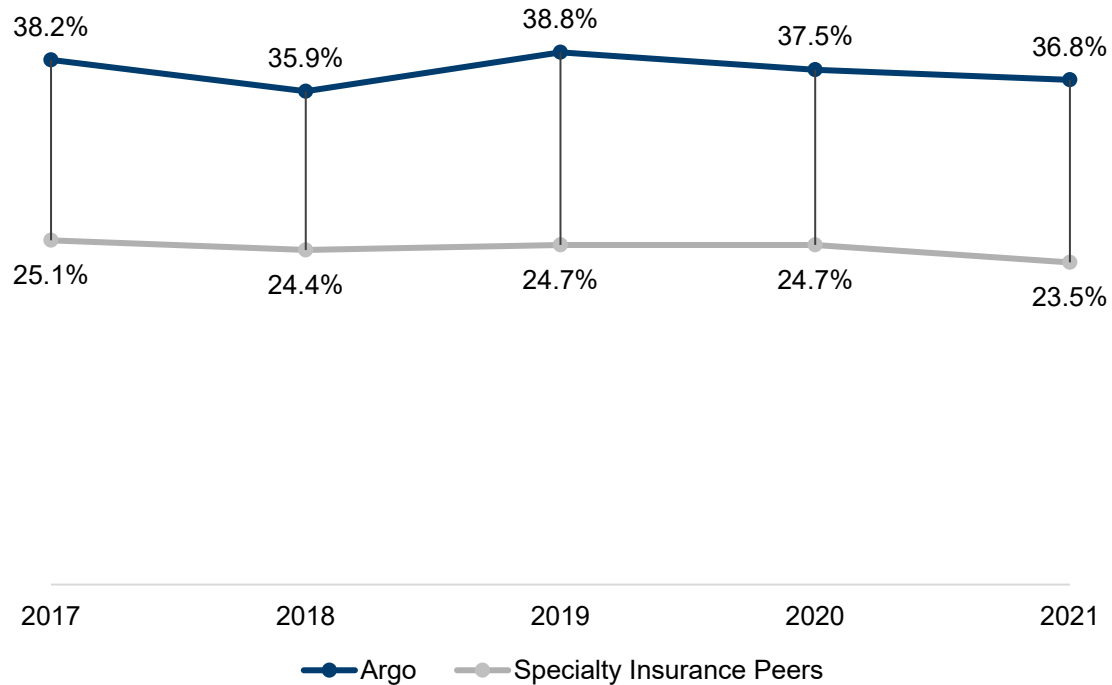
Nothing But Underwriting Losses in Jessica Snyder's Wake¹



