



**Explanation to the Extraordinary General Meeting of Shareholders of Himalayan Fund
N.V.of
5 April 2018:**

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Himalayan Fund N.V.(the “Fund”)

(incorporated in the Netherlands, registered with the Chamber of Commerce Amsterdam, number 33216642)

Directors

Ian McEvatt (Chairman)
Dwight Makins (Non Executive Director)
Robert Meijer (Executive Director)
Karin van der Ploeg (Executive Director)

Registered Office

Legmeerdijk 182
1187 NJ Amstelveen
The Netherlands

22 February 2018

Background to and reasons for the liquidation of the Fund

The Fund was incorporated and listed on the Official List of the LSE and on Euronext Amsterdam in 1990. At the time of the launch the Fund was valued at approximately USD 100 million. The current funds under management of the Fund are approximately USD 9 million.

The Directors have regularly reviewed the strategic options available to the Fund. The primary concern of the Directors has increasingly been the inability, over recent years, to find a new

Himalayan Fund N.V. is an investment company with variable capital
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Registered at the Chamber of Commerce in Amsterdam under number 33.216.642



strategic partner that is capable of generating a sustained flow of new cash subscriptions to the Fund. The Directors are also concerned about the increasing burden of new regulations and the accelerating costs of compliance for the Fund.

Reluctantly, the Directors have concluded that without assured new cash inflows, the Board's ability to manage the Fund with firm control of the expense base is uncertain. The Directors have also concluded that the costs and ever increasing regulatory requirements associated with maintaining the listings of the Ordinary Shares on the Official List of the London Stock Exchange and on Euronext Amsterdam are a drain on the Fund's financial and management resources and outweigh its benefits. Accordingly, against such a background the Directors have concluded that the best course of action is to take the advantage of the current valuation level of the Indian stock markets and to liquidate the Fund.

RISK FACTORS

Rejection of resolutions

The relevant resolutions fail to be passed at the shareholder meeting.

The Priority Shareholder has committed to support the proposal and will vote in favour of the relevant resolutions. It is unlikely that other shareholders present and voting will vote in sufficient numbers to overcome the voting weight of the Priority Shares.

Liquidation of assets

The underlying portfolio cannot be liquidated until the liquidation resolutions are passed and as a result, there is a market risk arising from the liquidation process.

The Fund will have to move quickly to realise the best prices for the stocks to be liquidated and may encounter opportunistic pricing attempts by market counterparties. The Fund has already moved to concentrate the portfolio in high quality, liquid stocks and feels that the current holdings can all be liquidated efficiently in a short time. The portfolio value is approximately \$9mil; In respect of this, the average daily turnover in Indian stock markets is approximately \$6-7billions.

Currency risk

There is a currency exchange risk on the conversion of liquidation proceeds to US Dollars. However, the Rupee/Dollar exchange rate has been relatively stable in a trading range of less than 5% and is therefore not deemed a material risk.

Repatriation of asset sale proceeds

The repatriation of proceeds is subject to receiving a tax clearance from the Indian tax authorities. The Fund's tax advisers have advised that a negative response is unlikely.

Liquidation value

The eventual Liquidation Value may be subject to claims from external parties for settlement of outstanding debts from claimants in The Netherlands and India. The Fund will publish an advertisement of its intention to liquidate in both countries. As the Fund has historically dealt with



a limited number of service providers and will make appropriate provisions for known obligations, this is not deemed to be a material risk.

ACTION TO BE TAKEN IN RESPECT OF THE GENERAL MEETING

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy so as to reach the **Company Secretary**, Legmeerdijk 182, 1187 NJ, Amstelveen, The Netherlands, as soon as possible and in any event not later than 16h00 on Friday 30 March 2018. Completion and return of a Form of Proxy will not however preclude a Shareholder from attending the General Meeting and voting in person should he wish to do so.

RECOMMENDATION

The Directors believe the liquidation of the Fund to be in the best interests of Shareholders and it is recommended that you vote in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully

Ian McEvatt, Chairman

Explanation to certain items of the agenda

Item 6: the Board proposes to re-appoint Mazars as the auditor of the Fund for the year 2018. Furthermore the Board proposed to appoint Mazars as the auditor of the liquidation accounts.

