

Limited Market Dealer:

Chou Associates Management Inc.
95 Wellington Street West, Suite 710, Box 27
Toronto Ontario M5J 2N7
Tel: 416 214 0675 Fax: 416 214 1733

SUBSCRIPTION FORM

for the purchase of units of

\$ Cdn

\$ US

Chou Associates Fund \$ _____

Chou RRSP Fund \$ _____

Chou Europe Fund \$ _____

Chou Asia Fund \$ _____

Chou Bond Fund \$ _____

Accounts Requested:

CASH RRSP RRIF LIRA LIF LRIF SPOUSAL RRSP SPOUSAL RRIF

Applicant:

NAME _____
Subscriber's Surname Middle Initial(s) Given Name

ADDRESS _____

Postal Code

SOCIAL INSURANCE # _____

{or TAX I.D. # _____ if a corp}

DATE OF BIRTH _____
DD/MM/YY

TELEPHONE (business) _____ - _____ - _____

(residence) _____ - _____ - _____

(cellular) _____ - _____ - _____

Joint Applicant:

NAME _____
Subscriber's Surname Middle Initial(s) Given Name

ADDRESS _____

Postal Code

SOCIAL INSURANCE # _____

{or TAX I.D. # _____ if a corp}

DATE OF BIRTH _____
DD/MM/YY

TELEPHONE (business) _____ - _____ - _____

(residence) _____ - _____ - _____

(cellular) _____ - _____ - _____

Investor Identification: To comply with Federal Legislation {Proceeds of Crime (Money Laundering) Act} we are required to verify the identity of all individuals authorized to give instructions on an account.

Applicant I.D. Verification: {for each account holder/authorized individual/interested person (attach photocopies of ID)}

Driver's License Passport Provincial Health Card (with photo) Birth Certificate Bank Reference

APPLICANT'S ID #: _____ **AND: BANK INFORMATION-NAME,**
ACCOUNT #, AND ADDRESS: _____

Joint Applicant I.D. Verification: {for each account holder/authorized individual/interested person (attach photocopies of ID)}

Driver's License Passport Provincial Health Card (with photo) Birth Certificate Bank Reference

APPLICANT'S ID #: _____ **AND: BANK INFORMATION-NAME,**
ACCOUNT #, AND ADDRESS: _____

A COPY OF CORPORATE SIGNING RESOLUTION IS REQUIRED (if registered as a corporation)

This subscription includes Schedule "A" attached which contains confidential questions Chou Associates Management Inc. (the "Limited Market Dealer") is required by law to ask in order to determine: (i) the Subscriber's investment objectives; and (ii) the investment suitability of this purchase of units (the "Units") of Chou Associates Fund, Chou RRSP Fund, Chou Europe Fund, Chou Asia Fund, Chou Bond Fund for the Subscriber.

The Subscriber certifies that he/she is an "accredited investor" as that term is defined in Section 1.1 of Ontario Securities Commission Rule 45-501 which is set forth in Schedule 'B' attached.

The Subscriber represents and warrants that he/she/it: (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 Prospectus.

Upon acceptance of this subscription by Chou Associates Management Inc., the contractual right of action contained in the Prospectus is hereby granted to the Subscriber.

The Subscriber subscribes for Units in the amount of \$_____ and a cheque for that amount made payable to Chou Associates Management Inc. for this subscription.

We will charge a redemption fee of 2% of the NAV, at the time of redemption, of the units redeemed by you if you hold the units for less than two years.

By signing below, you are acknowledging receipt of the Chou Funds Privacy Policy and consenting to the use of your personal information in the manner set out in the policy. You are also acknowledging receipt of the Chou Funds Statement of Policies attached as Schedule "C".

The Subscriber acknowledges receipt of the Prospectus.