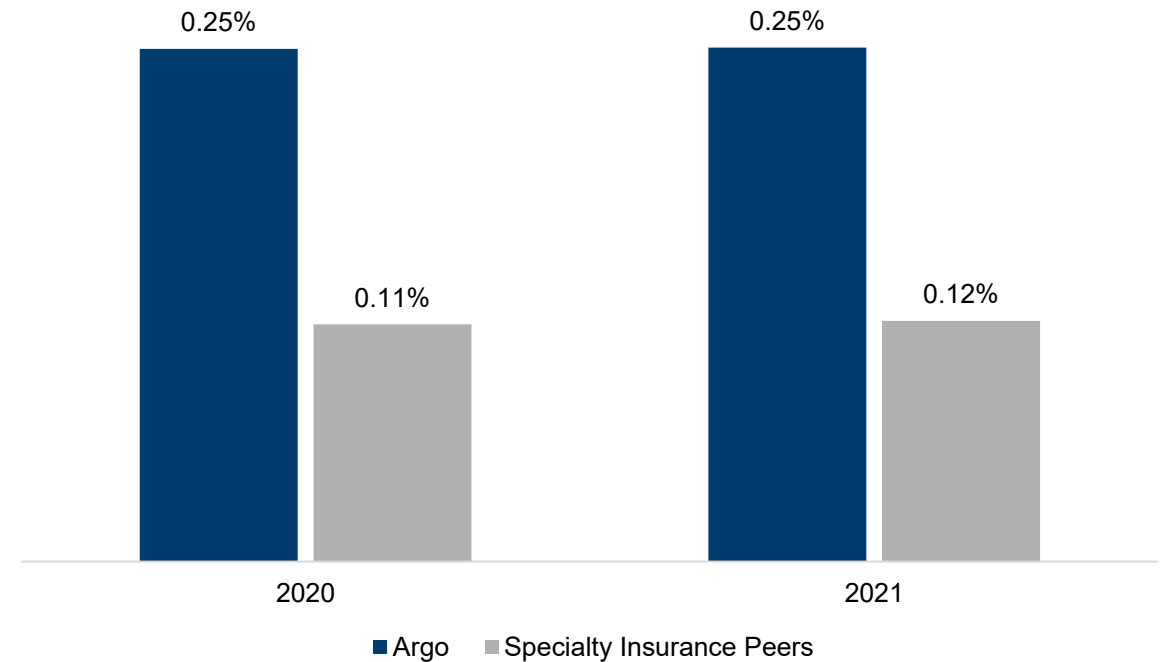
3

Argo Lacks Expense Discipline

Expense Ratio



Investment Expense as a % of Total Investments



Source: FactSet. Data as of November 4, 2022. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp. Peer data refers to peer median.

Non-Compliance with SEC Reporting Obligations

- One of the most basic requirements of a public company is filing its required financial reports *on time* so shareholders can be adequately informed
- In 2022, Argo failed to file its 10-K on a timely basis for the second year in a row
- Argo was previously **charged by the SEC with inadequate disclosure of perquisites** during former CEO Mark Watson's tenure¹
 - The SEC order found that Mr. Watson's perks were four times higher than what the Company disclosed in its proxy statements filed in 2015 through 2019²
 - Worryingly, the SEC found that the inaccuracies continued even after the Company was made aware of them³
 - Argo nominee Al-Noor Ramji served on the Board during the time of Argo's alleged reporting failures
- The Company has taken unexpected charges and asset valuation write-downs, repeatedly added material amounts to its liability for loss reserves, and most recently paid Enstar \$125 million to take liabilities off its books⁴, **reflecting poorly on the integrity and reliability of prior period financial statements**
- Given that **the Board is ultimately responsible for ensuring the timely and accurate reporting of the Company's financial statements**, we find these issues highly troubling

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 12b-25

NOTIFICATION OF LATE FILING

(Check One): Form 10-K Form 20-F Form 11-K Form 10-Q
 Form 10-D Form N-CEN Form N-CSR

For Period Ended: December 31, 2021

Transition Report on Form 10-K
 Transition Report on Form 20-F
 Transition Report on Form 11-K
 Transition Report on Form 10-Q

For the Transition Period Ended:

Read Instruction (on back page) Before Preparing Form. Please Print or Type.
Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I — REGISTRANT INFORMATION

Argo Group International Holdings, Ltd.
Full Name of Registrant

N/A
Former Name if Applicable

90 Pitts Bay Road
Address of Principal Executive Office (Street and Number)

Pembroke HM 08, Bermuda
City, State and Zip Code

PART II — RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

(a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;

(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-CEN or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date, or the subject quarterly report or transition report on Form 10-Q or the subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

1. See *In the Matter of Argo Group International Holdings*, File No. 3-19822, June 4, 2020.
 2. *Id.* at 2.

3. Securities and Exchange Commission Press Release, "Insurance Company Settles SEC Charges for Failing to Disclose Executive Perks," June 4, 2020.
 4. Source: Company filings.

4

Does Mr. Ramji Have Adequate Time to Ensure the Argo Proxy Is Accurate?

- With so many commitments, it appears Mr. Ramji may not have thoroughly reviewed this year's proxy statement biography, which seems to have been hastily (and erroneously) edited and does not reflect when he left his Prudential role
- Mr. Ramji currently sits on the Boards of Tata Motors and Nation Media Group and is prominently featured on their websites and financial reports – however, both boards are omitted from his Argo biography
- Furthermore, Mr. Ramji had *at least* two outside public directorships in the last five years (Virtusa and EVERY ASA), both of which are mentioned in prior proxies but excluded from this year's biography
- If the Company cannot file its 10-Ks on time or ensure its directors adequately update their biographies, what other issues could it be hiding beneath the surface?

Source: Company filings and websites.

