

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about what action you should take, you are recommended immediately to seek advice from your legal, tax and other professional advisers.

If you have sold or otherwise transferred all of your shares in Kubera Cross-Border Fund Limited (the "**Company**"), please forward this document, together with the accompanying form of proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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# **KUBERA CROSS-BORDER FUND LIMITED**

(an exempted company incorporated in the Cayman Islands with registered number MC-177892)

## **AMENDMENTS TO ARTICLES OF ASSOCIATION AND INVESTMENT MANAGEMENT AGREEMENT**

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A letter from the Chairman of the Company is set out on pages 2 to 4 of this document.

Notice of an Extraordinary General Meeting ("**EGM**") of the Company to be held at the offices of Multiconsult Limited, 10 Frère Félix de Valois Street, Port Louis, Mauritius, at 4pm (Mauritius time) on 19 November 2008 is set out at pages 5 and 6 of this document. A form of proxy for use at the EGM accompanies this document and, to be valid must be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach Multiconsult Limited, 10 Frère Félix de Valois Street, Port Louis, Mauritius not less than 48 hours before the time of the EGM.

# Kubera Cross-Border Fund Limited

*Directors:*

Martin Adams (Chairman)  
 Wijeyaraj (Kumar) Mahadeva  
 Ramanan Raghavendran  
 Robert (Michael) Tyler  
 Pravin Gandhi

*Registered Office:*

PO Box 309  
 Uglund House  
 Grand Cayman, KY1-1104  
 Cayman Islands

*(all non-executive)*

Dated: 28 October 2008

*To all holders of ordinary shares of US\$0.01 each ("Shareholders")*

Dear Shareholder

## **Amendment to Articles of Association**

The Board has undertaken a review of the Company's constitutional documents. The conclusion of this review is that two amendments are recommended to the Company's articles of association (the "**Articles**"). The Company is proposing to make two changes to the Articles dealing with (i) the powers of the Company to repurchase ordinary shares of US\$0.01 each ("**Shares**"); and (ii) the way the Company would calculate any future scrip dividend entitlement (each change is summarised below).

### *Article 17 – Redemption and Repurchase of Shares*

The Company is proposing to clarify the powers of the Company to directly purchase its own Shares. The intention of this change is to give the Company a permanent general authority to purchase its Shares provided that:

- purchases are market purchases made for cash at prices below the net asset value per Share prevailing at the time the Company purchases or commits to purchase the Shares;
- the price to be paid per share is not more than the higher of (i) five (5%) per cent. above the volume weighted average price of the shares for the five (5) business days before the Company purchases or commits to purchase the Shares; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time the Company purchases or commits to purchase the Shares; and
- in the case of a general tender offer made by the Company to all Shareholders to purchase Shares (with the exception of any Shareholders deemed by the Directors in their sole discretion to be ineligible to receive such offer due to legal, tax or regulatory reasons in any jurisdiction) on the same terms, the applicable purchase price (or, as applicable, the parameters of, or formula for determining, the purchase price if not fixed) and the timing and other conditions of the tender offer may be determined and fixed at the time the terms of such tender offer are circulated to Shareholders, and any such purchase shall be effected at the Directors' discretion on a pro rata basis among those Members whose tender applications are properly made and accepted.

The Board believes this general authority will give greater flexibility to the Company in the timing and consideration of direct Share buy-backs. The number of Shares the Company will be able to repurchase will not be restricted (except to the extent that the Company has funds which it may lawfully use for such share repurchases) and any Shares the Company repurchases will automatically be cancelled. The Company would make an announcement to the market when any Shares were repurchased.

The amendment to Article 17 is conditional on the amendment to the Investment Management Agreement (as defined and described below) being approved by Shareholders.

*Article 137 – scrip dividends*

The Company currently has the right, but not the obligation, to provide returns to Shareholders by making dividend distributions. The Board also has the flexibility to offer Shareholders the opportunity, if the Company were to make such a dividend distribution, to elect to receive fully paid new Shares in the Company, instead of cash.

The Articles require the Board to calculate Shareholders' entitlements to any such new Shares by reference to the prevailing market price of the Shares. However, the Board believe such entitlement should be calculated by reference to the prevailing net asset value per Share. Accordingly, the Board is proposing to make the necessary changes to the Articles so that any future Shareholder entitlement can be calculated in this way. In the event that at the time a dividend was declared the Shares were trading at a discount to the prevailing net asset value per Share the Board may, at its discretion, seek to put in place a facility to assist Shareholders to use any cash dividend paid to purchase Shares in the market.

