

Limited Market Dealer 9000:

CHOU ASSOCIATES MANAGEMENT INC.
110 Sheppard Ave East, Suite 301, Box 18
Toronto Ontario M2N 6Y8
Tel: 416 214 0675 Fax: 416 214 1733

SUBSCRIPTION INSTRUCTIONS AND AGREEMENT

Included in this Subscription Instructions and Agreement package are the following documents:

SCHEDULE A – Subscription Agreement

SCHEDULE B – Terms and Conditions

SCHEDULE C – Accredited Investor Certificate

Instructions for completing the appropriate schedules are on the following page. Please read them carefully as you complete this agreement.

For further information, please contact:

CHOU ASSOCIATES MANAGEMENT INC.

10 Sheppard Ave East, Suite 301, Box 18 Toronto Ontario M2N 6Y8

Tel No.: 416 214 0675 Toll Free: 1-888-357-5070

admin@choufunds.com

<http://choufunds.com>

The Investor offers to purchase Units of the Fund (please select Series and indicate amount below):

Fund Name	Series A	Series F	Subscription Amount
			<input type="checkbox"/> \$ Cdn <input type="checkbox"/> \$ US
Chou Associates Fund	<input type="checkbox"/>	<input type="checkbox"/>	
Chou Europe Fund	<input type="checkbox"/>	<input type="checkbox"/>	
Chou Bond Fund	<input type="checkbox"/>	<input type="checkbox"/>	
Chou RRSP Fund	<input type="checkbox"/>	<input type="checkbox"/>	
Chou Asia Fund	<input type="checkbox"/>	<input type="checkbox"/>	

Accounts Requested:

CASH RRSP RRIF LIRA LIF LRIF SPOUSAL RRSP SPOUSAL RRIF

INSTRUCTIONS FOR COMPLETING THIS SUBSCRIPTION AGREEMENT

- Step 1. Review the Terms and Conditions of this Subscription Agreement carefully.
- Step 2. Complete SCHEDULE A and sign where indicated, with a witness where indicated. If you are opening a Client Name Corporation/Partnership/Trust account, attach corporate resolution or trust document.
- Step 3. If you are opening a Registered Account or TFSA with Chou Associates Management Inc. complete RRSP/TFSA APPLICATION.
- Step 4. If you are purchasing under the Accredited Investor exemption, complete SCHEDULE C.
- Step 5. If you are purchasing under the Accredited Investor exemptions j, k or l, complete Exhibit 1 to SCHEDULE C.
- Step 6. Provide completed SCHEDULE A (required), SCHEDULE C (if required) and any additional documents as required, to your registered dealer and retain a photocopy for your records. You must send these documents to us at 110 Sheppard Ave East, Suite 301, Box 18, Toronto, Ontario, M2N 6Y8.
- Step 7. Remit the Subscription Amount in full. Payment can be made by a cheque or bank draft payable to “Chou Associates Management Inc.” in an amount equal to the Subscription proceeds sent to Chou Associates Management Inc., 10 Sheppard Ave East, Suite 301, Box 18, Toronto, Ontario, M2N 6Y8. Please ensure to include a copy completed Subscription Agreement for your purchase.

SCHEDULE A
SUBSCRIPTION AGREEMENT

ITEM 1. INVESTOR INFORMATION

INVESTOR (the person identified in this Item 1 being hereafter referred to as the "Investor")

Account Type Nominee Client Name

Account Number (If applicable)

Surname First Name Middle Initial(s)

Corporation/Partnership/Trust

Street Address

City Province Postal Code

Telephone Birth Date Social Insurance Number/Business Number

Are you a United States (U.S) resident for U.S. tax purposes or a U.S. Citizen?

- Yes – Provide your U.S. TIN/U.S. GIN (as applicable) _____
 No

JOINT INVESTOR (if applicable)

Surname First Name Middle Initial(s)

Corporation/Partnership/Trust

Street Address

City Province Postal Code

Telephone Birth Date Social Insurance Number/Business Number

Are you a United States (U.S) resident for U.S. tax purposes or a U.S. Citizen?

