

QUESTIONS AND ANSWERS

About the Surrender of Shares of Transatlantic Common Stock for Cash and/or Alleghany Common Stock

The following are answers to some frequently asked questions about the surrender, subject to the completion of the merger, of shares of Transatlantic common stock in connection with the merger of Transatlantic Holdings, Inc. (“Transatlantic”) with and into Shoreline Merger Sub, Inc. (“Merger Sub”), a wholly owned subsidiary of Alleghany Corporation (“Alleghany”). The information herein is qualified in its entirety by reference to (i) the Agreement and Plan of Merger, dated as of November 20, 2011, between Alleghany, Merger Sub, and Transatlantic (a copy of the merger agreement is included as Annex A to the joint proxy statement/prospectus that has been mailed to you in connection with the special meeting of Transatlantic stockholders being held on February 6, 2012 in order to approve the proposed merger), (ii) such joint proxy statement/prospectus and (iii) the Election Form enclosed herewith. **If you have additional questions about the surrender of your shares of Transatlantic common stock or need further assistance, please call Georgeson Inc., Transatlantic’s Information Agent, at (888) 613-9817.**

What election am I being asked to make?

You are being asked to make an election to choose stock consideration or cash consideration, subject to proration, for each share of Transatlantic common stock you own. In the event of proration, you may receive a portion of the merger consideration in a form other than that which you elected. This election is described in greater detail in this document and in the joint proxy statement/prospectus.

For certain information regarding the federal income tax consequences of elections, see the section “Material U.S. Federal Income Tax Consequences” in the joint proxy statement/prospectus.

When must I elect the type of merger consideration that I prefer to receive?

A properly completed and signed Election Form must be returned to Computershare by the election deadline along with, as the case may be, the stock certificate(s) or an appropriate guarantee of delivery of such certificates to which such Election Form relates (if you hold shares of Transatlantic common stock in certificated form) or book-entry transfer of shares to which such Election Form relates (if you hold shares of Transatlantic common stock in uncertificated form). The election deadline will be publicly announced in a joint press release of Alleghany and Transatlantic at least 5 business days prior to such date. If you do not submit a properly completed and signed Election Form to Computershare by the election deadline, you will have no control over the type of merger consideration you will receive, and consequently, may receive stock consideration, cash consideration or a combination of both stock consideration and cash consideration, depending on the elections of other Transatlantic stockholders.

What is the Election Form?

The enclosed Election Form allows you to choose between stock consideration or cash consideration, or a combination of both. To make this election, complete the enclosed Election Form according to the instructions also enclosed and return to Computershare such form with your share certificates representing your shares of Transatlantic common stock or book-entry transfer of shares by the election deadline.

Enclosed with the Election Form are instructions for surrendering your share certificates representing your shares of Transatlantic common stock or making a book-entry transfer of shares to Computershare. You must complete, sign and return the Election Form to Computershare along with your share certificates representing your shares of Transatlantic common stock or book-entry transfer of shares in order to elect the type of merger consideration that you would prefer to receive in the merger.

What will happen if I do not complete and return all necessary materials to Computershare by the election deadline?

You will then be deemed to have not made an election and will receive stock consideration, cash consideration or a combination of both stock consideration and cash consideration depending on the elections made by other Transatlantic stockholders. You will, however, not receive the merger consideration until you have surrendered your Transatlantic stock certificates. No Transatlantic stockholder will receive any consideration unless and until the merger is completed.

What will happen if I submit my Transatlantic stock certificates and submit the Election Form, and then later decide to change my mind?

You may change your election by written notice received by Computershare prior to the Election Deadline, accompanied by a properly completed and revised Election Form. You may revoke your election by written notice received by Computershare prior to the Election Deadline or by withdrawal of your Transatlantic stock certificates, or of the guarantee of delivery of such certificates, if any, previously deposited with the Exchange Agent prior to the Election Deadline. However, the time to make a valid election is limited, so we encourage you to consider carefully your choice before sending in your materials.

How should I mail in my Election Form and any share certificates representing Transatlantic common stock?