Item 7: The Board will receive the same remuneration as in 2017 until the date of the meeting.

Item 8: the Fund will be liquidated for reasons mentioned above.

Item 9: it is proposed to appoint the Board as the liquidator of the Fund and to fix its remuneration at the same amount as the Board has received for its services in 2017.

Item 10: it is proposed to appoint Maatschap Inviqta, Tax en Legal Support, a partnership registered with the chamber of commerce under number 34373769 as the person that will take care of the custody of the books and records and to authorize the liquidator to fix the remuneration for this service.



Item 11: the Fund has to de-list as part of the liquidation from Euronext at a point to be determined by the liquidator.

Separate EGM for de de-listing on the London Stock Exchange

Due to legislation in the United Kingdom for Cancellation of the Ordinary Shares of the Fund from the Official List and from trading on the Main Market of the London Stock Exchange the Board has decided to hold a separate EGM with regard to this item. The EGM to decide on the delisting of the Fund on the London Stock Exchange will take place right before this EGM.

Suspension of trading on Euronext Amsterdam as well as on the London Stock Exchange

Trading on Euronext Amsterdam has been suspended with immediate effect this action has been taken to protect the interests of all Shareholders equally and to protect the portfolio from losses due to arbitrage.

Events that will take place in chronological order

EGMs - 5 April 2018

Sale of the portfolio- right after the EGMs

Delisting from the London Stock Exchange- 4 May 2018

Publication of the Liquidation balance and distribution plan- as soon as possible

Audit of the liquidation balance-as soon as possible

2 months waiting term

Annual general meeting to approve the annual accounts 2017-June 2018



Mandatory corporate action in which the Ordinary shareholders will receive payment for their Ordinary Shares-this will take place as soon as possible after the 2 months waiting term, unless objections have been filed against the Liquidation balance.

Proxy for use at the Annual General Meeting of Shareholders

.....being the holder of Ordinary Shares of Himalayan N.V. (the "Fund") hereby appoints the Chairman of the Meeting as our proxy to vote for us on our behalf at the Annual Meeting of Shareholders of the Fund to be held at 12h35 on 5 April 2018 and at any adjournment thereof as directed below.

		FOR	AGAINST	ABSTAIN
2	To approve the minutes of the AGM of 15 June 2017			
3.	To reappoint Mazars Paardekooper Hoffman Accountants N.V. as the auditors of the Fund and to authorise the Board of Directors to fix their remuneration			
4	To fix the remuneration of the Board with effect from 1 January 2018 until the date of this Meeting to be fixed at the same fee the Board has received for its services in 2017			
5.	To dissolve of the Fund (followed by liquidation of its assets and liabilities liquidate the Fund).			
6.	To appoint the Board as the liquidators of the Fund and to fix their remuneration at the same fee the Board has received for its services in 2017			
7	To appoint Maatschap Inviqta, Tax en Legal Support, a partnership registered with the chamber of commerce under number 34373769 as the person that will take custody of the books and records of the company and to authorise the liquidator to fix its remuneration			



8. To de-list the Ordinary Shares from Euronext Amsterdam at a date to be decided by the liquidator

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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For and on behalf of

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Authorised Signatories

Signed this.....day of2018.

Notes:

- (1) In completing this form, please indicate in the relevant box how many shares are registered in your name.
- (2) If this form is completed in respect of all the shares registered in your name, please indicate how you wish the votes to be cast by placing a tick in the relevant box. If any of the votes cast are to be in respect of less than your full shareholding, please indicate in each box the number of votes to be cast in relation to the resolution. Unless otherwise instructed, the proxy will vote or abstain as he thinks fit. The proxy need not be a shareholder of the Fund.
- (3) If you wish to appoint another person to be your proxy instead of the Chairman of the Meeting, you should delete the words "Chairman of the Meeting" and write the name of your proxy in the space provided.
- (4) If the appointor is a corporation, this form of proxy must be executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. In the case of joint holders, the vote of the first named holder who tenders a vote shall prevail.

THIS APPOINTMENT OF PROXY MUST BE DEPOSITED AT THE OFFICES OF THE FUND, LEGMEERDIJK 182, 1187 NJ AMSTELVEEN, THE NETHERLANDS , NOT LATER THAN 12h30 ON TUESDAY 3 APRIL 2018.