Mr. Ramji's Biography in Argo's Proxy Is Riddled with Omissions

Al-Noor Ramji
 Age: 68
 Director Since: 2017
 Committees:
 Risk & Capital (Chair)
 Investment
 Other Current Public Directorships:
 None
 Other Previous Public Directorships During Last Five Years:
 None

Experience:

- Former Group Chief Digital Officer at Prudential plc, an international financial services group, since January of 2016 and is responsible for developing and executing an integrated, long-term digital strategy for the group.
- Before joining Prudential, he worked at Northgate Capital, a venture firm in Silicon Valley, from November 2014 to December 2015 where he ran technology-focused funds.
- Prior to working at Northgate Capital, Mr. Ramji served as Chief Strategy Officer of Calypso Technology, Inc. from March 2014 until July 2015. Prior to this, he was a director of Misys plc, a financial services group, and also served as an executive vice president of Misys Plc.
- Previously held leading technology and innovation roles at BT Group, Qwest Communications, Dresdner Kleinwort Benson and Swiss Bank Corporation.

Key Qualifications:

Our Board considered Mr. Ramji's extensive background in information technology services and digital strategies which play an integral role in the Company's operations.

- Argo fails to disclose when Mr. Ramji left his role at Prudential
- Mr. Ramji's biography omits current directorships at Tata Motors and Nation Media Group
- Mr. Ramji had *at least* two public directorships in the last five years (Virtusa and EVERY ASA), both of which are omitted

Undisclosed Prior Directorships:

Virtusa



EVERY ASA



Undisclosed Current Directorships:

Tata Motors



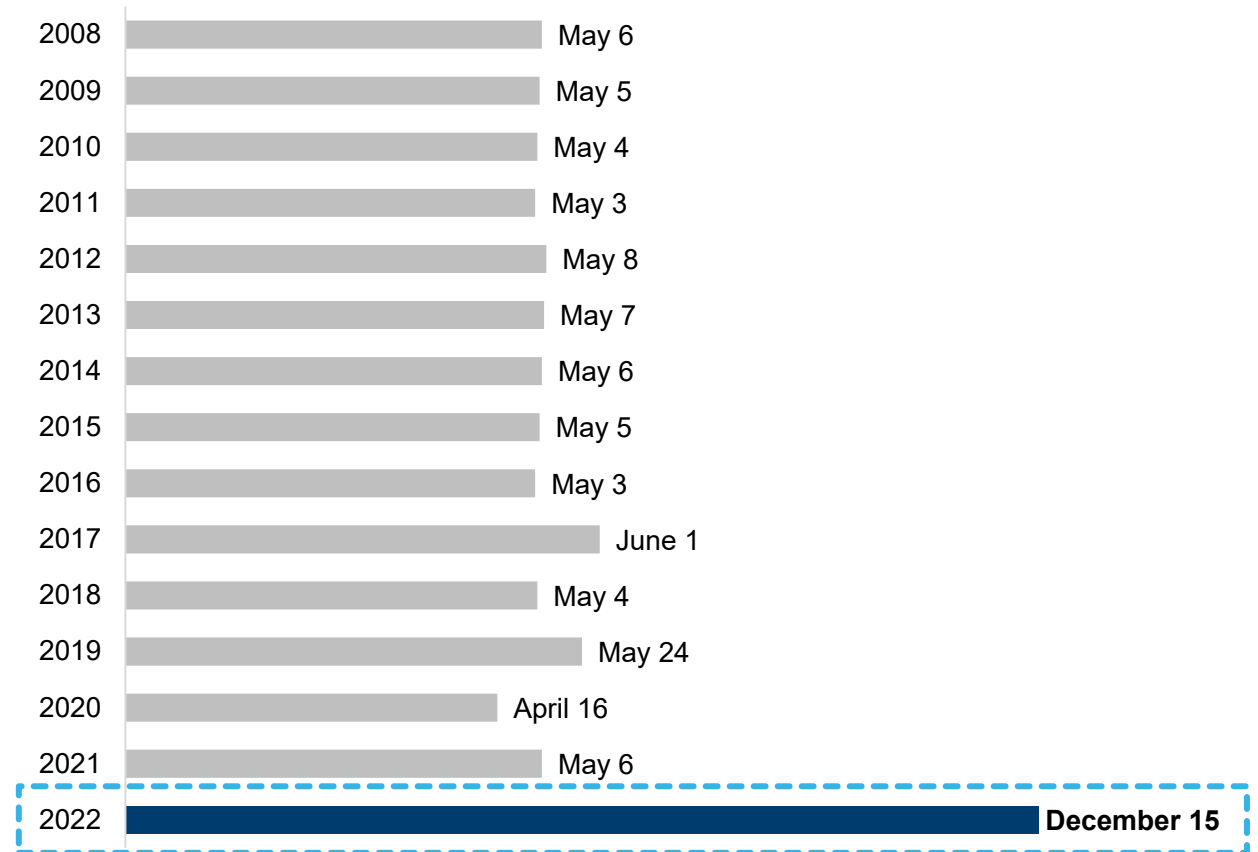
Nation Media Group



We Strongly Believe that Argo's Board Delayed the Annual Meeting to Avoid Accountability