You are responsible for delivering to Computershare your Election Form and any share certificates representing Transatlantic common stock that you wish to surrender. The method of delivery is at your election and risk. We recommend that you use registered mail, properly insured, return receipt requested. Please keep in mind that the delivery time for registered or certified mail is often longer than regular mail. Whichever method you choose, please be sure to allow ample time for delivery. The Election Form and your stock certificates may be mailed, or sent by courier, in the enclosed return envelope, to one of the following addresses:

By Mail:
Computershare
C/O Voluntary Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

By Overnight Delivery:
Computershare
C/O Voluntary Corporate Actions
250 Royall Street, Suite V
Canton, MA 02021

If you have any questions regarding the procedure for exchanging your stock certificates, submitting a guarantee of delivery or making a book-entry transfer of shares, please contact Georgeson Inc., Transatlantic's Information Agent, at (888) 613-9817.

What if I have separate accounts?

You will receive and must complete a separate Election Form for each account that you have.

What if my certificate(s) representing Transatlantic common stock contains a restrictive legend?

The presence of a restrictive legend on your certificate(s) representing Transatlantic common stock has no effect on the procedures for making an election of stock consideration or cash consideration. You should follow the procedures set forth in these instructions for making an election of merger consideration with respect to such shares.

If my certificate(s) representing Transatlantic common stock is lost, stolen or destroyed, how do I get it replaced?

If your certificate(s) representing Transatlantic common stock has been lost, stolen or destroyed, please call American Stock Transfer & Trust Company LLC, Transatlantic's transfer agent, at (800) 937-5449. A representative will send you the necessary documentation to arrange for the issuance of replacement shares.

What should I do if I want my shares of Alleghany common stock or cash consideration issued in a different name(s)?

Please follow the Instruction B.6 to the Election Form. **All changes in registration require a “medallion” signature guarantee.** You can have your signature Medallion Guaranteed at a financial institution such as a commercial bank, a trust company, a national bank, a credit union, a brokerage firm or a savings association that participates in the “Medallion” program. Please note that notarization by a notary public is not a valid substitute for a Medallion Guaranteed signature. In addition, unless you certify the TIN for the new account, you may be subject to backup withholding and other penalties. Please refer to Instruction B.9.

What if my shares of Transatlantic common stock are held by a bank or broker?

Please contact your bank or broker for information on how they will handle your account.

How long will it take Computershare to exchange my shares of Transatlantic common stock and mail my merger consideration if the merger is completed?

Assuming that you properly complete the Election Form and you surrender all your share certificates of your Transatlantic common stock by the election deadline, it will generally take approximately 10 business days from date of completion of the merger for Computershare to process and mail to you your merger consideration. If there is any problem with your documentation once it reaches Computershare, Computershare will return your Election Form to you with a letter of explanation. Your election will not be valid until any and all such problems with your documentation are resolved. If any problem with your Election Form is not resolved prior to the election deadline, you will be deemed to have not made an election and will receive stock consideration, cash consideration or a combination of both stock consideration and cash consideration depending on the elections made by other Transatlantic stockholders.

Will I receive a physical certificate for any shares of Alleghany common stock that are delivered to me in the merger?

No. Any shares of Alleghany common stock will be issued under Alleghany’s Direct Registration System. This means that your shares will be held in an account maintained by Alleghany’s transfer agent. If you want a physical certificate, you may request one at any time for a nominal fee.

What is a Form W-9? What form should I use if I am a foreign stockholder?

The Form W-9 should be completed and signed. If you receive the Form W-9 (or your consideration is to be issued in a different name from that indicated on the Election Form) and you do not submit a properly completed Form W-9, any payments made to you may be subject to backup withholding. Non-U.S. stockholders should provide a Form W-8 that may be obtained from Computershare or the IRS’s website at www.irs.gov. Foreign stockholders should contact Computershare for further information.

What if I lose my Election Form or need an additional one?

You should call Georgeson Inc., Transatlantic’s Information Agent, at (888) 613-9817, and request that a duplicate Election Form be mailed to you. Keep in mind that Computershare must receive any Election Form changes by the election deadline.

If I still have questions about the merger and my exchange of shares of Transatlantic common stock, whom should I call?

You should call Georgeson Inc., Transatlantic’s Information Agent, at (888) 613-9817.

