

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION**

**NOTICE OF MOTION**

**TAKE NOTICE** that the Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the other plaintiffs (the "Ontario Plaintiffs") in the action commenced against Sino-Forest Corporation ("SFC" or the "Applicant") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Class Action"), will make a motion to a Judge of the Commercial List on April 13, 2012, at 10:00 a.m., 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, or at such other time and place as the Court may direct.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order, if necessary, validating and abridging the time for service and filing of this notice of motion and motion record, and dispensing with any further service thereof;
2. The advice and direction of this court regarding the impact of the stay of proceedings imposed by the Initial Order dated March 30, 2012 (the "Initial Order") on the following proceedings in the Ontario Class Action:
  - a. a motion to approve a litigation indemnity agreement, scheduled for April 17, 2012 (the "Funding Motion");

- b. a motion for approval of a settlement of the Ontario Class Action with Pöyry (Beijing) Consulting Company Limited, tentatively scheduled by the Ontario Plaintiffs for April 17, 2012 and a parallel motion in the corresponding class action brought in the Quebec Superior Court (the "Pöyry Settlement Motion"); and,
- c. motions for leave pursuant to Part XXIII.1 of the *Securities Act* (the "Leave Motion"), and certifying the Ontario Class Action pursuant to the *Class Proceedings Act* (the "Certification Motion"), scheduled to be heard together by the Honourable Justice Perell, after hearing argument, from November 21-30, 2012,

and, if necessary, lifting the stay of proceedings herein to permit the Pöyry Settlement Motion, the Funding Motion, the Leave Motion, and the Certification Motion to proceed;

- 3. An order appointing the Ontario Plaintiffs as representatives of the Class proposed in the Ontario Class Action, for the purposes of these proceedings and any related or ensuing receivership, bankruptcy or other insolvency proceeding that has or may be brought before this Court (the "Insolvency Proceedings"), substantially in accordance with the draft representation order appended hereto as Schedule "A";
- 4. An order terminating these CCAA proceedings and appointing FTI Consulting Canada Inc. ("FTI"), or such other receiver as the court may direct, as receiver of the assets, undertakings and properties of the Applicant (the "Property"), substantially in accordance with the draft receivership order appended hereto as Schedule "B";
- 5. In the alternative to the relief sought in paragraph 4, above, an order:

- a. terminating the appointments of the current board of directors and replacing the directors with individuals to be named, or, alternatively, granting the powers of the board to the Monitor;
  - b. declaring that:
    - i. this Court and the Monitor are not bound by, and these proceedings are not premised upon, the terms of the Restructuring Support Agreement dated March 30, 2012, between the Applicant, certain of its subsidiaries and certain of its noteholders (the "RSA");
    - ii. the Applicant remains at liberty to repudiate the RSA; and
    - iii. without limiting the generality of the foregoing, the Property may be sold independent of a plan of compromise or arrangement and in a manner that is otherwise inconsistent with the RSA;
  - c. directing the Monitor to work with the Ontario Plaintiffs to develop an alternative transaction to that contemplated by the Restructuring Support Agreement, which results in the transfer of assets other than the Excluded Assets (as defined in the Restructuring Support Agreement) to a company incorporated by participating noteholders in exchange for their debt, without a plan of arrangement and/or without releases in favour of the Applicant's directors and/or any third party;
  - d. amending the Initial Order so as to permit any stakeholder to have this Court issue an application for a bankruptcy order in respect of the Applicant;
  - e. an order directing the Monitor to send to the attached service list bi-weekly statements outlining the professional fees incurred in the prior two weeks and over the course of the proceedings, by each of the parties funded by the Applicant, broken down by party and by professional firm, and directing that such fees are subject to taxation by the Court, on reference to a Master, at the request of any stakeholder in these proceedings; and,
6. In the alternative to the relief sought in paragraphs 3, 4 and 5, above, an order declaring that the Plan in these proceedings shall not release any claims against

any person who is or may be added as a defendant to Ontario Class Action, other than the uninsured portion of any claim against the directors and officers of SFC, to the extent permitted by the CCAA;