- Over the past 15 years, Argo has **always** held its Annual Meeting in April, May or early June
- This year, **Argo is holding its Annual Meeting nearly as late as legally permissible** under Bermuda law
- We believe **the Company has been playing for time**, in an attempt to avoid accountability and entrench itself
- Instead, the Company's stock price has dropped more than 40%² since we first submitted our nominations

Argo Group Historical Annual Meeting Dates¹

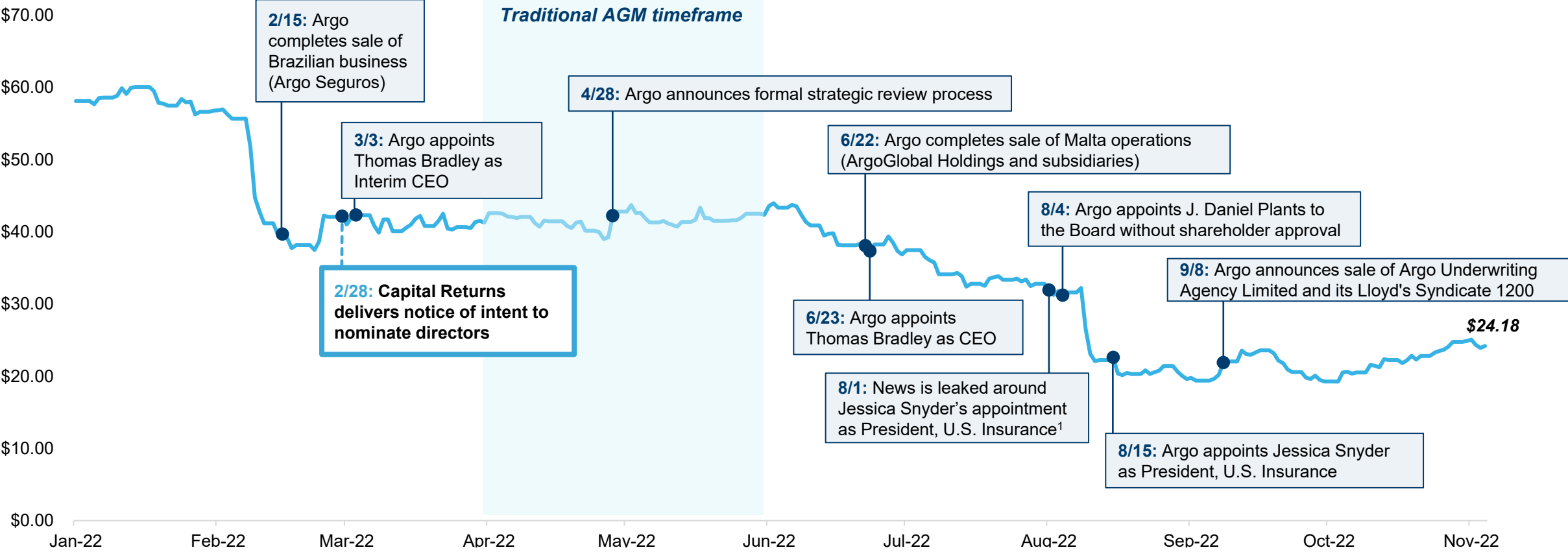


1. Source: Company filings.

2. Source: FactSet. Data from February 28, 2022, to November 4, 2022.

5

Argo Has Delayed While Undertaking Critical Actions, Without Shareholder Consent



Shareholders have grown weary while this Board continues to operate without direct feedback from all shareholders








Source: FactSet. Stock price data from January 1, 2022, to November 4, 2022.
1. Source: *The Insurer*, "Ex-GuideOne CEO Jessica Snyder linked with Argo US president move," August 1, 2022.

III.