- Yes – Provide your U.S. TIN/U.S. GIN (as applicable) _____
 No

REGISTRATION INSTRUCTIONS (if there are no instructions below, Units will be registered in the name of the Investor as set out above)

Name Account Reference

Address

ITEM 2. DISTRIBUTION

The Investor elects to: (If no selection is made, distributions will be reinvested unless otherwise notified)

- Reinvest any distributions
- Receive all distributions in cash. Please indicate your preference below:
 - Mail a cheque to the Investor
 - Deposit money into Canadian bank account **(please complete the below and attached a cheque marked void to your application)**

Name of Banking Institution	Address of Banking Institution	
Transit Number	Bank Code	Account Number

ITEM 3. PROSPECTUS EXEMPTION

Please select which prospectus exemption is being relied upon by you:

- C\$150,000 minimum investment (the investor is not an individual)
- Accredited Investor as defined in SCHEDULE C. Please indicate which of the categories under the definition in SCHEDULE C is being relied upon by you. For Accredited Investors purchasing under exemption categories j, k, or l as defined in SCHEDULE C, please complete the following:
 - Please complete EXHIBIT 1 to SCHEDULE C – Risk Acknowledgement Form.
 - Please provide the following information to verify your status under the exemption categories j, k or l:

Investor Occupation	Investor Type of Business/Industry	Investor No. of Years with Employer
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Investor Employer Name and Address (all Sources)	Investor Approximate Annual Income (from all Sources)
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Spousal Occupation (If applicable) Employer (if applicable)	Spousal Type of Business/Industry (if applicable)	Spousal No. of Years with Employer
--	---	------------------------------------

Spousal Employer Name and Address (if applicable) Sources) (if applicable)	Spousal Approximate Annual Income (from all Sources)
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Estimated Net Liquid Assets per Household (Cash and Securities less loans outstanding against securities)	(a)	\$ _____
Estimated Net Fixed Assets per Household (Fixed assets less liabilities outstanding against fixed assets)	(b)	\$ _____
Estimated Total Net Worth per Household	(a) + (b)	\$ _____

ITEM 4. SIGNATURE

The Investor certifies that the information provided in this application is true and complete and the Manager may rely thereon until the undersigned sends written notice of any significant changes. The Investor certifies that the Investor has read this Subscription Agreement, including SCHEDULE B "TERMS AND CONDITIONS", SCHEDULE C, as applicable, and hereby offers to purchase Units of the Fund for the amount set out herein on the terms and conditions set out herein as of this _____ day of _____, of 20____.

For Individual Investor(s), complete the following:

Signature of Investor

Signature of Witness

Signature of Joint Investor (if applicable)

Name of Witness

If Investor is not a Individual, complete the following: (attach corporate resolution or trust document)

Type of Entity Corporation Partnership Trust

Signature of Investor

Signature of Witness

Name and Title of Authorized Officer

Name of Witness

TO BE COMPLETED BY THE CHOU ASSOCIATES MANAGEMENT INC.

The Manager:

- (a) accepts this subscription for Units;
- (b) acknowledges receipt of:
 - (i) the Investor's cheque or bank draft for the subscription amount indicated above;
 - (ii) a copy of the Agreement executed by the Investor.

Date: _____.

CHOU ASSOCIATES MANAGEMENT INC.

By: _____
Name: Francis Chou

SCHEDULE B
TERMS AND CONDITIONS

The investor (the “**Subscriber**”) named in SCHEDULE A hereby irrevocably subscribes for that number of units (“**Units**”) of:

- Chou Associates Fund
- Chou Europe Fund
- Chou Bond Fund
- Chou RRSP Fund
- Chou Asia Fund

(the “**Fund**”) as set forth in SCHEDULE A.

By submitting this subscription, the Subscriber acknowledges having received and read the Simplified Prospectus and Fund Facts and that Chou Associates Management Inc. (the “Manager”) is relying on the representations and warranties set out below.

General

The Subscriber acknowledges the information contained in the Simplified Prospectus including, in particular, those investment considerations described therein under the heading “Risk Factors”.

The Subscriber tenders herewith the aggregate subscription price of the Units by cheque made payable to “Chou Associates Management Inc.”, representing the purchase price of the Units subscribed for. No Units will be issued to the Subscriber unless the Fund has received the subscription proceeds and this Subscription Agreement, duly completed.