7. Such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

1. In addition to investigations by a number of securities regulators and police authorities, including the Royal Canadian Mounted Police and the Ontario Securities Commission (the "OSC"), SFC and its directors are the targets of the Ontario Class Action, which is brought by various pension funds on behalf of all persons and entities, wherever they may reside, who acquired SFC's securities between March 19, 2007, to and including June 2, 2011 (the "Class Period"), by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired SFC's securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired SFC's securities outside of Canada, except certain excluded persons (the "Class").
2. The Ontario Class Action was commenced on July 20, 2011, and seeks damages of approximately \$9.18 billion.
3. The Ontario Plaintiffs are predominantly large multi-employer pension funds, and were awarded carriage of the Ontario Class Action to the exclusion of other claims commenced in Ontario by order of the Honourable Mr. Justice Perell dated January 6, 2012.
4. The following motions are pending in the Ontario Class Action:
  - a. the Funding Motion, returnable April 17, 2012, seeking approval of a litigation indemnity agreement;

- b. the Pöyry Settlement Motion, tentatively scheduled by the Ontario Plaintiffs for April 17, 2012, seeking approval of a settlement of the Ontario Class Action with Pöyry (Beijing) Consulting Company Limited; and,
  - c. the Leave Motion and the Certification Motion, scheduled by the Honourable Justice Perell to be heard together from November 21-30, 2012, seeking leave to proceed with the secondary market claims pursuant to Part XXIII.1 of the *Securities Act* (the "Secondary Market Claims") and certification of the Ontario Class Action pursuant to the *Class Proceedings Act*.
5. The Ontario Plaintiffs have entered into a tolling agreement with the relevant defendants to the Ontario Class Action, extending the alleged limitation period in respect of the Secondary Market Claims to February 28, 2013 (the "Alleged Limitation Date").
6. The Ontario Plaintiffs and the other members of the Class in the Ontario Class Action are at risk of having the claims barred in the event that the Leave Motion and Certification Motion are not decided prior to the Alleged Limitation Date.
7. After a lengthy hearing, the Leave Motion and the Certification Motion were scheduled by the Honourable Justice Perell so as to permit those motions to be decided prior to the Alleged Limitation Date.
8. On March 30, 2012, SFC filed for and obtained protection from its creditors under the CCAA.
9. As part of the Initial Order, this Court ordered that until and including April 29, 2012, no proceeding or enforcement process in any court or tribunal shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting SFC's business or property, except with written consent from SFC and the Monitor or with leave of this Court. Any proceedings currently under way against or in respect of the Applicant or affecting SFC's business or property were hereby stayed and suspended pending further Order of this Court.

10. The Ontario Plaintiffs have written to the defendants to the Ontario Class Action, including SFC, asking that the tolling agreement be extended, but to date no response has been received.
11. By its terms, the Initial Order does not have the effect of staying the Funding Motion, the Pöyry Settlement Motion, or the Ontario Class Action as against defendants other than SFC and its officers and directors.
12. Sound reasons exist to lift the stay of proceedings as it applies to the Ontario Class Action and the pending motions therein, including, among other things:
  - a. the Ontario Class Action raises serious claims having a real chance of success;
  - b. material claims forming part of the Ontario Class Action are at risk of becoming statute barred as a result of the stay of proceedings herein;
  - c. any talk of a “restructuring”, whether by way of liquidation or otherwise, and suggestion that this CCAA process will address “the uncertainty created by the [Muddy Waters] Report”, is nothing but a façade—among other things:
    - i. nearly one year after the Muddy Waters Report was issued, and having spent tens of millions of dollars on investigations, SFC’s so-called independent directors have been unable to meaningfully respond to the allegations of fraud contained in that report;
    - ii. SFC has been unable to produce reliable financial statements and their auditor has resigned; and
    - iii. the OSC has given notice of its intention to commence formal enforcement proceedings against SFC and its directors;
  - d. The Ontario Class Action does not interfere with the restructuring—to the contrary it is necessary to bring light to SFC’s affairs and inform stakeholders’ positions.