Board Refreshment Is Needed
to Ensure Changes Are Implemented

None of Argo's Directors Have Driven Value

Argo Relative Total Shareholder Return During Tenure

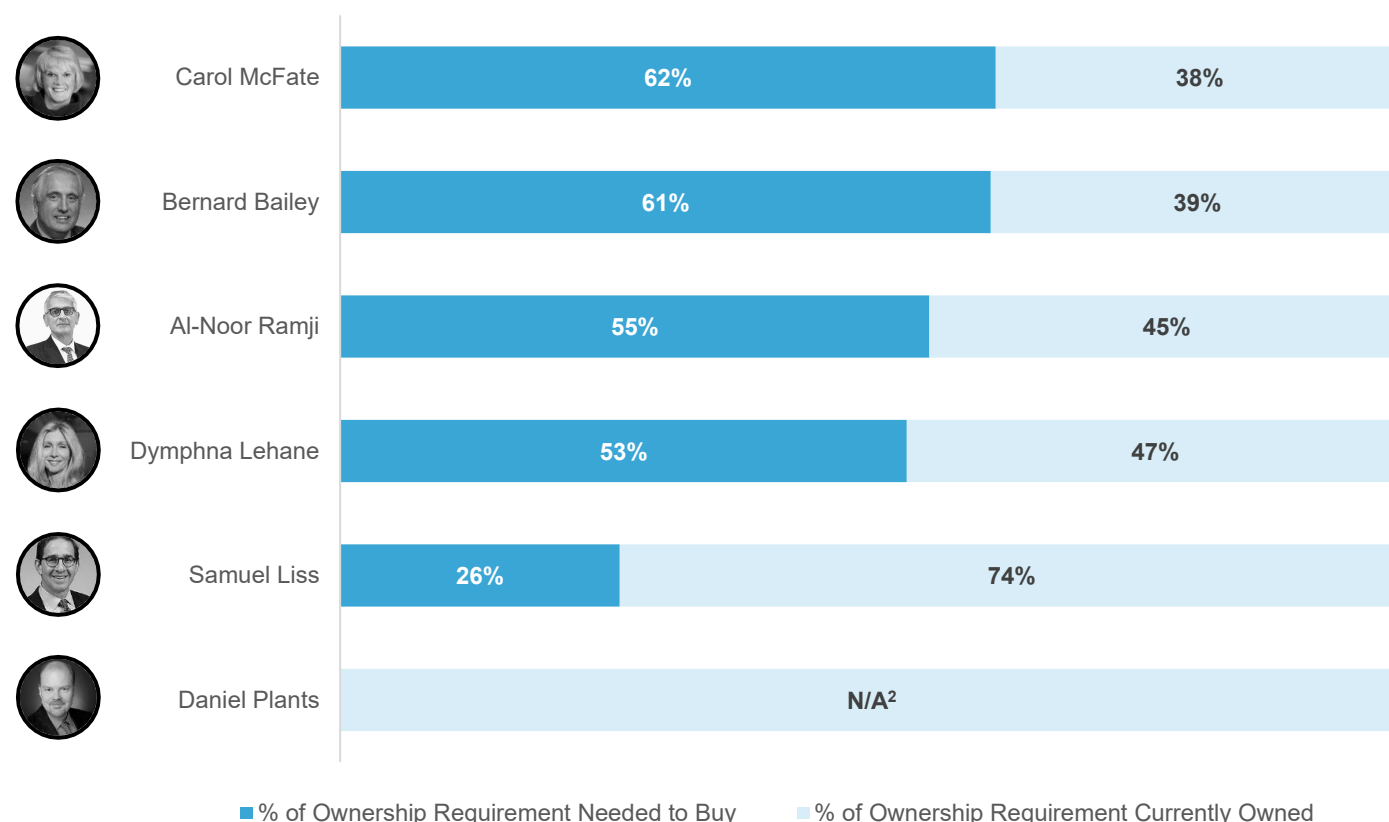
| | vs. Russell 2000 | vs. S&P Mid Cap 400 Insurance Index | vs. S&P Insurance Select Industry | vs. Proxy Peers | vs. Specialty Insurance Peers |
|---|---------------------|--|--------------------------------------|--------------------|----------------------------------|
|  Thomas Bradley <i>Director Since 2018</i> | (68%) | (105%) | (96%) | (70%) | (143%) |
|  Bernard Bailey <i>Director Since 2020</i> | (77%) | (95%) | (89%) | (78%) | (82%) |
|  Dymphna Lehane <i>Director Since 2017</i> | (89%) | (130%) | (110%) | (84%) | (203%) |
|  Samuel Liss <i>Director Since 2019</i> | (79%) | (109%) | (100%) | (69%) | (153%) |
|  Carol McFate <i>Director Since 2020</i> | (71%) | (87%) | (81%) | (61%) | (107%) |
|  Daniel Plants <i>Director Since 2022</i> | (15%) | (39%) | (30%) | (34%) | (38%) |
|  Al-Noor Ramji <i>Director Since 2017</i> | (89%) | (130%) | (110%) | (84%) | (203%) |

