

January 29, 2014

Dear Shareholder,

On December 16, 2013 the Argus Group announced net earnings of \$1.6 million for the six months ended September 30, 2013 compared to \$7.1 million in the prior year. Shareholders' Equity now stands at \$96.1 million, substantially in excess of the statutory capital required to conduct the Group's various insurance and investment related businesses.

Although modest, this profit is supported by strong performance from our core business operations of \$7.5 million as a result of achieving high client retention levels in a competitive environment and managing operating expenses. The recent uncertainty in fixed income investment markets worldwide resulted in the Group incurring unrealized investment losses. The losses are regarded by Management as a short-term setback to the otherwise positive development of Group Net Earnings.

On December 13, 2013, the Board declared a dividend of six cents per share payable on February 28, 2014 for shareholders of record on January 15, 2014. This represents a final dividend based upon the audited financial statements of the Group for the year ended March 31, 2013.

Dividend Reinvestment Programme

At the Company's Annual General Meeting held on September 27, 2013, the Board announced that a Dividend Reinvestment Programme, or "DRIP", would be introduced and made available to all Shareholders. The DRIP will allow Shareholders to use their cash dividends to buy more shares in the Company, thereby compounding the returns for those Shareholders that choose to do so.

Once a Shareholder has decided to participate in the DRIP and has enrolled, it is intended that the process thereafter will be automatic, with the reinvestment cycle matching that for the dividend. Those Shareholders who enroll will see their full dividend reinvested to purchase whole shares based on the 'applicable market value' at that time and as described in more detail in the DRIP documentation. Should a Shareholder subsequently decide to withdraw from the DRIP, or sell their entire balance of shares, then they would be entitled to the cash payment of any fractional dividend proceeds not yet reinvested.

Attached please find the terms governing the DRIP for your consideration and participation. We encourage Shareholders to consider participating in this opportunity to increase your shareholdings in the Company in an efficient and cost effective manner. Please return the enclosed form at your earliest opportunity in the postage paid, self-addressed envelope included for that purpose.

Shareholder Register Update Form

Certain Shareholders may also find a copy of the Shareholder Register Update Form included with this letter, as we either have no record of receiving your initial Form or the banks have experienced difficulties processing your direct payment based on the information previously submitted.

Direct Dividend Payments

We remind you that all local dividend payments will only be made by direct bank transfer and therefore it is essential that we have your most current and accurate information to facilitate the smooth and timely payment of your dividend. Regrettably there are still some Shareholders for whom the banks experienced difficulties processing payments and we request that you please return the enclosed form at your earliest opportunity in the postage paid, self-addressed envelope included for that purpose.

Electronic Communications

Please help us make Argus a little more 'green' by agreeing to receive shareholder materials electronically. We need your consent to do this so invite you to complete the Electronic Receipt of Shareholder Materials section of the Shareholder Register Update form attached and by designating an e-mail address that we can use.

Confirmation of Nationality

The introduction of the Foreign Account Tax Compliance Act ("FATCA") by the United States requires that entities seeking to qualify as Foreign Financial Institutions must collect and collate information on clients and shareholders who are citizens, residents or 'Green Card' holders of the United States of America. Please help us comply with our FATCA obligations by completing the relevant Compliance Details section of the Shareholder Register Update form attached.

Thank you for your loyalty and please accept my best wishes for 2014.

Yours sincerely,



Alison S. Hill
Chief Executive Officer

enc.

A PRE-PAID SELF ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

BY E-MAIL

Registrar@argus.bm

BY HAND

Argus Group Holdings Limited
Argus Building, 14 Wesley Street
Hamilton HM 11, Bermuda
Attention: The Registrar

BY MAIL

Argus Group Holdings Limited
P.O. Box HM 1064
Hamilton HM EX, Bermuda
Attention: The Registrar

QUESTIONS? Call 298-0888 AND ASK FOR THE REGISTRAR

**ARGUS GROUP HOLDINGS LIMITED
DIVIDEND REINVESTMENT PROGRAMME
RULES**

THIS DOCUMENT IS IMPORTANT

If you are in any doubt as to what action you should take once you have read this document, please consult with your professional advisor immediately

The Dividend Reinvestment Plan (the "DRIP") enables shareholders to increase their shareholdings in Argus Group Holdings Limited (the "Company") in a simple manner, without having to pay stamp duty and dealing costs. Shareholders are invited to make a revocable election to receive allotments of additional fully-paid shares instead of receiving the cash dividends.