13. SFC has no future interest to protect.
14. SFC's current directors are operating under a material conflict of interest, and have not acted in good faith. The current directors are likely to unreasonably impair the possibility of a viable compromise or arrangement being made in respect of SFC, and are acting or are likely to act improperly as a director in the circumstances.
15. These proceedings serve no societal or other useful purpose. SFC's assets can be sold through a receivership process.
16. The representation of the interests of the Class by the Ontario Plaintiffs in any Insolvency Proceedings will serve to:
  - a. ensure that a vulnerable group is properly represented in those proceedings;
  - b. facilitate the administration of the proceedings, negotiation and compromise;
  - c. increase efficiency and avoid a multiplicity of legal retainers.
17. Section 101 of the *Courts of Justice Act*;
18. Sections 11, 11.02, 11.5, 23, 32 , *Companies' Creditors Arrangement Act*;
19. Rules 1.04, 3.02, 10, 12, 16.08 and 37 of the *Rules of Civil Procedure*; and
20. Such further grounds as counsel may advise and this Honourable Court may consider.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used on the hearing of the motion:

1. Affidavit of Daniel E. H. Bach, to be sworn;

2. Such further or other material as counsel may advise and this Honourable Court permit.

April 10, 2012

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**Lawyers for an Ad Hoc Committee of  
Purchasers of the Applicant's Securities,  
including the Representative Plaintiffs in  
the Ontario Class Action against the  
Applicant**

**TO: THE ATTACHED SERVICE LIST**



**SCHEDULE A TO NOTICE OF MOTION  
DRAFT REPRESENTATION ORDER**

**(ATTACHED)**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) FRIDAY, THE 13  
JUSTICE MORAWETZ ) DAY OF APRIL, 2012

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION**

**REPRESENTATION ORDER**

THIS MOTION made by the Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the other plaintiffs (collectively, the "Ontario Plaintiffs") in the action commenced against Sino-Forest Corporation ("SFC" or the "Applicant") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Class Action"), for an order appointing the Ontario Plaintiffs as representatives of those persons described in Appendix A hereto (collectively, the "Class Members"), for the purposes of these proceedings and any related or ensuing receivership, bankruptcy or other insolvency proceeding that has or may be brought before this Court in respect of the Applicant (the "Insolvency Proceedings"), was heard this day, on the Commercial List at the courthouse at 330 University Avenue, Toronto, Ontario,

ON READING the Motion Record of the Ontario Plaintiffs and on hearing the submissions of counsel for the Ontario Plaintiffs, Sino-Forest Corporation, the Monitor and other parties,

1. **THIS COURT ORDERS** that further service of the Notice of Motion and Motion Record on any party not already served is hereby dispensed with, such that this motion was properly returnable April 13, 2012.

2. **THIS COURT ORDERS** that Ontario Plaintiffs are hereby appointed as representatives of Class Members in the Insolvency Proceedings, including, without limitation, for the purpose of settling or compromising claims by the Class Members in the Proceedings.
3. **THIS COURT ORDERS** that Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP are hereby appointed as counsel for the Class Members in the Insolvency Proceedings for any issues affecting the Class Members in the Insolvency Proceedings.
4. **THIS COURT ORDERS** that SFC shall provide to the Ontario Plaintiffs and their counsel, without charge:
  - (a) the names, last known addresses and last known e-mail addresses (if any) of all the Class Members, subject to a confidentiality agreement and to only be used for the purposes of the Insolvency Proceedings; and
  - (b) upon request of the Ontario Plaintiffs and their counsel, such documents and data, as may be relevant to matters relating to the issues in the Insolvency Proceedings.
5. **THIS COURT ORDERS** that all reasonable legal, financial expert and advisory fees and all other incidental fees and disbursements, as may have been or shall be incurred by the Ontario Plaintiffs and their counsel, shall be paid out of any recovery made by the Ontario Plaintiffs and their counsel on behalf of the Class Members, whether as part of these proceedings or as part of the Ontario Class Action, in accordance with the applicable retainer agreements and as may be approved by this court, either as part of these proceedings or as part of the Ontario Class Action.
6. **THIS COURT ORDERS** that notice of the granting of this Order be provided to the Class Members by advertisement in the national edition of the Globe and Mail, the Wall Street Journal, and La Presse, at the expense of the Applicant, and under such other terms and conditions as to be agreed upon by the Ontario Plaintiffs, the Applicant and the Monitor.

