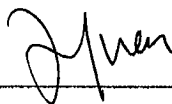


THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF W. JUDSON MARTIN
SWORN APRIL 23, 2012



A Commissioner, etc.

Yuen Tik Yan Joyce
Solicitor
Rosa Smith
Richard Butler
20/F Alexandra House
Hong Kong SAR

June 21, 2007

Mr. James (Jamie) M. E. Hyde
Chairman of the Audit Committee
c/o Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Dear Mr. Hyde:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to perform a statutory audit and report on the consolidated financial statements of Sino-Forest Corporation ("Sino-Forest" or the "Company") for the year ended December 31, 2007. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

Audit Responsibilities and Limitations

2. The objective of our audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles.
3. We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance that the consolidated financial statements taken as a whole are free of material misstatement, whether caused by error or fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of the data underlying the financial statements, the inherent limitations of internal controls, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.
4. In accordance with professional standards established by the Canadian Institute of Chartered Accountants ("CICA"), we will communicate certain matters related to the conduct and

results of the audit to the Company's Audit Committee. Such matters include, when applicable, disagreements with management, whether or not resolved; serious difficulties encountered in performing the audit; our level of responsibility under professional standards in Canada for the financial statements, for internal control, and for other information in documents containing the audited financial statements; unrecorded audit differences that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole; changes in the Company's significant accounting policies and methods for accounting for significant unusual transactions or for controversial or emerging areas; our judgments about the quality of the Company's accounting principles; our basis for conclusions regarding sensitive accounting estimates; management's consultations, if any, with other accountants; and major issues discussed with management prior to our retention.

5. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies and procedures. In addition, in accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between Ernst & Young LLP, its partners and professional employees and Sino-Forest (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Forest.
6. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal controls over financial reporting. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal controls over financial reporting or to identify all significant weaknesses.
7. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments and significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit procedures, as well as related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.

8. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.

Reviews of Unaudited Interim Financial Information

9. We will perform a review of the Company's unaudited interim financial information in accordance with CICA Handbook Section 7050, *Auditor Review of Interim Financial Statements*, for the third quarter of the Company's fiscal year and we will report orally to the Audit Committee in this regard.
10. A review of interim financial information consists principally of performing analytical procedures and making inquiries of management responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express an opinion on the interim financial information.
11. A review includes obtaining sufficient knowledge of the entity's business and its internal control as it relates to the preparation of both annual and interim financial information to: identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with Canadian generally accepted accounting principles.
12. A review is not designed to provide assurance on internal control or to identify significant weaknesses. However, we will communicate with the Audit Committee regarding any significant weaknesses noted during our review procedures.
13. If, during our review procedures, we determine there is evidence that fraud or illegal or possibly illegal acts exist or may have occurred (other than illegal acts that are clearly inconsequential), we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the interim financial information, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee is adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant unrecorded differences noted during our review procedures.

Management's Responsibilities and Representations

14. The preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management is also

responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

15. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations, and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/ client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may alter the form of report we may issue on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. The Company and we will disclose any such withholding of information to the Audit Committee.
16. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.
17. Management of the Company is responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded differences accumulated by us during the applicable Audit Service and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements and unaudited interim financial information taken as a whole.

18. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information. Management is responsible for affirming to us in its representation letter and providing us information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:
 - its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;
 - any plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - information relating to the measurement and disclosure of transactions with related parties;
 - an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA HB Section 1508, *Measurement Uncertainty*;
 - information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
 - information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;
 - information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.
19. At the conclusion of the applicable Audit Service, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our procedures comprise the evidential matter we will rely upon in completing the applicable Audit Service.
20. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly as further described in the

attached additional Terms and Conditions (refer to the provision captioned "Auditor Oversight").

21. To assist EY in maintaining its independence from the Company, management of the Company is responsible for the Company's process for surveying officers and directors, and for requesting that substantial stockholders, officers, and directors disclose matters to the Company for communication to EY regarding the nature of any direct or material indirect business relationships that the substantial stockholder, officer, or director, or any member of their immediate family (i.e., a person's spouse, spouse equivalent, and dependents), has with EY or any of its affiliates, or an ownership interest of five percent or more in, or situations where they serve as an officer or director of any company (public or private) that has a direct or material indirect business relationship with EY or any of its affiliates.

Fees and Billings

22. We estimate that the fee for our audit of the 2007 consolidated financial statements will range from US\$550,000 to US\$650,000 plus out of pocket expenses and the review of the unaudited interim financial information will range from US\$55,000 to US\$60,000 plus out of pocket expenses per quarter. However, our actual fee may exceed the top of this range. We will submit our invoices in accordance with the agreed upon billing schedule, and payment of them will be made upon receipt.
23. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us, and are dependent upon the Company's personnel providing a reasonable level of assistance during the Audit Services. Should our assumptions with respect to these matters be incorrect or should the results of our procedures, the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. In addition, fees for any consent to the use of the audit report outside of Section 1(b) of the Addendum or any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and may be the subject of other written agreements.
24. Canadian securities legislation requires that any reporting issuer filing an auditor's report dated on or after March 30, 2004 must have that report signed by an auditing firm that has registered with the Canadian Public Accountability Board ("CPAB"). Audit firms registered with CPAB are required to fund CPAB's costs. Fees are levied based on the most recent audit fees as defined by CPAB, charged by the Canadian firm and reported in our registration information. We will bill all reporting issuer clients a portion of the CPAB levy on a recovery basis. Your proportionate share will be based upon the most recent audit fees reported to CPAB and billed for your engagement, multiplied by the annual levy rate set by CPAB. CPAB sets the rate annually and the fee for the most recent year that has been determined was 1.6% of audit fees. This amount will be charged at the effective CPAB rate annually and will be billed when the annual invoice is received from CPAB.

