

**CHOU FUND RETIREMENT INCOME FUND
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:

"Agent"	"Chou Associates Management Inc., and any of their duly authorized representatives acts as our Agent for the purpose of administration of this Fund
"Annuitant"	You, being the individual beneficiary of the Fund
"Contribution"	Any amount paid or qualified investment deposited in your Fund
"Declaration"	The Chou Funds Retirement Income Fund Declaration of Trust
"Fund"	The Chou Funds Retirement Income Fund, consisting of the Application, the Declaration of Trust and addenda, as applicable
"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> for the purposes of registered retirement income funds, incorporating, where applicable, the meaning of the term "common-law partner" as set out in the <i>Income Tax Act</i> .
"Trustee"	We, being Citi Trust Company Canada.

2. Registration

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

3. Contributions

We will hold all Contributions made to your Fund, and any income earned thereupon, as outlined in this Declaration. Contributions to your Fund can only be in the form of:

- a) amounts transferred directly from a Registered Retirement Savings Plan or another Registered Retirement Income Fund under which you are the Annuitant, a Deferred Profit Sharing Plan, or amounts transferred directly from certain registered and prescribed pension plan funds, as permissible under subparagraphs 146.3(2)(f)(v), (vi), (vii) of the *Income Tax Act*.
- b) amounts you are required to include in your income as a result of:
 - i. transfers from your deceased spouse's Registered Retirement Savings Plan
 - ii. transfers from a Registered Retirement Savings Plan of a deceased annuitant upon whom you were dependent, by reason of physical or mental infirmity
 - iii. commutation proceeds transferred directly from an annuity which originated from a Registered Retirement Savings Plan belonging to you
 - iv. commutation proceeds, in excess of the minimum amount for the year, transferred directly from a Registered Retirement Income Fund belonging to you
- c) amounts transferred directly from a Registered Retirement Savings Plan or from a Registered Retirement Income Fund of your spouse, or former spouse, pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement, relating to a division of property between yourself and your spouse or former spouse in settlement of your rights arising out of your marriage or common-law partnership, on or after the breakdown thereof, or
- d) such other amounts as may be authorized by future amendment to the *Income Tax Act*

4. Record Keeping

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

5. Investment

The Fund shall be invested in accordance with your written direction in such investments as are qualified under the *Income Tax Act*.

- a) we shall not be responsible for determining whether a specific investment made by you is such a qualified investment. We may exercise our discretion in accepting or not accepting any investment into the Fund. Prior to accepting Contributions to the Fund, we may require you to provide such documentation in respect of any investment or proposed investment as we in our sole discretion deem necessary in the circumstances
- b) we may hold any investment for the Fund in the Trustee's name or that of its nominees, or in bearer form, and may generally exercise the powers of owner with respect to all investments held in the Fund, including the right to vote or give proxies to vote in respect thereof and pay from the Fund any assessment, taxes or charges in connection therewith
- c) notwithstanding the foregoing, we may from time to time in our discretion retain in cash, such portion of the Fund as we shall in our discretion deem advisable for the administration of the Fund.

6. Valuation of the Fund

We shall determine the value of the property of the Fund as of the first day of January, at fair market value.

7. Payments

We will make payments from the Fund to you, and in the event of your death while your Fund continues to exist and where you have so elected, to your surviving spouse who would then become the Annuitant of the Fund, in each year, commencing not later than the calendar year following the year in which this retirement income fund is entered into, in accordance with the requirements as set forth by subsection 146.3(1) of the *Income Tax Act*.

8. Transfers

At your direction, in the form and manner prescribed by the *Income Tax Act*, we will transfer all investments held in your Fund, or such portion as you direct, together with all information necessary for the continuance of the Fund, to another Retirement Income Fund registered in your name, or in the name of your spouse, or former spouse, pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement.

9. Election

The election to have your surviving spouse continue to receive payments from the Fund and to become the Annuitant of the Fund after your death as described in Section 7, may not be available in all provinces. Upon request, we will provide you with additional information on this subject.

10. Beneficiary Designation

You may designate a beneficiary, in those provinces where the law so permits, to receive the proceeds of your Fund in the event of your death, as described in Section 7. Details of our requirements for making, changing or revoking such a designation are available from the office of the Agent.

11. Death

In the event of your death, we will, once we have received the documentation we require, pay or transfer the Fund 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 Fund. If you have not designated a beneficiary, as explained in Section 10 of this Declaration, the proceeds of your Fund will be paid or transferred, less required income tax deductions, to your estate.

12. Your Responsibilities

It is your responsibility to ensure, that:

- a) all assets acquired by the Fund are qualified investments for a Registered Retirement Income Funds;
- b) we are advised, in writing, of any change in your residential address
- c) your date of birth, as recorded on your application, is accurate

13. 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 Fund.

14. Amendments

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

15. Notices

Any notices given to us by you under this Fund 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.

16. Limits of Our Liability

We will not provide any investment advice regarding any of the assets held or acquired by the Fund 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 Fund, 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.

17. Trustees' Financial Conditions

If applicable, we shall provide you with a copy of the fee schedule for the Fund 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 Fund 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 Fund in order to realize sufficient monies for the payment of the above fees and expenses and to withdraw payment from the assets of the Fund without seeking the prior approval or instruction of you.

18. Other Conditions

Neither the Fund nor the assets of the Fund 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 Fund 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 Fund. 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 Fund.

21. Ultimate Responsibility

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