Method of calculation and notification

The number of new shares (of par value BD\$1.00 each) to be allotted to shareholders who elect to participate in the DRIP will be calculated by dividing the total amount of the cash dividend which each shareholder would have otherwise been entitled to receive by the Applicable Market Value of the Company's shares. All new shares issued instead of cash will automatically increase the holding upon which further DRIP entitlement will be calculated.

Applicable Market Value

The Applicable Market Value shall be the average of mid-prices between the closing bid and asked prices of the Company's shares on the five Bermuda Stock Exchange trading days immediately following the relevant dividend record date. If the mid-price cannot be determined in respect to any trading day swing due to the absence of either a closing bid or closing asked price, or where the spread between the closing bid and closing asked prices in any trading day exceeds ten percent of the closing bid price, the Directors may substitute for a mid-price the last trade price, failing which the closing bid price, failing which the closing offer price. The Directors reserve the right by notice in The Royal Gazette to substitute another formula of entitlement, or suspend the DRIP, if in exceptional circumstances they consider market activity has so distorted the price that it would not be in the best interests of the Company to issue new shares on the basis of the formula above.

Fractional Shares

Any fractional entitlement that is created by the above formula shall not be satisfied by the issuance of fractional shares. Instead, the cash value of the fractional share will be carried forward and combined with subsequent dividend payments.

Expenses

The Company will pay the stamp duty on the issue of new shares under the DRIP. Stamp duty and trading fees in connection with any subsequent sales of the new shares by those shareholders will be for the account of the relevant parties.

New Shares

New shares will come from the Company's existing authorized but unissued share capital. All new shares issued instead of cash will be in certificated form however, pursuant to Bye-Law 10.3 of the Company's Bye-Laws, no new share certificates shall be completed and delivered unless specifically called upon to do so by the shareholder to whom the new shares have been allotted. All shareholders who elect to participate in the DRIP shall receive a notice confirming the number of new shares issued through the DRIP each dividend reinvestment cycle in which they participate, as well as the total number of shares they currently hold in the DRIP.

Should a shareholder subsequently wish to exit the DRIP or sell those shares received as a result of the DRIP, a single share certificate shall be issued for all such shares that shareholder has received but for which no share certificates have been previously requested.

Election to the DRIP

If you wish to participate in the DRIP and receive your dividends in the form of new shares, we request that you please complete and return the enclosed Election Form in the postage paid, self-addressed envelope included for that purpose.

Elections will be accepted for full share holdings only; shareholders may not opt for part cash, part new shares.

By sending in the Election Form, you will be giving a standing instruction to the Company to pay future dividends to you in the form of new shares rather than cash. This election will continue to apply until such time as you notify the Company in writing of your desire to revoke that standing instruction.

If a shareholder intends for the Election Form to take effect and be applied to the next scheduled dividend payment immediately following the receipt of the Form by the Company, the shareholder must ensure that the Form arrives in sufficient time to be acted upon, namely by the close of business on the relevant dividend record date.

If you wish to continue to receive your dividends in the form of cash, then you need take no action. You will still be able to elect to participate in the DRIP at any time in the future, subject to any deadlines that may be applicable, the availability of new shares and the continuance of the DRIP.

General

The decision whether or not to elect to participate in the DRIP is entirely the responsibility of individual shareholders. If you are in any doubt as to what to do, you should consult with your professional advisors. This applies particularly to shareholders acting as trustees, who are recommended to take professional advice as to whether they have the requisite powers to make an election to receive shares in lieu of cash and as to the effect of any such election having regard to the terms of the relevant trust instrument. All non-Bermuda resident shareholders should consult with their professional advisors as to whether any governmental or other consents are required or other formalities need to be observed to enable them to participate in the DRIP. No person receiving a copy of these DRIP particulars and/or Election Form in any jurisdiction outside of Bermuda may treat it as an invitation unless in the relevant jurisdiction such invitation could be lawfully made without having to comply with an unfulfilled registration of other legal requirements.

