

Annual Report of the Independent Review Committee of
Chou Associates Management Inc.

January 14, 2026

IRC Annual Report to the Unitholders of the Funds set out in Appendix I.

Dear Unitholders,

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI-81-107**”), Chou Associates Management Inc. (the “**Manager**”) established an Independent Review Committee (the “**IRC**”) for the Chou Funds (the “**Funds**”) in April 2007.

The IRC is pleased to publish its annual report to unitholders, covering the period from January 1, 2025 – December 31, 2025.

1. Mandate of the Independent Review Committee

In accordance with NI 81-107, the mandate of the IRC is to review and provide input to the Manager on the Manager’s written policies and procedures which deal with conflicts of interest and to review and provide its decision to the Manager on such conflicts of interest. It is the responsibility of the Manager, as required under NI 81-107, to identify conflicts of interest encountered in its management of the Funds, and request input from the IRC on how it should manage those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest. The IRC’s responsibility is to assess the Manager’s actions and policies and express an opinion on the Manager’s actions based on information provided to the IRC by the Manager.

The Manager must refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC’s prior approval, but in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Fund(s). For the recurring conflict of interest matters, the IRC has provided the Manager with standing instructions.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In such cases, the IRC ensures that the Manager’s proposed course of action is fair and reasonable for any affected Funds.

2. Members of the Independent Review Committee

The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager, and each entity related to the Manager (as defined in NI-81-107). The members of the IRC during 2025, and their principal occupations, are as follows:

Name	Occupation	Length of Service on the I.R.C.
Chair: Sandford Borins	Retired Professor, University of Toronto	19 years
Peter Gregoire	Retired Zayo Canada manager	12 years
Joe Tortolano	Retired Bell Canada employee	19 years

- a) No member of the IRC is a member of an IRC for any other mutual fund.
 - b) The members of the IRC in the aggregate beneficially own, directly or indirectly, approximately 3 percent of the value of the funds managed by the Manager. None holds any ownership in the Manager or in any person or company that provides services to the investment fund or manager.
3. Compensation paid to the members of the Independent Review Committee
- a) In aggregate, the compensation paid to the members of the IRC for the year 2025 was \$43,000. There were no indemnities paid to any member during that period.
 - b) There were no additional expenses incurred by the IRC in 2025.
 - c) The IRC reviews and determines its own compensation on an annual basis, taking into consideration the following factors:
 - the best interests of the funds;
 - the benefit accruing to the funds as a result of the IRC activity;
 - the complexity and difficulty of the tasks undertaken by the IRC;
 - the nature and extent of the workload of the IRC including the commitment of time and energy that is expected from each member;
 - industry best practices including industry averages and surveys of IRC; compensation;
 - the number of meetings required by the IRC, including special meetings to consider any conflict issued brought to the IRC; and
 - the recommendations of the manager.
4. Summary of the Findings of the Independent Review Committee
- a) There were no conflicts of interest referred to the IRC by the Manager in 2025.
 - b) The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter.
 - c) In accordance with Standing Instruction #1, the Manager waived the fees for the Chou Europe Fund beginning in August 2022 for an indefinite period. No fees were charged for the Chou Europe Fund in 2025.
 - d) The funds' auditor, Doane Grant Thornton, resigned effective June 10, 2025 because they changed their strategy to focus on auditing private companies. They suggested MNP as a replacement effective June 10, 2025. The IRC approved this change.

- e) The NAV of EXCO Resources, which is held in the Associates, Bond, and RRSP Funds, has been determined by private valuations conducted semi-annually. The Manager observed that the volume of shares of EXCO being traded on the US over-the-counter market has increased substantially throughout the year. As the OSC prefers valuation on the basis of publicly-traded markets, the Manager sold a total of 25,000 shares of EXCO (21,330 from the Associates Fund, 550 from the Bond Fund, and 3,120 from the RRSP Fund) at \$18.30 on December 18, 2025, thereby changing from private valuation to valuation in a publicly-traded market. The Manager discussed his intention with the IRC, which supported this initiative.

This report is available on the Manager's website at <http://choufunds.com/> or you may request a copy, at no cost to you, by contacting the Manager at 416-643-5540 or 1-866-379-3266 or emailing the Manager at admin@choufunds.com. This document and other information regarding the Funds are available on www.sedar.com.

Yours truly,

“Sandford Borins”

Sandford Borins, Chair

Appendix I.
Funds Served by the IRC as of December 31, 2025

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