The Subscriber acknowledges that participation in the Fund is subject to the acceptance of this Subscription Agreement by the Manager and to certain other conditions. The Subscriber agrees that this subscription is given for valuable consideration and shall not be withdrawn or revoked by the Subscriber. The acceptance of this subscription shall be effective upon the acceptance of this Subscription Agreement by the Manager and the deposit of the Subscriber’s payment into any of the Fund’s accounts. This Subscription Agreement and subscription proceeds shall be returned without interest or deduction to the Subscriber at the address indicated if this Subscription Agreement is not accepted. If the Subscription Agreement is accepted only in part, that portion of the subscription price for the Units which is not accepted will be promptly delivered or mailed to the Subscriber without interest or penalty. Subscription funds will be kept in a designated account created for such purpose pending acceptance of the subscription.

General Representations and Warranties

The Subscriber represents, warrants, certifies, acknowledges and covenants to and in favour of the Fund and the Manager as follows:

- (1) the Subscriber has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of an investment in the Fund and is able to bear the economic risk of loss of such investment;
- (2) if an individual, the Subscriber has attained the age of majority and has the legal capacity and competence to execute this Subscription Agreement and to take all actions required pursuant hereto;
- (3) if not an individual, the Subscriber has good right, full power and absolute authority to execute this Subscription Agreement and to take all necessary actions, and all necessary approvals have been given to authorize it to execute this Subscription Agreement;
- (4) this Subscription Agreement, when accepted, will constitute a legal, valid, binding and enforceable contract of the Subscriber, enforceable against the Subscriber in accordance with its terms;
- (5) the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in the violation of any terms or provisions of any law applicable to or the constating documents of, the Subscriber or of any agreement, written or oral, to which the Subscriber may be a party or by which he, she or it is or may be bound;
- (6) the Subscriber is a resident of, or is otherwise subject to the securities laws of, the jurisdiction set out under SCHEDULE A - Name and Address of Subscriber and is not purchasing the Units for the account or benefit of any person in any jurisdiction other than such jurisdiction;
- (7) the Subscriber has no knowledge of a “material fact” or “material change” (as those terms are defined in applicable securities legislation) in the affairs of the Fund that has not been generally disclosed to the public;
- (8) the Subscriber is aware that there are securities and tax laws applicable to the holding and disposition of the Units and has been given the opportunity to seek advice in respect of such laws and is not relying solely upon information from the Manager;
- (9) the Subscriber has received, reviewed and fully understands the Simplified Prospectus and Fund Facts and has had the opportunity to ask and have answered any and all questions which the Subscriber wished with respect to the business and affairs of the Fund, the Units and the subscription hereby made;
- (10) the Subscriber is:
 - (a) an “accredited investor”, as defined in SCHEDULE C hereto; or
 - (b) is not an individual and is purchasing its Units at an aggregate acquisition cost of not less than C\$150,000 payable in cash;

- (11) specifically, the Subscriber is aware of the characteristics of the Units, of the nature and extent of personal liability and of the risks associated with an investment in the Units;
- (12) the Subscriber shall only transfer his, her or its Units in accordance with applicable securities laws;
- (13) the investment portfolio and trading procedures of the Fund are proprietary to the Fund and the Manager and all information relating to such investment portfolio and trading procedures shall be kept confidential by the Subscriber and will not be disclosed to third parties (excluding the Subscriber's professional advisers) without the written consent of the Manager;
- (14) the Subscriber will execute and deliver all documentation as may be required by applicable securities legislation or by the Fund, as the case may be, to permit the purchase of the Units on the terms herein set forth and the Subscriber will deliver such releases or any other documents for income tax purposes, if any, as from time to time may be required by the Manager;
- (15) the Subscriber agrees to provide to the Manager such additional information as the Manager may request, and to take such other reasonable actions on request as may be advisable in the reasonable judgment of the Manager, or its agents or service providers, to enable the Manager to satisfy its anti-money laundering, and anti-terrorist financing responsibilities and to satisfy domestic and foreign tax reporting and similar filings;
- (16) the Subscriber is (a) is acting for his/her/its own account; (b) is an investor capable of assessing the risks of the investment by basing his/her/its investment decision on the information contained in the Simplified Prospectus;
- (17) the Subscriber acknowledges that the Fund will charge a redemption fee of 2% of the NAV, at the time of redemption, of the Units redeemed by the Subscriber if the Subscriber holds the Units for less than 12 months; and
- (18) the Subscriber agrees to provide to the Manager such additional information as the Manager may request, and to take such other reasonable actions on request as may be advisable in the reasonable judgment of the Manager, or its agents or service providers, to enable the Manager to satisfy its responsibilities to ensure that the Subscriber meets the conditions for a particular exemption.

