

**CHOU FUND RETIREMENT SAVINGS PLAN  
DECLARATION OF TRUST**

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

**1. Definitions**

The following definitions apply:

<b>"Agent"</b>	"Chou Associates Management Inc., and any of their duly authorized representatives acts as our Agent for the purpose of administration of this Fund
<b>"Annuitant"</b>	You, being the individual beneficiary of the Plan
<b>"Contributor"</b>	The individual, either you or your spouse, who contributes to your Plan
<b>"Contribution"</b>	Any amount paid or qualified investment deposited in your Plan
<b>"Declaration"</b>	The Chou Funds Retirement Savings Plan Declaration of Trust
<b>"Income Tax Act"</b>	The <i>Income Tax Act</i> (Canada), and regulations thereto, as amended from time to time
<b>"Plan"</b>	The Chou Funds Retirement Savings Plan, consisting of the Application, the Declaration of Trust and addenda, as applicable
<b>"Plan Maturity"</b>	The date you select to commence receiving retirement income from the Plan. (This date must not be later than the maturity date provided in the <i>Income Tax Act</i> .)
<b>"Retirement Income"</b>	Proceeds from the Plan that are paid to the Annuitant upon Maturity.
<b>"Spouse"</b>	As recognized in the <i>Income Tax Act</i> for the purposes of registered retirement savings plans, incorporating, where applicable, the meaning of the term "common-law partner" as set out in the <i>Income Tax Act</i> .
<b>"Trustee"</b>	We, being Citi Trust Company Canada.

**2. Registration**

We will apply for registration of your Plan as required by the *Income Tax Act*.

**3. Contributions**

We will hold Contributions to your Plan, 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 after the Plan Maturity.

**4. Record Keeping**

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

**5. Income Tax Receipts**

We will provide the Contributor with a receipt or receipts, suitable for income tax filing purposes, for all eligible contributions.

**6. Refund of Contributions**

Upon receipt of written application from the Contributor to your Plan, we will refund to the Contributor the amount determined in accordance with the *Income Tax Act*.

**7. Investment**

All Contributions and other assets or amounts properly transferred into your Plan will be deposited and invested as directed by the Annuitant. The Annuitant shall be permitted to hold those assets and investments which are:

- a) authorized under the *Income Tax Act*; and
- b) acceptable to the Trustee; and
- c) agreed upon from time to time, between the Trustee and the Annuitant.

We reserve the right to refuse to hold or accept certain investments even though they may be qualified investments under *Income Tax Act*.

**8. Retirement Income**

You must advise us in writing, at least ninety (90) days prior to your Plan Maturity, of the type of Retirement Income you elect to receive from the proceeds of your Plan. You may choose to receive Retirement Income from any one of, or any combination of, a life annuity, a fixed term annuity providing benefits for a term of years equal to ninety (90) minus the age in whole years of the Annuitant at Plan Maturity (or the Annuitant's spouse if the spouse is younger and the Annuitant so elects to use the spouse's age), a registered retirement income fund or other retirement income option that may be provided for in the *Income Tax Act*. If the Retirement Income you choose to receive is an annuity, it must meet the following conditions:

- a) It must be paid out in a single lump sum if it becomes payable to someone other than your spouse upon or after your death.
- b) It must be paid in equal annual or more frequent periodic payments until such time as you fully or partially commute this Retirement Income and, where such commutation is partial, equal annual or more frequent periodic payments thereafter.
- c) It must not, as a result of your death, provide for any increase in the amount of the periodic payments where payments are to continue to your spouse following your death.
- d) It may not be assigned in whole or in part.

If you have not advised us in writing, prior to the Maturity Date provided in the *Income Tax Act*, of your selection of a retirement income the proceeds of your Plan will be transferred to a Registered Retirement Income Fund trustee by us. If the funds held in your Plan at the Plan Maturity are not sufficient to produce a retirement income of greater than \$250.00 per annum the funds in your Plan will be paid to you as a single lump sum in the year following Plan Maturity.

**9. Beneficiary Designation**

You may designate a beneficiary, in those provinces where the law so permits, to receive the proceeds of your Plan in the event of your death prior to your Plan Maturity. Details of our requirements for making, changing or revoking such a designation are available from the office of the Agent.

**10. Death**

In the event of your death prior to the Plan Maturity, we will, once we have received the documentation we require, pay or transfer the Plan proceeds, less required income tax deductions, to your designated beneficiary and notify your estate representative of any

resulting tax liability. When we have made the payment to your designated beneficiary, we will be considered as fully discharged from any further liability with respect to your Plan. In instances where you have not designated a beneficiary, as explained in Section 9 of this Declaration, the proceeds of your Plan will be paid or transferred, less required income tax deductions, to your estate.

**11. Your Responsibilities**

It is your responsibility to ensure, that:

- a) Contributions to the Plan do not exceed allowable maximums under the *Income Tax Act*;
- b) all assets acquired by the Plan are qualified investments for a Registered Retirement Savings Plan;
- c) we are advised, in writing, of any change in your residential address;
- d) your date of birth as recorded on your application is accurate;
- e) you will eventually elect, as spelled out by Section 8 of this Declaration, the type of retirement income you choose to receive.

**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 Plan.

**13. Amendments**

We may from time to time amend your Plan 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 pension legislation governing your Plan, your Plan may be amended, without notice to you to comply with applicable legislation.

**14. Notices**

Any notices given to us by you under this Plan 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 will not provide any investment advice regarding any of the assets held or acquired by the Plan and shall act solely on your written instructions or those of your authorized agent. We shall not be responsible for any loss or damage suffered or incurred by your Plan, by you or by any beneficiary designated by you, unless caused by or resulting from our dishonesty, negligence, willful misconduct or lack of good faith.

**16. Withdrawals**

You may make withdrawals from your Plan, subject to the following conditions:

- a) we will withhold taxes from any withdrawals in such amounts as required by the *Income Tax Act* from time to time;
- b) withdrawals must be declared by you as income for the taxation year of receipt.

**17. Transfers**

The Plan may be amended to permit the payment or transfer, on behalf of the Annuitant, of any funds as allowed by the *Income Tax Act*. We may, at our discretion, charge a fee for each transfer out of the Plan.

**18. Trustees' Financial Conditions**

If applicable, we shall provide you with a copy of the fee schedule for the Plan 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 Plan 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. The Trustee is fully authorized by the Annuitant to sell investments of the Plan in order to realize sufficient monies for the payment of the above fees and expenses and to withdraw payment from the assets of the Plan without seeking the prior approval or instruction of you.

**19. Other Conditions**

While this Plan continues to be a Retirement Savings Plan under the provisions of the *Income Tax Act*, it shall constitute an inter vivos trust. Neither the Plan nor the assets of the Plan can be used as security for a loan.

**20. Resignation of Trustee**

We may resign at any time by delivering sixty (60) days notice of 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 Plan 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 Plan. 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 Plan.

**21. Ultimate Responsibility**

We have entered into an Agency Agreement with "Chou Associates Management Inc.," named in the Plan, 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 Plan. However, we are ultimately responsible for the administration of the Plan.