Source: FactSet. Data as of November 4, 2022. "Proxy Peers" include: Arch Capital Group, AXIS Capital Holdings, Beazley Plc, Enstar Group, Hanover Insurance Group, Hiscox Ltd., James River Group, ProAssurance, RenaissanceRe, RLI Corp. and Selective Insurance Group. "Specialty Insurance Peers" include: W. R. Berkley, James River Group, Kinsale Capital Group, RLI Corp., American Financial Group, Global Indemnity Group and Markel Corp. Peer data refers to peer median.

The Argo Board Lacks Skin in the Game

- Argo's Equity Ownership Guidelines require each non-employee director to hold equity having a value equal to or greater than 5x the annual retainer they received for service on the Board in the preceding year (i.e., \$85,000 x 5, or \$425,000 in total) or hold all after-tax vested shares earned in connection with their Board service until they meet such threshold
- However, other than Mr. Plants, none of Argo's incumbent directors currently own enough shares to meet the Company's baseline threshold and appear to be doing the bare minimum to comply with the ownership guidelines
- Despite having been on the Board for several years each, Dr. Bailey and Mr. Ramji only own about 40% of the shares they need to reach the Company's ownership threshold and have never purchased shares of the Company directly

% of Ownership Requirement Needed to Reach Baseline Threshold¹



1. Source: Company filings and FactSet. Value required based on Argo closing stock price as of November 3, 2022.

2. By virtue of his affiliation with Voce Capital Management LLC and its affiliates, Mr. Plants is deemed to beneficially own approximately \$79 million in Argo shares, which is well above the threshold required under the Company's Equity Ownership Guidelines.

Our Two Highly Qualified Board Candidates



Ron Bobman

- Ron Bobman is an experienced insurance industry investor, with a track record of many decades of analyzing and successfully investing in insurance companies all over the world
- For two decades, he has managed Capital Returns, which invests exclusively in the insurance industry
- He previously managed all insurance M&A and corporate finance activity for Sam Zell and his insurance holding company Capsure Holdings



Dave Michelson

- Dave Michelson is an insurance industry veteran who served as the CEO of National Interstate, a publicly traded specialty property and casualty insurer, for more than eight years, where he grew the company's book value per share by ~66% during his tenure¹
- Prior to joining National Interstate, Mr. Michelson had a long career at insurance companies Torchmark and Progressive Companies
- He is an experienced public company director, currently serving on the board of FedNat Holding Company, and having previously served on the board of Protective Insurance

1. Source: FactSet. Data from January 1, 2008, to May 5, 2016.

We Urge Shareholders to Replace Bailey and Ramji



Bernard Bailey

- By the Company’s own admission in its proxy statement, Dr. Bailey lacks industry knowledge
- Recent experience includes a stint in academia and at an economic think tank, while his background is in anti-counterfeiting technology
- Previously served as a director of Point Blank Solutions, which ultimately filed for bankruptcy¹
- Share ownership is below the baseline threshold per the Company’s Equity Ownership Guidelines

Score Card

| | |
|---|--|
| TSR During Tenure² | (21%) |
| Loss of Shareholder Value² | (\$294 million) |
| Investment Needed to Meet Baseline Ownership Requirement³ | \$260,003 |
| Fun Fact | Member of Audit Committee for two years in which Company failed to meet on-time reporting obligation |

1. Tom Hals, “Body armor maker Point Blank files for Bankruptcy,” *Reuters*, April 14, 2010.
 2. Source: FactSet.
 3. Source: Company filings and FactSet. Value required based on Argo closing stock price as of November 3, 2022.