The representations, warranties, certifications, covenants and acknowledgments of the Subscriber contained in this agreement shall survive the completion of the purchase and sale of the Units the Subscriber undertakes to notify the Manager immediately of any change in any representation, warranty or other information relating to the Subscriber set forth in this Subscription Agreement.

Anti-Money Laundering and Anti-Terrorist Financing Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering and terrorism financing, the Manager may require additional information concerning investors from time to time, and the Subscriber agrees to provide all such information.

Financial Reporting

The Subscriber acknowledges that it is entitled to receive annual financial statements and may receive other information about the Fund from the Manager.

Privacy Policy

Below is a copy of the Chou Funds Privacy Policy. By signing this Subscription Agreement, the Subscriber consents to the collection, use and disclosure of his or her personal information in accordance with such policy.

PREFACE

Chou Associates Management Inc. ("CAM") is committed to ensuring and protecting the privacy and confidentiality of its clients' personal information. This Code describes how we collect, hold, use and when necessary, disclose your personal information. It also summarizes your right to have access to correct the information as necessary. If you have any questions about our privacy code or your personal information, please contact CAM's at 110 Sheppard Ave East, Suite 301, Box 18, Toronto Ontario M2N 6Y8, by phone at 416 214 0675, or by e-mail at admin@choufunds.com

1. Client Record and Personal Information

The personal information collected about you is held in a "client record". This information may include your name, address and telephone number(s), social insurance number, birth date, account holdings and if applicable, the name address and social insurance number of your spouse or beneficiary (referred to as "Personal Information"). Depending on the type of service you request, additional personal information may be held in your client record. This information was provided to CAM either by you or your financial advisor at the time the account was opened or as the information became necessary throughout the service process.

2. Collecting, Holding, Using and Disclosing Personal Information in Your Client Record

CAM may collect, hold and use the Personal Information in your client record as well as collect Personal Information from and disclose Personal Information to the third parties identified in section 4, for the following purposes:

- identifying you and ensuring the accuracy of information contained in your client record;
- establishing and administering your account, determining, maintaining, recording and storing account holdings and transaction information in your client record;
- providing you and your financial advisor/dealer with investment account statements, tax receipts, financial statements for your investments, and other information that you or your financial advisor/ dealer may request to service your account;
- protecting its own business interests including collecting a debt owed to CAM or allowing the performance of a transaction;
- meeting legal and regulatory requirements;

- verifying information previously given by you with any other organization when necessary for the purposes set out in this brochure;
- advising you of other similar CAM products, services or initiatives that may be of interest to you; and
- for any other purpose you and CAM and/or your financial advisor may agree upon from time to time.

3. Consent

Your knowledge and consent to CAM's collection, use and disclosure of your Personal Information is important. We rely on your actions as indications of your consent to our existing and future Personal Information practices:

- Your voluntary provision of Personal Information directly to CAM;
- Your express consent or acknowledgement contained within a written, verbal or electronic application process;
- Your consent solicited by CAM (or our agent) for a specified purpose;
- Your continued use of CAM's products and services;
- Your receipt of this Privacy Policy, until you notify CAM of a withdrawal of your consent; or
- Your consent given through your authorized representative such as a legal guardian, agent or holder of a power of attorney.

Subject to certain legal or contractual restrictions and reasonable notice, you may withdraw your consent at any time. If you wish to withdraw consent or discuss the implications of such withdrawal, please contact us through one of the means described in the preface. In some circumstances, legal requirements may prevent you from withholding consent. Your decision to withhold consent may also limit the products and services that CAM is able to provide to you.

4. Third Parties

CAM may collect your personal information from third parties such as your financial advisor/dealer, other companies related to CAM and other financial institutions and mutual fund companies. CAM may disclose your personal information to these same third parties, to Canadian or foreign governments and government agencies, third party service providers account and tax statement preparation and mailing companies, Canada Post, courier, imaging, document storage and shredding companies, regulators, and any other legally required institution. When CAM transfers personal information to its service providers, we ensure by contract that the transferred information is only used for the purposes for which the provider was retained. Your personal information will not be disclosed to any other advisors or dealers other than your advisor and dealer of record.

