

## **CHOU ASSOCIATES MANAGEMENT INC.**

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### **Chou Funds Independent Review Committee (IRC)**

#### **Standing Instruction # 1**

##### Description of Standing Instruction

The fund manager may, at any time, reduce or eliminate fees for any fund for any period of time. Those fees may also be increased at any time to any amount up to the original level without the approval of the Independent Review Committee.

#### **Standing Instruction # 2**

##### Description of Standing Instruction

When the fund manager wishes to transfer any security from one fund to another within the family of Chou Funds, s(he) can only do so provided a readily available market price for the security is available and can be confirmed through an independent source such as a broker /dealer or stock exchange. If the security being transferred is an exchange-traded security, the purchase and sale price should be printed on a marketplace that executes trades of the security and comply with the market conduct and display requirements of the regulatory bodies.

In compliance with National Instrument 81-107 this Standing Instruction must be renewed annually. Unless renewed or modified, or otherwise noted, all Standing Instructions expire at the end of the day on December 31st each year.

In addition, National Instrument 81-107 also requires the fund manager to annually provide the Independent Review Committee with a written report describing each instance in which (s)he acted in reliance on a Standing Instruction. In order to meet the Committee's deadline to include this in its annual assessment, this report from the manager should be for the past twelve months ending September 30th of each year and should be forwarded to the Chair of the I.R.C. within 30 days of that date.