



25th August 2021

The Directors
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Copied to the Directors of Third Point Offshore Independent Voting Company Limited ("VoteCo")

Dear Sirs,

Third Point Investors Limited ("TPIL" or the "Company")

Terms defined in our previous letters shall have the same meanings in this letter.

We note the Board's rejection on 13 July 21 of the requisition made by AVI and three other Shareholders on the grounds that it was "ineffective". It was of course always open to the Board itself to put the resolution contained in our requisition to Shareholders but, notwithstanding the support of a significant body of Shareholders (the requisitioning Shareholders own over 17% per cent. of the Ordinary Shares), it chose not to do so.

In the light of the above, and after taking advice from leading Counsel, we have enclosed a [requisition](#) (duly signed by Shareholders holding more than ten per cent. of the capital of the Company as carries the right of voting at general meetings) pursuant to which the Board is required to consider steps and actions that should be taken to address the discount and to propose the following ordinary resolution by way of advisory vote (the "Advisory Vote"):

THAT the Company put in place arrangements whereby, at the discretion of the Directors, Shareholders are provided with the opportunity (but without obligation) to redeem their shareholdings in the Company on terms (as regards frequency and percentage of shareholding) that match as closely as possible those available to investors who hold the same class of shares in Third Point Offshore Fund, Ltd (the "Master Fund") in which the Company has invested a majority of its assets.

We accept that the holding of the Advisory Vote will not be binding on the Company and/or the Directors but likewise it being put to a General Meeting will not contravene the provisions of the Company's Articles of Incorporation.

AVI and the other requisitioning Shareholders continue to believe the measures announced following the Strategic Review will not adequately resolve the long-standing discount problem that has plagued TPIL. TPIL's discount has averaged 20 per cent. over the last three years. We note that prior to our public letter of 26 May 2021 - which we believe raised hopes of a structural solution to the discount problem finally being implemented - it stood at 17 per cent.

As we have made clear in previous letters, we harbour grave concerns as to the integrity of the process of the Strategic Review and its conclusions based on:

- (i) our belief the announced measures did not accurately reflect the feedback received from Shareholders;
- (ii) the lack of independence of the consultant hired to lead the Shareholder consultation process given the individual in question was introduced by Third Point to the TPIL Board;
- (iii) our belief that the process and its conclusions were subject to undue interference and aggressive over-reach from Third Point, a view supported by the extraordinary behaviour of - and comments made by - Mr. Loeb, CEO and CIO of Third Point, on TPIL's Q4-20 investor webinar held earlier this year prior to the conclusions of the review being announced¹.

As such, we believe it is in the best interests of Shareholders and the Company that Shareholders have an opportunity for their voices to be heard in the fully transparent fashion provided by the holding of a meeting to discuss the discount and the holding of the Advisory Vote. We believe the TPIL Board should welcome such an opportunity to resolve the issues we have highlighted and allow the Company to move forwards.

We call on the TPIL Board not to issue a recommendation on the Advisory Vote

As an advisory vote designed to provide Shareholders with an opportunity to express their views on this issue, we do not believe it would be appropriate for the TPIL Board to recommend how Shareholders should vote, i.e., to say what Shareholders' views "should" be.

We would expect VoteCo's Board not to vote its Class B Shares on the Advisory Vote

Given VoteCo was established solely to "resolve jurisdictional issues in the US"; has effectively no economic interest in the Company; and that the Advisory Vote is by definition advisory in nature, it is difficult to see any justification or rationale for VoteCo voting its Class B Shares. The purpose of the Advisory Vote is to establish Shareholders' views on the issue and any votes made by VoteCo should be disregarded in this respect in any case.

We call on Mr. Loeb to recuse himself from voting on the Advisory Vote

We understand Mr. Loeb owns a 17 per cent. stake in TPIL.

We note that Third Point's representative on the TPIL Board, Josh Targoff, was only re-elected at the recent Annual General Meeting due to the votes of Mr. Loeb², i.e. a majority of votes from independent Shareholders were in favour of removing him from the TPIL Board. This is clearly a deeply unsatisfactory state of affairs, and we do not believe it is in anyone's interests for a repeat of that situation.

We also note the recent precedent set by Alan Howard, co-founder and majority owner of Brevan Howard, who agreed not to vote his shares on a resolution that would have affected the

¹ As a reminder, Mr. Loeb referred to Shareholders of TPIL as "small-minded" amongst other insults - full details can be viewed on pages 5 to 7 of our letter dated 26 May 2021: https://www.assetvalueinvestors.com/content/uploads/2021/05/AVI-Open-Letter-to-TPIL-Vote-Co_2.pdf

² We estimate that if Mr. Loeb had recused himself from voting, votes cast would have been 43% in favour of Mr. Targoff's re-election; 51% against; and 6% abstentions. It is our understanding that Mr. Loeb's shares were voted at the Annual General Meeting, although we have been unable to confirm this is the case.

management fees paid by BH Global to Brevan Howard³. We applaud Mr. Howard's stance and look forward to Mr. Loeb demonstrating a similar commitment to high standards of governance by not voting his Shareholding on the Advisory Vote on the grounds that he is conflicted (as a redemption mechanism may lower management fees paid by TPIL to Third Point).

Yours sincerely,



Tom Treanor
Executive Director/Head of Research

Note to Editors

VoteCo Explained

In common with several other London-listed funds with a US investment manager; a majority of investments in the US; and/or with large US shareholder ownership at the time of their IPOs, TPIL put in place a structure to mitigate the risk of losing its foreign private issuer status. Losing this status would have seen TPIL treated as a US domestic issuer for US federal securities law purposes.

TPIL's chosen structure involved the creation of Class B Shares that would at all times control 40 per cent. of the aggregate voting rights. TPIL's documents were clear that the sole purpose of the Class B Shares was to resolve "jurisdictional regulatory issues in the US". The Class B Shares were issued to VoteCo, a Guernsey company with a Board of Directors selected "to provide both financial market experience and a strong understanding of fiduciary responsibility" and a mandate to exercise the voting rights attached to the Class B Shares "in the best interest of the holders of Ordinary Shares as a whole".

³ See page six of the circular: <https://www.bhglobal.com/wp-content/uploads/2021/03/BH-Global-Notice-of-EGM-2021.pdf>