5. Location of Your Client Record

Your client record, whether electronic or paper, is kept at the offices of CAM or its administrator, CIBC Mellon Trust Company Canada or any successor administrator, which may be located outside of Canada. Paper records forming part of your client record may also be kept in offsite storage. Your client record may be transferred to other locations for disaster recovery purposes.

6. Right to Access and Correct Your Personal Information

Except in limited circumstances described in the legislation, you are entitled to access, through a written request, the personal information contained in your client record. You may verify this Personal Information and request that any inaccurate information be corrected. Please contact us through one of the means identified in the preface. If your concerns have not been resolved to your satisfaction, you may contact CAM at 110 Sheppard Ave East, Suite 301, Box 18, Toronto Ontario M2N 6Y8, by phone at 416 214 0675, or by e-mail at admin@choufunds.com.

7. Limits on How Long Personal Information is Kept

CAM will only retain your Personal Information as long as it is necessary, including updating the product or service or as required by law. When we destroy the information, we will use safeguards to prevent unauthorized parties from gaining access to the information during the process.

8. Safeguards for your Personal Information

CAM maintains appropriate technical and organizational safeguards to protect your Personal Information against loss, theft, unauthorized access, disclosure, copying, use or modification. From time to time, sometimes beyond our control, there may be breaches in the controls we established to maintain your Personal Information confidential. In the event a breach occurs, CAM will take all reasonable measures to improve the controls to safeguard your personal information.

Investors resident in Canada should be aware that the Fund is required to file with certain securities commissions a report setting out the Investor's name, residential address and contribution details of all investors to various provincial security regulatory authorities, and that such information may be accessible to the public. Such information is collected indirectly by the commission under the authority granted to it in securities legislation, for the purposes of the administration and enforcement of the securities legislation of that jurisdiction. By submitting this Subscription, the Investor authorizes such indirect collection of the information by the commission. The following official can answer questions about the Commission's indirect collection of the information in Ontario:

**Administrative Support Clerk
Suite 1903, Box 55, 20 Queen Street West Toronto, Ontario M5H 3S8 Telephone: (416) 593-3684
Facsimile: (416) 593-8122**

Indemnity

The Subscriber agrees to indemnify the Fund and the Manager, against all losses, claims, costs, expenses and damages or liabilities which it may suffer or incur or cause arising from the reliance on the representations, warranties, certifications and covenants of the Subscriber by the Fund or the Manager, as the case may be, and the breach of any of them by the Subscriber.

Governing Law

This agreement and all ancillary documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. By the Subscriber's execution of this Subscription Agreement, the Subscriber irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

Rights of Action

Investors may be entitled to certain contractual rights of action in the event that there is a misrepresentation in the Simplified Prospectus.

Language

The parties hereto confirm their express wish that this agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

Prospectus Exemptions

The Subscriber acknowledges that, if this Subscription Agreement is accepted, Units will be distributed to the Subscriber pursuant to a regulatory exemption from statutory requirements that would otherwise require the Fund to deliver to the Subscriber a prospectus that complies with statutory requirements. In doing so, the Fund will be relying on the following representations and certification by the Subscriber.

The Subscriber hereby represents and certifies that the Subscriber is acting for his, her or its own account and is purchasing Units as principal for investment purposes only and not with a view to resale and meets one of the following criteria:

- a. Accredited Investor – a resident of the provinces and territories of Canada who meets the definition of “accredited investor” as described on SCHEDULE C; or
- b. C\$150,000 Minimum Investment - a resident of the provinces and territories of Canada that is not an individual and is an aggregate amount of at least C\$150,000 and cost to the Subscriber of not less than has not been formed, created, established or incorporated for the purpose of permitting the purchase of the Units without a prospectus.

**SCHEDULE C
ACCREDITED INVESTOR CERTIFICATE**

TO: Chou Associates Management Ltd. (the "Company")

AND TO: Chou Associates Fund, Chou RRSP Fund, Chou Europe Fund, Chou Asia Fund and Chou Bond Fund (collectively, the "Funds")

In connection with the distribution of prospectus exempt investment products by the Company, the undersigned certifies for the benefit of the Company, that the client is a permitted client within the meaning of National Instrument 31-103 – *Registration Requirements and Exemptions* ("NI 31-103"), and hereby waives (i) the Company's obligation to determine the Investor's investment needs and objectives, financial circumstances and risk tolerance in accordance with section 13.2(c) of NI 31-103; (ii) the Company's obligation to determine suitability of the Investor's investment in the relevant Funds in accordance with section 13.3 of NI 31-103; and (iii) except as specifically requested by the Investor from time to time, the Company's obligation to deliver all of the information required by section 14.2 of NI 31-103. Specifically, the client is:

