

August 6, 2014

Dear Shareholder,

You will be pleased to learn that the Argus Group reported net earnings of \$13.2 million for the year ended March 31, 2014 compared to \$12.8 million in the prior year. Shareholders' Equity now stands at \$106.9 million, substantially in excess of the statutory capital required to conduct the Group's various insurance and investment related businesses.

These positive results are underpinned by strong business fundamentals including continued strong performance by our core business operations, high client retention levels despite fiercely competitive markets and efficient management of operating expenses. In addition, we continue to follow strong governance and risk management processes and to optimize the Balance Sheet and capital structure in a considered and orderly fashion.

Your board and management believes that there are signs that the economic downturn in Bermuda and elsewhere may have bottomed out, but economic recovery will be slow. The Group continues to make progress with its strategic goal of focusing on markets where Argus can grow and earn higher returns within acceptable risk tolerances. Accordingly, we remain confident that the Argus Group is well positioned for the future.

Based upon the financial results of the Group for the year ended March 31, 2014, the board has declared an interim dividend of seven cents per share payable on September 15, 2014 for shareholders of record on August 11, 2014.

We are also taking the opportunity to remind you of the following:

#### **Dividend Reinvestment Programme**

The Dividend Reinvestment Programme, or "DRIP", was introduced in 2013 and is 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.

We encourage shareholders to consider participating in this opportunity to increase your shareholdings in the Company in an efficient and cost effective manner. Please contact the Registrar via the options below at your earliest opportunity to complete the Election Form.



### 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. Please take a moment to complete all sections of the form and return it in the postage paid, self-addressed envelope included for that purpose.

Thank you for your loyalty. We look forward to a long and profitable future together.

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**