**Amendment to the Investment Management Agreement**

Kubera Partners LLC (the “**Investment Manager**”) receives from the Company, pursuant to the investment management agreement dated 21 December 2006 between the Company and the Investment Manager (the “**Investment Management Agreement**”), an aggregate investment management fee of two per cent. of the Company’s net asset value per annum paid quarterly in advance based on the month end net asset value at the end of the previous quarter.

Any re-purchase of Shares would have the effect of reducing the Company’s net asset value and the management fee payable to the Investment Manager. Notwithstanding a possible re-purchase of Shares, the Board believes that it is in the Company’s long term interest that the Investment Manager should have the financial capacity to maintain its current resources in order to both maximise the returns from the existing portfolio of investments and ensure its future ability to respond quickly to take advantage of opportunities arising in the current turbulent economic climate. Accordingly, the Board is recommending to the Shareholders to grant the independent members of the Board (therefore excluding Kumar Mahadeva and Ramanan Raghavendran) the authority, at their election, for a period of one year following the grant of that authority, to fix the Investment Manager’s management fee for an appropriate duration. Such duration will not exceed a three year period following such a Board decision, and the fixed quarterly fee will not exceed the Investment Manager’s fee for the quarter in which the Board decision is made. If the independent members of the Board elect to do so, the Investment Manager’s fee will revert to two per cent. of the Company’s net asset value per annum after the period of the fixed fee.

The grant of this authority to the independent Board members is conditional on the amendment to Article 17 of the Articles (described above) being approved by Shareholders.

**Extraordinary General Meeting**

Shareholder resolutions to approve the amendments to the Articles and the change to the annual management fee will be proposed at the Company’s EGM to be held at the offices of Multiconsult Limited, 10, Frère Félix de Valois Street, Port Louis, Mauritius at 4pm (Mauritius time) on 19 November 2008.

Whether or not you intend to attend the EGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to be received by Multiconsult Limited not later than 48 hours before the meeting.

The completion and return of a form of proxy will not prevent a shareholder from attending the EGM and voting in person if he/she wishes to do so.

The quorum for the EGM is two Shareholders present in person or by proxy and entitled to vote at the meeting. In the event that a quorum is not achieved the EGM will be adjourned until the same time on 26 November 2008, and the adjourned EGM will be held at the same place as the original meeting. The quorum for such adjourned meeting is one Shareholder present in person or by proxy.

If you have any queries regarding the EGM please contact the Company’s investment manager on +1-212-295-2400. (Please note that the Company’s investment manager can only give procedural advice in relation to the meeting and is not authorised to provide investment advice).

**Recommendation**

The Directors, whose beneficial or controlled holdings collectively total 150,000 ordinary shares, will be voting in favour of the resolutions at the EGM. The Directors consider that these proposals are in the best interests of the Company and recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

Yours sincerely

**Martin Adams**

*Chairman*

**KUBERA CROSS BORDER FUND LIMITED**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at the offices of Multiconsult Limited, 10, Frère Félix de Valois Street, Port Louis, Mauritius at 4pm (Mauritius time) on 19 November 2008 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions:

**SPECIAL RESOLUTIONS**

1. THAT:

(i) the following words be inserted after the words "by Ordinary Resolution" in article 17 of the Articles, "or the manner of purchase of the Shares is permitted under Article 17A below";

(ii) an additional article 17A be added after the current article 17 in the Articles as follows

"For so long as the Company has any of its Shares admitted to trading on the AIM market of the London Stock Exchange plc and subject to the provisions of the Statute, the Company may, at the discretion of the Directors, purchase its own Shares (including redeemable Shares) provided that:

17A.1 the purchases are market purchases made for cash at prices below last published net asset value per Share prevailing at the time the Company purchases, or commits to, purchase the Shares (as the case may be);

17A.2 the price to be paid per Share is not more than the higher of (i) five per cent. above the volume weighted average price of the Shares for the five business days before the Company purchases or commits to purchase the Shares; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time the Company purchases, or commits to purchase, the Shares (as the case may be); and