(signature of Applicant) Date: _____

(signature of Joint Applicant) Date: _____

The undersigned Chou Associates Management Inc.:

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

Chou Associates Management Inc.

by: _____ Date: _____
Francis Chou

SCHEDULE "A"

SUBSCRIPTION FORM for the PURCHASE of UNITS of CHOU ASSOCIATES FUND, CHOU RRSP FUND, CHOU EUROPE FUND,
CHOU ASIA FUND, CHOU BOND FUND

Subscriber's Employer: _____

Subscriber's Occupation: _____

Subscriber's Investment Objective(s):
(you may indicate more than one)

- (i) _____ % Safety
 - (ii) _____ % Income
 - (iii) _____ % Growth
- (Total = 100 %)

Subscriber's Investment Knowledge:

(please check one)

- (i) _____ Novice
- (ii) _____ Fair
- (iii) _____ Good
- (iv) _____ Excellent

Subscriber's Investment Time Frame:

(please check one)

- (i) _____ less than 3 years
- (ii) _____ 3-5 years
- (iii) _____ 6-10 years
- (iv) _____ over 10 years

Subscriber's Annual Income from all sources:

- (i) _____ less than \$50,000
- (ii) _____ \$50,000 -- \$100,000
- (iii) _____ \$100,000 -- \$199,999
- (iv) _____ over \$200,000 (previous 2 years)

Subscriber's Net Worth:

- (i) _____ \$150,000 -- \$250,000
- (ii) _____ \$251,000 -- \$500,000
- (iii) _____ \$501,000 -- 999,999
- (iv) _____ over \$1,000,000

Subscriber's financial assets (exclude RRSP's and pension assets):

\$ _____ (approx.)

Subscriber's RRSP's and pension assets: \$ _____ (approx.)

(signature of Applicant)

Accredited Investor Criteria

SCHEDULE "B"

Rules and Policies

ONTARIO SECURITIES COMMISSION RULE 45-501 EXEMPT DISTRIBUTIONS

PART 1 DEFINITIONS

1.1 Definitions - In this Rule

"accredited investor" means

- (a) a bank listed in Schedule I or II of the Bank Act (Canada), or an authorized foreign bank listed in Schedule III of that Act;
 - (b) the Business Development Bank incorporated under the Business Development Bank Act (Canada);
 - (c) a loan corporation or trust corporation registered under the Loan and Trust Corporations Act or under the Trust and Loan Companies Act (Canada), or under comparable legislation in any other jurisdiction;
 - (d) a co-operative credit society, credit union central, federation of caisses populaires, credit union or league, or regional caisse populaire, or an association under the Cooperative Credit Associations Act (Canada), in each case, located in Canada;
 - (e) a company licensed to do business as an insurance company in any jurisdiction;
 - (f) a subsidiary of any company referred to in paragraph (a), (b), (c), (d) or (e), where the company owns all of the voting shares of the subsidiary;
 - (g) a person or company registered under the Act or securities legislation in another jurisdiction as an adviser or dealer, other than a limited market dealer;
 - (h) the government of Canada or of any jurisdiction, or any crown corporation, instrumentality or agency of a Canadian federal, provincial or territorial government;
 - (i) any Canadian municipality or any Canadian provincial or territorial capital city;
 - (j) any national, federal, state, provincial, territorial or municipal government or in any foreign jurisdiction, or any instrumentality or agency thereof;
 - (k) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority;
 - (l) a registered charity under the Income Tax Act (Canada);
 - (m) an individual who beneficially owns, or who together with a spouse beneficially own, financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000;
 - (n) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of those years and who, in either case, has a reasonable expectation of exceeding the same net income level in the current year;
 - (o) an individual who has been granted registration under the Act or securities legislation in another jurisdiction as a representative of a person or company referred to in paragraph (g), whether or not the individual's registration is still in effect;
 - (p) a promoter of the issuer or an affiliated entity of a promoter of the issuer;
 - (q) a spouse, parent, grandparent or child of an officer, director or promoter of the issuer;
 - (r) a person or company that, in relation to the issuer, is an affiliated entity or a person or company referred to in clause (c) of the definition of distribution in subsection 1(1) of the Act;
 - (s) an issuer that is acquiring securities of its own issue;
 - (t) a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least \$5,000,000 as reflected in its most recently prepared financial statements;
 - (u) a person or company that is recognized by the Commission as an accredited investor;
 - (v) a mutual fund or non-redeemable investment fund that, in Ontario, distributes its securities only to persons or companies that are accredited investors;
 - (w) a mutual fund or non-redeemable investment fund that, in Ontario, distributes its securities under a prospectus for which a receipt has been granted by the Director;
 - (x) a managed account if it is acquiring a security that is not a security of a mutual fund or non-redeemable investment fund;
 - (y) an account that is fully managed by a trust corporation registered under the Loan and Trust Corporations Act;
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SCHEDULE "C"

SUBSCRIPTION FORM for the PURCHASE of UNITS of CHOU ASSOCIATES FUND, CHOU RRSP FUND, CHOU EUROPE FUND, CHOU ASIA FUND, CHOU BOND FUND

CHOU ASSOCIATES MANAGEMENT INC.

