

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) _____, THE _____
JUSTICE MORAWETZ)
DAY OF OCTOBER, 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**

ORDER

THIS MOTION made by the Ad Hoc Committee of Purchasers of the Applicant's Securities (the "**Moving Party**"), for, among other things, an order limiting the scope of the stay of proceedings, directions regarding voting on the plan of compromise and restructuring filed by Sino-Forest Corporation ("**Sino-Forest**") with this court (the "**Plan**"), and production of certain documents in the possession, control and power of the Applicant on a non-confidential basis, was heard this day, at the courthouse at 330 University Avenue, Toronto, Ontario,

ON READING the materials listed in Appendix A to this order and on hearing the submissions of counsel for the Moving Party, Sino-Forest, various of Sino-Forest's current and former directors and officers, the Monitor, an ad hoc Committee of Bondholders, Ernst & Young LLP, BDO, and certain underwriters of Sino-Forest's securities,

1. **THIS COURT ORDERS** that the manner of service of the Moving Party's motion materials is validated, that the time for service of those motion

materials is abridged and that their service on any party not already served is dispensed with, such that this motion is properly returnable today.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that the stay of proceedings imposed by the initial order in these proceedings dated March 30, 2012, as it may be extended from time to time (the “**Initial Order**”), shall not apply to the following motions (the “Class Action Motions”):
 - (i) a motion certifying the action styled *Trustees of the Labourers’ Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation et al.* (Toronto) Court File No. CV-11-431153-00CP (the “**Ontario Class Action**”) as a class proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6;
 - (ii) a motion for authorization, in the Quebec Superior Court proceeding bearing Court File No. 200-06-000132-111, Siskinds Desmeules SENC (the “**Quebec Class Action**” and, together with the Ontario Class Action, the “**Class Actions**”), to commence a class action under the Quebec *Code of Civil Procedure*, RSQ c C-25;
 - (iii) a motion for leave to proceed with statutory secondary market claims in the Ontario Class Action pursuant to s. 138.3 of the *Securities Act*, R.S.O. 1990, c. S.5;

- (iv) a motion for leave to proceed with the statutory secondary market claims in the Quebec Class Action pursuant to article 225.4 of the *Securities Act*, RSQ c V-1-1, to be filed; and
- (v) a motion for leave to add CONDEX Wattco Inc. as a plaintiff in the Quebec Class Action with Ilan Toledano as its representative, to be filed, and a motion to amend the pleading in the Quebec Class Action to plead the *Securities Act*, RSQ c V-1-1 and add BDO Limited as a party.

VOTING AND REPRESENTATION

3. **THIS COURT ORDERS AND DECLARES** that the persons described in the Appendix B to this order (the “**Class Members**”) are entitled to vote on the Plan, as part of a single class composed of the class members of each of the Ontario and Quebec Class Actions.
4. **THIS COURT ORDERS** that the Plaintiffs in the Class Actions (the “**Class Action Plaintiffs**”) are hereby appointed as representatives of Class Members for the purposes of these proceedings and in any related or ensuing receivership, bankruptcy or other insolvency proceeding that has or may be brought before this Court in respect of Sino-Forest (the “**Insolvency Proceedings**”), including, without limitation, for the purposes of voting on the Plan and settling or compromising claims by the Class Members in the Insolvency Proceedings.
5. **THIS COURT ORDERS** that the Class Members bound by this Order specifically exclude the Excluded Persons as described in Appendix B.

6. **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.
7. **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 Class Action Plaintiffs and their counsel, shall be paid out of any recovery made by the Class Action Plaintiffs and their counsel on behalf of the Class Members, whether as part of these proceedings or as part of the Class Actions, 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 Class Actions.
8. **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 Sino-Forest, on such terms as agreed upon by the Class Action Plaintiffs, Sino-Forest and the Monitor.
9. **THIS COURT ORDERS** that the Class Action 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.
10. **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 C 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.

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.

PRODUCTION OF DOCUMENTS

12. **THIS COURT ORDERS** the Applicant to make the documents listed in Confidential Appendix A to the Moving Party's Notice of Motion dated September 24, 2012 available to the Class Action Plaintiffs on a non-confidential basis.
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APPENDIX A: MOTION MATERIALS

1. [TO BE COMPLETED]

APPENDIX B
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 C: OPT-OUT LETTER

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

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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 Order of Mr. Justice Morawetz dated October 10, 2012 (the "Order").

Under that Order, Class Members who do not wish to be represented by the Class Action Plaintiffs and 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: