



Minutes

Annual General Meeting of Shareholders

Himalayan Fund N.V.

Held in Amsterdam,

At the offices of Fastnet Netherlands N.V.,

De Ruyterkade 6-i

On June 8, 2011 at 13h00

Present On behalf of the Fund:

Mr. I. G. McEvatt, Chairman of the Board

Mr. R.C.J. Meijer, Director

Mr. D. Makins, Director

Mrs. K. van der Ploeg, Director

Agenda of the meeting:

1. Opening.
2. Discussion and adoption of the report of the Board of Directors and the financial statements for the year ended 31 December 2010.
3. Appropriation of the result for the year 2010 as proposed in the annual report 2010.
4. Discharge of the Board of Directors and each Director individually as well as release from liability in respect of the management and administration of Himalayan Fund N.V. during the year 2010.
5. Reappointment of Deloitte Accountants B.V. as auditors of the Fund and authorisation of the Board of Directors to fix their remuneration.
6. Remuneration of the Board of Directors with effect from 1 January 2011 to be fixed at an aggregate maximum of US \$100,000.
7. Any other business.
8. Closure of the meeting.



1. Opening.

Mr. I. G. Mc Evatt, Chairman of the Board, opens the meeting at 13h00 and welcomes those present.

Mrs. K. van der Ploeg is kindly requested to act as the Secretary of this meeting and to keep the minutes of the discussion.

The Chairman establishes that the meeting has been convened in compliance with the requirements by virtue of the Articles of Association and applicable regulations. Invitations have been sent to the shareholders on April 26, 2011. Also advertisements have been placed in the edition of 26 April 2011 in the following paper:

➤ “Financieele Dagblad”,

At the request of the Chairman, Mrs. van der Ploeg informs the meeting that according to the attendance sheet, 49,995 priority shares are represented (by proxy to the Chairman of the Meeting), which have the right to 999,900 votes, as well as 201 Ordinary Shares, which have the right to 201 votes, so that valid decisions can be taken insofar as a quorum is required.

The Chairman proposes to approve the minutes of the AGM of 3 June 2010.

This motion is put to a vote and is carried unanimously.

2. Discussion and adoption of the report of the Board of Directors and the financial statements for the year ended 31 December 2010.

The Chairman states that the Annual Accounts have been audited by Deloitte Accountants B.V. and that the Director's Report and the Annual Accounts have been signed by all members of the Board of Directors.

The Chairman addressed questions from the floor.

The Chairman explains that the TER is dependant on the costs and the NAV. The Fund has made a lot of efforts to reduce costs and it seems that more cost reduction is not possible. A new and lower fee has been negotiated with Fastnet Netherlands N.V. the administrator of the Fund. Director fees have been the same since the beginning of the Fund. The Fund is trying to keep the costs as low as possible. If the AUM goes up the TER will show a corresponding reduction.

There are negotiations with new investors, however it is difficult to find new investors. Since the financial crash in 2008/2009 independent access to distribution channels has been limited. In the Netherlands the Fund does not have a promoter: distribution channels are controlled by the major financial houses who do not welcome independants.



The Fund was facing a similar problem in the UK, where the Fund was just too small. Last year the Fund was introduced to an independent broker-Arden Partners plc-and they act as the broker of the Fund on the London Stock Exchange now. So far there has not been a lot of revenue from them: there has been a large turnover in personnel but they now have a new team who will promote the Fund actively again.

There are negotiations with a private Swiss bank based: they may promote the Fund mainly in Switzerland, jointly with Iceman. The expectation is that they will invest US\$ 5-10 million. In Germany similar negotiations are taking place. So new inflows are anticipated and this should bring the TER down.

Fiscal fees have gone up because the Fund had to register for VAT.

The advisory fee: currently there is no outperformance fee. The current fee is a competitive fee according to the Chairman. Adding an outperformance fee has been a topic of discussion in the past year.

It is explained that Mr Meijer and Mr Makins are independent directors. The Board is of the opinion that their fees are not high considering the market and taking into account that directors have increasing responsibilities and have greater personal liability than they used to have .Mr McEvatt and Mrs van der Ploeg have different fees because their companies are also service providers to the Fund. The Board is very involved with the Fund and there is at least weekly email contact with each other. The Board holds monthly conference calls and physical meetings once per quarter in Amsterdam.

All paperwork for the dissolution of the Canbank Offshore Mutual Fund ("Mutual Fund") is finished and the Mutual Fund will be dissolved as soon as possible. The Fund is a registered Foreign Institutional Investor (FII) in India in its own right and therefore does not need the Mutual Fund anymore.

The Chairman explains that the books have always been kept in US\$ because because the USD/INR exchange rate has always been the most liquid. He believes that the majority of the investors prefer US\$ above the Euro: the Fund has many non-Euro-based investors.

The Chairman discusses the investment strategy. The reason for the underperformance in 2010 is that there had been a strategic decision of trimming heavy industrial stocks to put the focus on personal consumption themes, where growth has been very strong. Then, in August and September the Fund sold Cairn India because of the acquisition it faced and also another volatile stock which had reached its price target. As a result, the Fund held a substantial level of cash at time when the market experienced a sudden upward spike. The ability to respond quickly in this situation is constrained by the market's operational practice, whereby an investor cannot enter a buy order until the proceeds of a sell order have been received. As a result of these circumstances, the portfolio suffered sharp underperformance during this period which we were unable to recover.



The Fund does not intend to change its benchmark, nor does it intend to change its policy of not hedging its currency exposure. The Indian Rupee is not fully convertible on capital account, so the cost of running a continuous hedge on the portfolio would be high and occasional tactical currency covering would effectively amount to speculation, which is not permitted under the Fund's Prospectus terms.

The Chairman thereafter states that the Director's Report is taken as read and moves that the attached Annual Accounts be adopted unaltered.

This motion is put to a vote and is carried unanimously.

3. Appropriation of the results for the year 2010 as proposed in the annual report 2010.

The Chairman thereafter moves that no dividend will be distributed and that the profit for the year 2010 will be added to the general reserves and that no dividend will be distributed.

This motion is put to a vote and is carried unanimously.

4. Discharge of the Board of Directors and each Director individually as well as release from liability in respect of the management and administration of Himalayan Fund N.V. during the year 2010.

The Chairman proposes:

To discharge the Board of Directors and each Director individually from liability as well as release the Board of Directors and each Director individually in respect of the management and administration of the Fund during the year 2010

This motion is put to a vote and is carried unanimously.

5. Reappointment of Deloitte Accountants B.V. as auditors of the Company and authorisation of the Board of Directors to fix their remuneration.

The Chairman proposes:

To reappoint Deloitte Accountants B.V. as auditors of the Company and to authorize the Board of Directors to fix their remuneration.

This motion is put to a vote and is carried unanimously.



6. Remuneration of the Board of Directors with effect from 1 January 2011 to be fixed at an aggregate maximum of US \$100,000.

The Chairman proposes:

To fix the remuneration of the Board of Directors with effect from 1 January 2011 at an aggregate maximum of US\$ 100,000.

This motion is put to a vote and is carried unanimously

7. Any other business.

There is no further business to attend to.

8. Closure of the meeting.

The Chairman closes the meeting at 13h45.

The Chairman,

The Secretary,

Mr. I. G. McEvatt

Mrs. K. van der Ploeg