



**Argo Group International Holdings, Ltd.**

AGII NYSE

Insurance - Property / Casualty

Market Capitalization USD:

\$886.84 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Mark E. Watson**Age: 47****CEO Since: 2003**

	2009	2010	2011
Base Salary	\$1,038,462	\$1,000,000	\$1,000,000
Discretionary Bonus	\$0	\$3,000,000	\$0
Annual Cash Incentive	\$942,000	\$495,000	\$0
Benefits and Perquisites	\$817,709	\$792,255	\$350,239
TOTAL ANNUAL COMPENSATION	\$2,798,171	\$5,287,255	\$1,350,239
Increase in Post-Retirement Benefits	\$20,548	\$19,150	\$106,186
Stock Option Awards	\$919,581	\$745,912	\$1,033,617
Stock Awards	\$631,912	\$1,143,368	\$1,481,480
TOTAL COMPENSATION	\$4,370,212	\$7,195,685	\$3,971,522
Median of Other Named Executive Officers Total Compensation	\$1,798,478	\$1,572,757	\$1,161,428
Value Realized on Exercise of Stock Option	\$0	\$1,425,228	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$492,582
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$1,425,228	\$492,582

Proxy Date: 22 Mar 2012

Annual Meeting Date: 8 May 2012

Equity Reserves: 13.85%

Stock Option Run Rate: 3.44%

Argo Group International Holdings, Ltd.

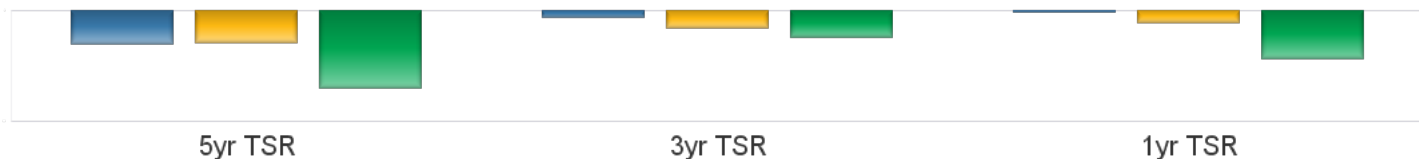
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Performance Comparison

■ S&P500 ■ Industry ■ AGII



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AGII	Argo Group International Holdings, Ltd.	\$4,370,212	\$7,195,685	\$3,971,522	\$886,841,008
Y	Alleghany Corporation	\$6,206,004	\$5,636,469	\$7,346,857	\$2,556,690,462
PRA	ProAssurance Corporation	\$2,522,909	\$2,703,149		\$2,203,185,137
ORI	Old Republic International Corporation	\$1,022,600	\$1,231,097		\$2,146,023,944
MCY	Mercury General Corporation	\$1,436,826	\$1,011,698		\$2,102,612,650
AWH	Allied World Assurance Company Holdings,	\$6,849,045	\$8,719,290	\$7,743,933	\$2,047,544,758
ALTE	Alterra Capital Holdings Limited	\$4,619,878	\$7,191,180	\$7,386,503	\$2,006,920,849

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Allied World Assurance Co. Holdings Ltd., Alterra Capital, Amlin plc, Arch Capital Group Ltd., Aspen Insurance Holdings Ltd., Axis Capital Holdings Ltd., Beazley plc, Catlin Group Limited, Endurance Specialty Holdings Ltd., Flagstone Reinsurance Holdings Ltd., HCC Insurance Holdings Inc., Hiscox Ltd, Markel Corporation, Montpelier Re Holdings Ltd., Platinum Underwriters Holdings Ltd., RLI Corporation, RenaissanceRe Holdings Ltd., Validus Holdings Ltd.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John R. Power	Chairman	56	Male	5	Outside
F. Sedawick Browne	Member	69	Male	13	Outside Related
Garv V. Woods	Member	68	Male	5	Outside
Harvey B. Cash	Member	73	Male	5	Outside
Hector De Leon	Member	65	Male	5	Outside

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