7. **THIS COURT ORDERS** that the Ontario Plaintiffs, or their counsel on their behalf, are authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.
  8. **THIS COURT ORDERS** that any individual Class Member who does not wish to be bound by this Order and all other related Orders which may subsequently be made in these proceedings shall, within 30 days of publication of notice of this Order, notify the Monitor, in writing, by facsimile, mail or delivery, and substantially in the form attached as Appendix B hereto and shall thereafter not be bound and shall be represented themselves as an independent individual party to the extent they wish to appear in the Insolvency Proceedings.
  9. **THIS COURT ORDERS** that the Class Members bound by this Order specifically exclude the Excluded Persons as described in Appendix A.
  10. **THIS COURT ORDERS** that the Ontario Plaintiffs, Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP shall have no liability as a result of their respective appointment or the fulfillment of their duties in carrying out the provisions of this Order from and after March 30, 2012, save and except for any gross negligence or unlawful misconduct on their parts.
  11. **THIS COURT ORDERS** that the Representatives shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties.
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**APPENDIX A TO REPRESENTATION ORDER**  
**DEFINITION OF CLASS MEMBERS**

All persons and entities, wherever they may reside who acquired **Sino's Securities** during the **Class Period** by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired **Sino's Securities** during the **Class Period** who are resident of Canada or were resident of Canada at the time of the acquisition, except the **Excluded Persons**.

For the purposes of the foregoing:

"Sino" means Sino Forest Corporation, its affiliates and subsidiaries.

"Securities" means Sino's common shares, notes or other securities defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

"Class Period" means the period from and including March 19, 2007 to and including June 2, 2011.

"Excluded Persons" means any defendant to the action commenced in Ontario Superior Court of Justice bearing (Toronto) Court File No. 11-CV-431153CP, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives. Heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of the following persons: Allen T.Y. Chan a.k.a Tak Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M. E. Hyde, Edmund Mak, Simon Murray, Peter Wang and Garry J. West.

**APPENDIX "B" TO REPRESENTATION ORDER**

Court File No. CV-12-9667-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION**

**OPT-OUT LETTER**

FTI Consulting Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Greg Watson  
Tel: 416.649.8100  
Fax: 416.649.8101  
Email: greg.watson@fticonsulting.com

I, \_\_\_\_\_, am a Class Member, as defined in the Representation Order of Mr. Justice Morawetz dated April 13, 2012 (the "Order").

Under Paragraph 8 of that Order, Class Members who do not wish to be represented by the Ontario Plaintiffs and/or to have Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP act as their representative counsel may opt out.

I hereby notify the Monitor that I do not wish to be bound by the Order and will be separately represented to the extent I wish to appear in these proceedings.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:

**SCHEDULE "B"**  
**DRAFT RECEIVERSHIP ORDER**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) FRIDAY, THE 13  
JUSTICE MORAWETZ ) DAY OF APRIL, 2012

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION**

**RECEIVERSHIP ORDER**

THIS MOTION made by the Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the other plaintiffs (the "Ontario Plaintiffs") in the action commenced against Sino-Forest Corporation ("SFC", the "Applicant" or the "Debtor") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Class Action"), for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA"), appointing • as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Applicant acquired for, or used in relation to a business carried on by the Applicant, was heard this day at 330 University Avenue, Toronto, Ontario.



ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for the Ontario Plaintiffs, the Applicant, the proposed Receiver and •, no one appearing for [NAME] although duly served as appears from the affidavit of service of Michelle Jackson sworn [DATE],

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, • is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court, and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. THIS COURT ORDERS that, subject to paragraph 8A below, no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

8A. THIS COURT ORDERS that the stay ordered in paragraph 8 above will not apply to the two motions tentatively scheduled for April 17, 2012 in the Ontario Class Action; specifically, a

motion to approve litigation funding, and a motion to approve the settlement of the Ontario Class Action as against Pöyry (Beijing) Consulting Company Limited.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all

such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.



## **RECEIVER'S ACCOUNTS**

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF THE RECEIVERSHIP**

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$\_\_\_\_\_ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in

priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **GENERAL**

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the British Virgin Islands, the Peoples Republic of China, Suriname, and elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$\_\_\_\_\_

1. THIS IS TO CERTIFY that FTI Consulting (Canada) Inc., the receiver (the "Receiver") of the assets, undertakings and properties Sino-Forest Corporation acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 13 of APRIL, 2012 (the "Order") made in an action having Court file number Court File No. CV-12-9667-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

FTI Consulting (Canada) Inc. solely in its  
capacity as Receiver of the Property, and not in  
its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**PROCEEDING COMMENCED AT  
TORONTO**

**NOTICE OF MOTION**

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Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action against the Applicant