May 2007

The securities laws of certain provinces of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. In certain Provinces or Territories, these rules require dealers and advisers, prior to trading with or advising their clients or customers, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable laws for the particulars of these rules and their rights, or should consult with a legal adviser.

Chou Associates Management Inc. ("Chou") is a registrant under applicable securities laws and, in the course of a distribution, would be a connected issuer of Chou Associates Fund, Chou RRSP Fund, Chou Europe Fund, Chou RRSP Fund and Chou Bond Fund (collectively the "Funds") under such laws.

Each of the Funds managed and distributed by Chou are reporting issuers and, in the course of a distribution, may be connected issuers of Chou.

General

Under certain circumstances, Chou may deal with you or for you in securities transactions where the issuer of the securities or the other party to the transaction is one of the Funds.

Since these transactions may create a conflict between Chou's interest and yours, Chou is required by securities law to disclose to you certain relevant matters relating to the transactions.

This statement contains a general description of the required disclosure. For residents of British Columbia, a complete statement of the rules is set out in division 11 of part 5 of the British Columbia securities rules.

Important Concepts

'Related Party'— a party is related to Chou if the party is an influential securityholder of Chou, or if Chou is an influential securityholder of the party, or if each of them is a related party of the same third party.

'Connected Party'— a party is connected to Chou if a reasonable prospective purchaser of the securities of the Connected Party might question the Connected Party's independence from Chou, as manager of the Funds.

Required Disclosure

Chou must make certain disclosures where Chou acts as your advisor with respect to securities issued by the Funds or by a related party or, in the course of an initial distribution, by a connected party. In these situations, Chou must disclose its relationship with the issuer of the securities.

The following is a list of the time and manner in which these disclosures must be made:

Where Chou buys or sells units of the Funds for your account, the required disclosure will be contained in the confirmation of trade and monthly statement which Chou prepares and sends to you. In carrying on business as a limited market dealer, Chou may from time to time engage in the following activities in respect of securities of the Funds:

- a. act as an advisor selling in connection with a distribution of such securities; or
- b. sell such securities with or on behalf of customers of Chou.

It is the policy of Chou to comply fully with all applicable securities legislation laws and to make all required disclosure in acting as an advisor in respect of securities of the Funds and other related issuers or connected issuers of Chou.

Revision or Amendment

Revisions or amendments to this Statement of Policies will be provided to each client. The Statement of Policies is updated regularly to reflect changes in the related and connected issuer list and other updates. For the most recent version of the Statement of Policies, please refer to the date indicated on the Subscription Agreement or review our statement of policies online at www.choufunds.com. In addition, you will be notified of amendments to the related and connected issuer list in your account statements when appropriate. You should be referring to the most recently dated Statement of Policies.

Statement of Disclosure

1. Chou is the manager of the Funds but is a separate corporate entity.
2. Unless specifically informed to the contrary by Chou, with respect to a particular security:
 - (a) Securities sold by Chou are not insured by Canada Deposit Insurance Corporation or by any other government deposit insurer;
 - (b) Securities sold by Chou are not guaranteed by Chou;
 - (c) Values of securities sold by Chou are subject to market fluctuations.

Disclosure of Related Registrants

Securities legislation requires a securities dealer or advisor to advise its clients if it has a principal shareholder, officer, partner or director that is also a principal shareholder, officer, partner or director of another registrant under such legislation and to describe the policies and procedures adopted to minimize the potential for conflicts resulting from these relationships. As used herein, "principal shareholder" means a person or company that is the direct or indirect registered or beneficial owner of more than 10% of any class or series of voting securities of the person or company. Francis Chou is the principal shareholder of Chou who is not a principal shareholder, officer, partner or director of another registrant.