Residents of Other Jurisdictions

The new shares have not been registered under applicable securities legislation of the United States or any other jurisdiction. If you are in any doubt as to what action you should take once you have read this document, please consult with your professional advisor immediately.

**ARGUS GROUP HOLDINGS LIMITED
DIVIDEND REINVESTMENT PROGRAMME
ELECTION FORM**

IMPORTANT

If you are in any doubt as to what action you should take once you have read this document, please consult with your professional advisor immediately

If you wish to receive your dividends in the form of additional shares in the Company, please complete and return this Election Form to the Company in the postage paid, self-addressed envelope included for that purpose.

Name(s): _____

Address: _____

Email: _____ Tel. No. _____

If you wish to continue to receive your dividends in cash, you need take no action

To the Directors and Registrar
Argus Group Holdings Limited (the "Company")

Until further written notice to the contrary, I/we hereby authorize and request that you allot to me/us shares of BD\$1.00 par value each of the Company, credited as fully paid in lieu of any future dividend proposed or declared by the Directors to be payable in cash. I/We hereby undertake to accept such shares allotted to me/us subject to the Company's Bye-Laws and the Companies Act 1981. I/We confirm that we are not restricted from acquiring the shares either directly or indirectly. I/We confirm we have read the Argus Group Holdings Limited Dividend Reinvestment Program Rules dated January 29, 2014 describing the Dividend Reinvestment Programme.

Compliance by the Company with this authorisation will discharge it from all liability in respect of dividends so paid.

Signature(s) of Shareholder(s)*: _____

* In the case of joint shareholders all such shareholders must sign.

Date: _____

Important – Please Read

A completed Election Form received by the Company will apply to all future dividends until such time as the shareholder cancels those instructions in writing. If a shareholder intends for the Election Form to take effect and be applied to the next scheduled dividend payment immediately following the Company receipt of the Form, the shareholder must ensure that the Form arrives in sufficient time to be acted upon, namely by the close of business on the relevant dividend record date.

BY E-MAIL

Registrar@argus.bm

BY HAND

Argus Group Holdings Limited
Argus Building, 14 Wesley Street
Hamilton HM 11, Bermuda
Attention: The Registrar

BY MAIL

Argus Group Holdings Limited
P.O. Box HM 1064
Hamilton HM EX, Bermuda
Attention: The Registrar

QUESTIONS? Call 298-0888 AND ASK FOR THE REGISTRAR

SHAREHOLDER REGISTER UPDATE FORM

Shareholder Details

Name(s): _____

Address: _____

**PLEASE complete and return this Form.
ALL sections must be completed.**

Telephone: Home: _____ Work: _____ Mobile: _____

Dividends

From September 2013, dividends payable to shareholders resident in Bermuda shall be made by direct deposit only.

I/We are resident in Bermuda and authorize that dividend payments are to be deposited to the following bank account:

Butterfield Bank HSBC Bank Bermuda Capital G Bank Bermuda Commercial Bank

Bank Account Name: _____

Bank Account No: _____

I/We am/are not a resident of Bermuda, please send dividends by way of Bank Draft as follows to the address above:

US Dollars Canadian Dollars Pounds Sterling Other: _____

Electronic Receipt of Shareholder Materials

I/We elect to receive electronic copies of the following shareholder materials via email instead of printed versions:

Annual Report Six Month Report Proxy Materials Shareholder Letters

Email Address: _____

Compliance Details

Please complete the following for each named shareholder, including joint shareholders and minors/beneficiaries. If a shareholder has more than two nationalities, please include all of them.

Shareholder 1: Name: _____ Bermudian Other: _____

I confirm that shareholder 1 is not a citizen, resident or Green Card holder of the United States of America.

Shareholder 2: Name: _____ Bermudian Other: _____

I confirm that shareholder 2 is not a citizen, resident or Green Card holder of the United States of America.

Shareholder 3: Name: _____ Bermudian Other: _____

I confirm that shareholder 3 is not a citizen, resident or Green Card holder of the United States of America.

Signature: _____ Date: _____

Please return to:

Registrar@argus.bm or Argus Group Holdings Limited
Argus Building, 14 Wesley Street
Hamilton HM 11
Attention: The Registrar

INTERNAL USE ONLY:

Updated: _____
 Shareholder Number: _____