17A.3 in the case of a general tender offer made by the Company to all Shareholders to purchase Shares (with the exception of any Shareholders deemed by the Directors in their sole discretion to be ineligible to receive such offer due to legal, tax or regulatory reasons in any jurisdiction) on the same terms, the applicable purchase price for the purposes of articles 17A.1 and 17A.2 above (or, as applicable, the parameters of, or formula for determining, the purchase price if not fixed) and the timing and other conditions of the tender offer may be determined and fixed at the time the terms of such tender offer are circulated to Shareholders and any such purchase shall be effected at the Directors' discretion, on a pro rata basis among those Members whose tender applications are properly made and accepted."; and

(iii) the independent members of the board of directors of the Company (the "**Independent Board Members**") be and are hereby authorised, in their sole discretion, to approve an amendment to paragraph 2.1 of Part 3 of the schedule to the investment management agreement dated 21 December 2006 (the "**Investment Management Agreement**") between the Company and Kubera Partners LLC (the "**Investment Manager**") to fix the Investment Manager's management fee at a fixed amount (the "**Fixed Quarterly Fee**") for an appropriate duration determined by the Independent Board Members (the "**Management Fee Fixed Period**"), subject to the following conditions:

(a) this authority granted to the Independent Board Members shall expire on the date being 12 months from the date of passing of this resolution;

(b) the duration of the Management Fee Fixed Period determined by the Independent Board Members will not exceed a period of 36 months following the date of the applicable decision of the Independent Board Members;

(c) the Fixed Quarterly Fee will not exceed the Investment Manager's quarterly management fee for the calendar quarter in which the decision of the Independent Board Members is made.

2. THAT the current article 139.1 of the Articles be deleted and replaced with the following:

The basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the last published net asset value per Share) of the additional Shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount.

*Registered Office:*  
PO Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

Dated: 28 October 2008

By Order of the Board

Multiconsult Limited  
*Administrator*

*Notes:*

1. *A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish.*
2. *To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with Multiconsult Limited at 10, Frère Félix de Valois Street, Port Louis, Mauritius not less than 48 hours before the time for holding the Meeting.*

**KUBERA CROSS-BORDER FUND LIMITED**

**EXTRAORDINARY GENERAL MEETING**

**FORM OF PROXY**

I/We

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(block capitals please)

Of

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being (a) holder(s) of Ordinary Shares in the above-named Company hereby appoint the Chairman of the Meeting, or (see Note 2)

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as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at 4 pm (Mauritius time) on 19 November 2008 at the offices of Multiconsult Limited, 10 Frère Félix de Valois Street, Port Louis, Mauritius and at any adjournment thereof and thereat to vote as indicated below.

**Number of Shares held:**

**Form of Shareholding:** Euroclear / Clearstream / Book Register  
(\*circle as appropriate)

**Dated:** 2008

Signature(s).....

**Completed proxies must be returned to the Fund's Administrator by mail or by facsimile no later than 4 pm (Mauritius time) on 17 November 2008, as follows:**

**By Mail: Multiconsult Limited  
10 Frère Félix de Valois Street  
Port Louis  
Mauritius**

**By Facsimile: (+230) 212 5265**

Please indicate with an **X** in the spaces below how you wish your vote to be cast.

	FOR	AGAINST	VOTE WITHHELD
1. Special Resolution to (i) amend the Articles of Association of the Company in relation the redemption and repurchase of shares and (ii) grant the independent members of the board the power to fix the Investment Manager's management fee at a fixed amount for a limited period.			
2. Special Resolution to amend the Articles of Association of the Company in relation to scrip dividends.			

*Notes*

1. *All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.*
2. *If any other proxy is preferred, delete the words "the Chairman of the Meeting or," insert the name of the proxy you wish to appoint and initial the alteration. A proxy need not be a member of the Company.*
3. *To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.*
4. *In the case of a corporation this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.*
5. *In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.*
6. *If this form of proxy is returned duly signed but without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes and whether or not he abstains from voting.*
7. *To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with*

**Multiconsult Limited**  
**10 Frère Félix de Valois Street**  
**Port Louis**  
**Mauritius**

**by no later than 4.00pm (Mauritius time) on 17 November 2008.**

*The Company will also accept faxed copies of completed proxies sent to*

**Multiconsult Limited  
10 Frère Félix de Valois Street  
Port Louis  
Mauritius**

**By Facsimile: (+230) 212 5265**

***provided that such proxies are received by no later than 4.00pm (Mauritius time) on 17 November 2008***

8. *Any alterations made in this form of proxy should be initialled.*
9. *Appointment of a proxy will not preclude a member from attending and voting in person should he subsequently decide to do so.*