PLEASE CHECK THE BOX AND INITIAL THE APPLICABLE CATEGORY:

- (a) a Canadian financial institution or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer;
- (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds C\$1,000,000 [**COMPLETE EXHIBIT 1**];
- (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds C\$5,000,000;
- (k) an individual whose net income before taxes exceeded C\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded C\$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year [**COMPLETE EXHIBIT 1**];
- (l) an individual who, either alone or with a spouse, has net assets of at least C\$5,000,000 [**COMPLETE EXHIBIT 1**];
- (m) a person, other than an individual or investment fund, that has net assets of at least C\$5,000,000 as shown on its most recently prepared financial statements, provided that such person was not created or used solely to purchase or hold securities as an accredited investor;

- ☐ (n) an investment fund that distributes or has distributed its securities only to
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (*Minimum amount investment*), or 2.19 (*Additional investment in investment funds*) of NI 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (*Investment fund reinvestment*) of NI 45-106;
- ☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- ☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- ☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- ☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- ☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- ☐ (t) a person in respect of which all of the owners of interests, direct or indirect or beneficial, except the voting securities required by law to be owned by directors, are persons or companies that are accredited investors;
- ☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- ☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- ☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

"**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);

"**Canadian financial institution**" means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**director**" means

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"**eligibility adviser**" means

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons; and (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within

the previous 12 months;

"**financial assets**" means

- (a) cash,
- (b) securities, or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" has the meaning as in National Instrument 81-106 - *Investment Fund Continuous Disclosure*;

"**person**" includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"**spouse**" means, an individual who

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada) from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

For the purposes of this Schedule C:

- A person or company is an affiliate of another person or company if one of them is a subsidiary of the other, or if each of them is controlled by the same person.
- A person (first person) is considered to control another person (second person) if: (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation; (b) the second person is a partnership, other than a limited partnership, and the first person holds more than fifty percent (50%) of the interests of the partnership; or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The investor represents that it meets the definition of "permitted client" as described above.

The undersigned hereby represents, warrants, covenants and certifies to the Issuer (and acknowledges that the Company and its counsel are relying thereon) that upon execution of this Schedule C by the Investor, this Schedule C shall be incorporated into and form a part of the attached Subscription Agreement.

Dated: _____, 2015.

Signed: _____

Witness (If investor is an Individual)

Print the name of investor

Print Name of Witness

If investor is other than an individual, print name and title of Authorized Signing Officer

Exhibit 1

RISK ACKNOWLEDGEMENT FORM

WARNING!

**This investment is risky. Don't invest unless you can afford to lose all the money you pay
for this investment.**

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

1. About your investment

Type of securities: Units	Issuer: <input type="checkbox"/> Chou Associates Fund <input type="checkbox"/> Chou RRSP Fund <input type="checkbox"/> Chou Europe Fund <input type="checkbox"/> Chou Asia Fund <input type="checkbox"/> Chou Bond Fund
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Purchased from: **Issuer**

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER

2. Risk acknowledgement	Your initials
This investment is risky. Initial that you understand that:	
Risk of loss - You could lose your entire investment of C\$_____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk - You may not be able to sell your investment quickly — or at all.	
Lack of information - You may receive little or no information about your investment.	
Lack of advice - You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to: www.aretheyregistered.ca .	
3. Accredited investor status	Your initials
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	
• Your net income before taxes was more than C\$200,000 in each of the 2 most recent calendar years, and you expect it to be more than C\$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes was more than C\$200,000 in each of the 2 most recent calendar years, and you expect it to be more than C\$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than C\$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than C\$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than C\$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than C\$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print): Francis Chou	
Telephone: 416 214 0675	Email: fchou@choufunds.com
Name of firm (if registered): Chou Associates Management Inc.	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>Chou Associates Management Inc.</p> <p>110 Sheppard Ave East, Suite 301, Box 18 Toronto Ontario M2N 6Y8 Attention: Francis S.M. Chou Email: fchou@choufunds.com Phone: 416 214 0675 Fax: 416 214 1733 Toll Free: 1-888-357-5070 http://choufunds.com/</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.