

**CHOU FUND TAX FREE SAVINGS ACCOUNT
DECLARATION OF TRUST**

We, CITI TRUST COMPANY CANADA, declare that we accept the trust created between us and the holder when the application was signed. The following are the terms of this trust:

1. Definitions

The following definitions apply:

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| "Contribution" | Any amount paid or qualified investment deposited into your Tax Free Savings Account (TFSA) by you. |
| "Holder" | Is you, until your death, after which your Spouse, who acquires the rights as Successor Holder as appointed by you. |
| "Income Tax Act" | The <i>Income Tax Act</i> (Canada), and regulations thereto, as amended from time to time. |
| "Spouse" | As recognized in the <i>Income Tax Act</i> as your survivor for the purposes of tax free savings accounts, incorporating, where applicable, the meaning of the term "common-law partner" as set out in the <i>Income Tax Act</i> . |
| "Survivor" | An individual who, immediately before the Holder's death, is a spouse or common-law partner of the Holder. |
| "TFSA" | The Chou Funds Tax Free Savings Account consisting of the Application and this Declaration of Trust. |
| "Trustee" | We, being Citi Trust Company Canada. |

2. Registration

We will file your election to register this arrangement as a TFSA under the *Income Tax Act*.

3. Contributions

We will hold Contributions to your TFSA, and any income earned on these contributions, as outlined in this Declaration and as required by the *Income Tax Act*. Contributions may not be made to your TFSA by anyone other than you.

4. Withdrawal of Contributions

Upon receipt of your written application, we will refund to you the amount determined in accordance with Paragraph 146.2(2)(d) of the *Income Tax Act*.

5. Record Keeping

We will record the details of Contributions and all transactions relating to your TFSA. We will supply you with a statement of these details at least annually.

6. Investment

All Contributions made to your TFSA and all income earned on these contributions will be deposited or invested with Chou Associates Management Inc. as directed by the Holder and in accordance with *Income Tax Act*.

7. Transfers

At your direction, we will transfer all investments held in your TFSA, or such portion as you direct, together with all information necessary for the continuance of the TFSA, to another TFSA registered in your name, or in the name of your spouse, or former spouse, pursuant to a decree or order of judgment of a competent tribunal or a written separation agreement, relating to a division of property between you and your spouse, or former spouse in settlement of rights arising out of your marriage or common-law partnership, on or after the breakdown thereof.

8. Election

You may elect to have your surviving spouse become the holder of your TFSA after your death. This election may not be available in all provinces. Upon request, we will provide you with further information about the availability of this election, upon request.

9. Beneficiary Designation

You may designate a beneficiary, in those provinces where the law so permits, to receive the proceeds of your TFSA in the event of your death while your TFSA continues to exist, provided your spouse did not become entitled to all future rights under the TFSA as permitted under the preceding paragraph entitled "Election". Upon request, we will provide you with information about our requirements for making, changing or revoking such a designation.

10. Death

In the event of your death, we will, once we have received the documentation we require, pay or transfer the TFSA proceeds, according to your election or designation under such circumstances, less income tax deductions where applicable. If you have not elected to have your spouse become the Holder of your TFSA, or have not designated a beneficiary, we will pay the proceeds of your TFSA to your estate, less income tax deductions. When we have made the payment of the proceeds of your TFSA, we will be considered as fully discharged from any further liability with respect to your TFSA.

11. Your Responsibilities

It is your responsibility to advise us in writing of any change to your residential address.

12. Restriction on Trustee

We cannot give you or any person related to you any benefit or advantage if the benefit or advantage is conditional upon the existence of your TFSA.

13. Amendments

We may from time to time amend your TFSA by giving you notice in writing of such change. Any amendment cannot, however, be contrary to the provisions of the *Income Tax Act*. In the event of changes to the *Income Tax Act* or any applicable legislation governing your TFSA, your TFSA may be amended, without notice to you to comply with such legislation.

14. Notices

Any notices given to us by you under this TFSA shall be sufficiently given if mailed, postage prepaid by you, to any of our offices and shall be deemed to have been given on the day that such notice is received by us. Any notices given by us to you shall be sufficiently given if mailed, postage prepaid by us, to you at your last address supplied by you and shall be deemed to have been given on the day of mailing.

15. Limits of Our Liability

We shall not be responsible for any loss or damage suffered or incurred by your TFSA, by you or by any beneficiary designated by you, unless caused by or resulting from our dishonesty, negligence, wilful misconduct or lack of good faith.

16. Other Conditions

This TFSA is a trust arrangement and is prohibited from borrowing money or other property for the purpose of this TFSA.

You cannot use any assets held in your TFSA as security for a loan.

18. Trustees' Financial Conditions

If applicable, we shall provide you with a copy of the fee schedule for the TFSA in effect from time to time. We shall be entitled to such fees and to reimbursement for all expenses we reasonably incur in administering the TFSA as may be provided for in any fee schedule in effect at that time. The fees payable to the Trustee are subject to change provided that you shall be given at least sixty (60) days notice prior to any change in such fees becoming effective. Notwithstanding any other provision contained herein, the Trustee shall be entitled to additional fees for extraordinary services performed by it from time to time commensurate with the time and responsibility involved. We are fully authorized by the Holder to sell investments of the TFSA in order to realize sufficient monies for the payment of the above fees and expenses and to withdraw payment from the assets of the TFSA without seeking the prior approval or instruction of you.

17. Resignation of Trustee

We may resign at any time by delivering sixty (60) days notice of its resignation to the Annuitant. In the event of our resignation, you shall appoint a successor trustee or trustees who shall be acceptable to us. We shall deliver the property comprised of the investments within the TFSA and the records relating thereto, and shall execute such deeds and assurances and do such things as may be requisite in order to ensure the continued and uninterrupted operation of the TFSA. Should you neglect or refuse to appoint a successor trustee or trustees who shall be acceptable to us, we reserve the right to transfer assets in specie to you as a withdrawal from the TFSA.

21. Ultimate Responsibility

We have entered into an Agency Agreement with "Chou Associates Management Inc.", named in the TFSA, which provides that "Chou Associates Management Inc." (or any of its duly authorized representatives) acts as our Agent for the purpose of administration of this TFSA. However, we are ultimately responsible for the administration of the TFSA.