Al-Noor Ramji

- Longest-serving member of the Board who has overseen the greatest value destruction
- Member of the Board during the Company’s failure to properly report executive perquisites
- A technologist – not an operator – with no evident experience in property and casualty insurance, let alone expertise in Argo’s business
- Share ownership is below the baseline threshold per the Company’s Equity Ownership Guidelines

Score Card

| | |
|---|---|
| TSR During Tenure² | (53%) |
| Loss of Shareholder Value² | (\$1.2 billion) |
| Investment Needed to Meet Baseline Ownership Requirement³ | \$235,450 |
| Fun Fact | Serves on Boards in five countries on four continents simultaneously, calling into question whether he can dedicate needed time |

Argo's Claims Are Misleading

Argo's Misleading Claim

“Over the last four years, Argo has added five best-in-class C-suite executives to oversee its transformation and lead the Company in its next phase of growth as a U.S. specialty insurer.”¹

“[T]he Board and management team have taken decisive actions to best position Argo for the future, whether operating as a standalone entity or as part of a larger platform.”¹

THE TRUTH

- The Company's new head of its U.S. insurance operations, Jessica Snyder, has an unbroken string of underwriting losses and combined ratios above 100% during each of the last seven-plus years of her tenure prior to joining Argo²
 - Argo's Board waited nearly two years to replace the former CFO who had overseen the Company's inadequate financial reporting and enrichment of former CEO Mark Watson³
 - The Company's last CEO, Kevin Rehnberg, destroyed value during his tenure, even as Argo's Specialty Insurance Peers enjoyed a 25% median return over the same time period
 - Like Mr. Rehnberg, current CEO Thomas Bradley has no prior experience leading a publicly traded insurance company as Chairman or CEO. Yet, he was appointed Chairman in 2020 and CEO in 2022 to replace Mr. Rehnberg, and to this day retains his position as Chair, to fill a leadership void caused by the Board's own lack of adequate succession planning
-
- Capital Returns advised the Board to run a strategic review process in September 2021; the Board initially resisted our suggestion, only to accede to our logic after over \$950 million in shareholder value had been destroyed during the delay.⁴ In our view, the Board has been reactive, not “decisive”
 - We believe Argo's piecemeal approach to reposition the Company is overly complex and time-consuming, and it continues to destroy shareholder value; since the strategic review was announced in April, the Company's market value has declined by over \$600 million⁵

1. Source: Argo Group International Holdings Letter to Shareholders dated October 31, 2022.

2. Source: Statutory insurance and SEC filings.

3. Jay Bullock was replaced by Scott Kirk on March 1, 2021, nearly two years after the Company received the May 2019 SEC subpoena.

4. Source: FactSet. Data from September 13, 2021, to November 4, 2022.

5. Source: FactSet. Data from April 28, 2022, to November 4, 2022.

Argo's Claims Are Misleading (Continued)

Argo's Misleading Claim

“The Company’s directors up for re-election at the annual general meeting have... critical expertise needed to continue to oversee the Company’s strategy as a pure-play U.S. specialty insurer.”¹

“The Board has concerns regarding Mr. Michelson’s ability to commit the appropriate time to the Argo Board, given that he currently serves as a director or advisor to at least six other companies.”¹

THE TRUTH

- Dr. Bailey and Mr. Ramji have no direct insurance industry experience; Dr. Bailey currently serves as the President of a private consulting company focused on corporate governance and strategy; Mr. Ramji is a technologist, rather than operator, with no evident experience in property and casualty insurance
- Their skill sets are of limited relevance to the Company’s most important task – conducting a comprehensive and objective evaluation of Argo’s strategy and all strategic alternatives to create value for shareholders
- Mr. Michelson currently serves on a single public company board; if elected to the Board of Argo, we are confident in his ability to properly allocate his time between two public directorships
- The other companies for which Mr. Michelson serves as an advisor (not a director, as the Company implies) are all privately held start-ups; none of these are operational roles that require significant time or attention
- Dr. Bailey consulted on an undisclosed number of clients while serving on the Argo Board and, until recently, on the Telos Board
- Mr. Ramji was a full-time executive while serving on three public company Boards, including the Argo Board²

1. Source: Argo Group International Holdings Letter to Shareholders dated October 31, 2022.

2. The Argo proxy does not indicate when Mr. Ramji left his job at Prudential and incorrectly states that he does not serve on any outside public Boards, even though he serves on the Boards of Tata Motors and Nation Media Group, and that he did not serve on other public Boards in the last five years, even though he served on the Virtusa Board until early 2021.

IV. Conclusion

The Time for Change Is Now

We Believe Argo Has Underperformed and That Further Change is Needed

- Argo has destroyed value and underperformed its peers and the applicable indices over relevant measurement periods
- This Board has had more than enough time to address the Company's underperformance and, in our view, has unequivocally failed
- We believe the Board has made errors in judgment: failing to configure the business optimally, inadequately managing two leadership successions, approving the hiring of executives who are ill-suited to improve the business, failing to insist on expense discipline and failing to oversee timely and accurate financial reporting
- The Board's protracted strategic review process continues without any real progress beyond piecemeal asset sales
- We see no signs that things will improve, nor do we see any reason that this Board and these nominees deserve our confidence

We Believe Our Nominees Are Better Qualified to Effect Change

- Directors Bailey and Ramji have both served on the Argo Board for several years; they have had their opportunity to create value for shareholders, and they have failed to do so
- Director Bailey lacks meaningful industry experience and is ill-suited to be a director on this Board, let alone as Lead Independent Director overseeing a first-time public company CEO
- Argo director Ramji has overseen the greatest value destruction as the longest-standing member of the Board and lacks operational expertise to help oversee the complex transformation of a specialty insurance business
- Our candidates are decidedly different, and we believe they will enhance the overall Board with their relevant expertise, as experienced investors and skilled operators, and fresh perspectives
- Our candidates are committed to working constructively and collaboratively with the incumbent directors on behalf of all shareholders

Vote the WHITE Proxy Card Today


















If you have any questions, require assistance in voting your WHITE universal proxy card, or need additional copies of Capital Returns' proxy materials, please contact:

John Ferguson / Joe Mills
Saratoga Proxy Consulting
(212) 257-1311
info@saratogaproxy.com

We urge you to vote the WHITE universal proxy card today FOR the election of our candidates Ron Bobman and Dave Michelson and not for the incumbents Bernard Bailey and Al-Noor Ramji

V.
Appendix

Nominee Biographies

| Director | Current & Past Affiliations | Experience |
|---|---|--|
|  <p>Ronald D. Bobman Age: 57</p> |    <p>Capsure Holdings Corp.</p> | <ul style="list-style-type: none"> + 30+ years of investment and leadership experience in the insurance industry with insurance holding company board experience + Current Founder, President & CIO of Capital Returns since 2003 and has served on the Advisory Committee of venture capital firm Blockchange Ventures LP since the firm's founding in 2017 + Previously, served as Portfolio Manager for long-short equity hedge fund Bedford Oak Advisors (2001–2003) and Co-President and board member of logistics software company Neomodal.com (2000–2001) + From 1989 to 1997, was employed by companies owned and or controlled by investor Sam Zell; first as an Associate, M&A for Equity Group Investments and thereafter as Director and VP, Corporate Development, M&A for Capsure Holdings Corp. (formerly NYSE:SUR) through the sale of the company in 1997 + Previously served on the Board of Greycastle Holdings Ltd., a life reinsurance holding company, from its founding in 2014 through the sale of the company in 2020 + Received a Master of Management from Kellogg at Northwestern University and a B.S. in Economics from Wharton at the University of Pennsylvania |
|  <p>David W. Michelson Age: 65</p> |           | <ul style="list-style-type: none"> + 40+ years of experience and expertise in casualty and property insurance with extensive leadership and board experience in the insurance industry + President of DWM Consulting since 2019 and currently serves as Advisor to Two Sigma Insurance Quantified, CompScience, Roadz and High Definition Vehicle Insurance + Previously served in various roles at National Interstate Insurance Company (former NASDAQ:NATL), including CEO (2008–2016), President (2008–2015), Board member (2009–2016) and Senior Advisor (2016–2018) + Prior to National Interstate, served as VP for Torchmark Corporation (formerly NYSE: TMK, currently GL) (1982–1992) and in Product Management for The Progressive Corporation (NYSE: PGR) (1979–1982) + Currently serves on the Board of FedNat Holding Company (NASDAQ: FNHC) since 2019; previously served as a director on the Board of Protective Insurance Company (former NASDAQ: PTVCA and PTVCB) from 2018 to its sale to The Progressive Corporation in 2021 and as an Advisory Board Member to Lytx, Inc., a video telematics company, from 2017 to 2019 + Received an M.B.A. in Business Administration, Management and Operations from the University of Alabama at Birmingham and a B.S. in Business Administration and Accountancy from Miami University |