Use and Disclosure of the Audit Report

25. The use and disclosure of EY's audit report shall be governed by the terms of the Addendum attached to this letter, which form an integral part of this Agreement.

Other Matters

26. The Company shall provide to us copies of the printer's proofs of its annual report prior to publication for our review. Management of the Company bears the primary responsibility to ensure the annual report contains no misrepresentations. Management is also responsible for identifying subsequent events and providing appropriate disclosure in, and/or adjustment of, the audited financial statements as a result of such events as required by generally accepted accounting principles. We will review the report for consistency between the annual financial statements and other information contained in the report, and to determine if the financial statements and our report thereon have been accurately reproduced. If we identify any errors or inconsistencies which may impact on the financial statements, we will advise management and the Audit Committee as appropriate.
27. By your signature below, you confirm that the Company, through its Board of Directors, has authorized the Audit Committee to enter into this Agreement with us on the Company's behalf and that you have been expressly authorized by the Audit Committee to execute this Agreement on behalf of, and to bind, the Company.
28. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

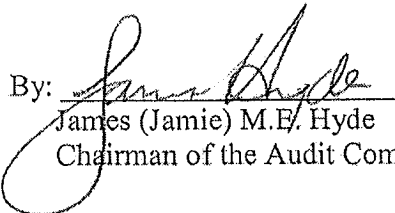
EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Fred Clifford.

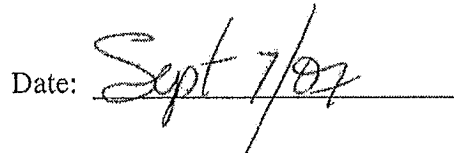
Yours very truly,

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Acknowledged and agreed:
Sino-Forest Corporation

By: 
James (Jamie) M.E. Hyde
Chairman of the Audit Committee

Date: 

Addendum
Use and Disclosure of the Audit Report

(1) Annual Financial Statements

- (a) E&Y acknowledges that the Company is a reporting issuer under Canadian securities legislation and/or is subject to securities legislation in other jurisdictions and has an obligation to:
- (i) file its annual financial statements and E&Y's accompanying audit report (referred to as the "audit report") with the securities regulators having jurisdiction over the Company; and
 - (ii) mail those documents to its security holders, either as part of the Company's annual report to shareholders (referred to as the "annual report") or separately.

Filing those documents and/or including them in the annual report will result in such documents being "released" as that term is defined in section 138.1 of the *Securities Act* (Ontario).

- (b) E&Y hereby consents (within the meaning contemplated by section 138.3(1)(e)(iii) of the *Securities Act* (Ontario)) to the annual filing of the audit report and to the inclusion of the audit report in the annual report if all of the conditions set out below are met. The effective date of such consent is deemed to be the date of the audit report. The conditions are as follows:
- (i) the filing of the audit report or the mailing of the annual report, as the case may be, occurs within 5 business days of the date of the audit report;
 - (ii) neither the chief executive officer nor the chief financial officer of the Company is aware of anything which would result in the financial statements containing a misrepresentation (as such term is defined in section 1(1) of the *Securities Act* (Ontario));
 - (iii) since the date of the audit report no "material change" (as that term is defined in section 1(1) of the *Securities Act* (Ontario)) or other event has occurred, or information become available, that would require disclosure in or adjustment to the financial statements to make those statements current and in accordance with Canadian generally accepted accounting principles as of the date that they are being released; and
 - (iv) the consent provided in this engagement letter has not been withdrawn in writing before the audit report is filed and/or the annual report is mailed.
- (c) E&Y expressly does not consent to the use of the audit report, or the opinions expressed in the audit report, in any "document" or "public oral statement" (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)), in any other circumstance. In particular, E&Y does not consent to:
- (i) the filing of the audit report after the outside date referred to in paragraph (b)(i);
 - (ii) the inclusion of the audit report in the annual report if the annual report is mailed after the outside date referred to in paragraph (b)(i);
 - (iii) the inclusion of the audit report in:
 - (1) a prospectus, a takeover bid circular, an issuer bid circular, a directors' circular, a rights offering circular, or other document related to a distribution, purchase or sale of securities of the Company or another reporting issuer;
 - (2) a business acquisition report or similar document filed by another reporting issuer; or

- (3) any “document” (as that term is defined in section 138.1 of the *Securities Act* (Ontario)) other than as specified in 1(b); or
- (iv) the Company or any other person summarizing or quoting from the audit report in any “document” or “public oral statement” (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)).
- (d) If the Company wishes to (i) file the audit report with a securities commission after the outside date referred to in paragraph (b)(i) but within the time specified by the applicable securities legislation; or (ii) include the audit report in the annual report if the annual report is mailed after the outside date referred to in paragraph (b)(i) then;
 - (1) a further written consent from E&Y is required; and
 - (2) E&Y will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, E&Y is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor’s Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

- (e) If the Company wishes to include, summarize, quote from or otherwise use the audit report in any “document” or “public oral statement” (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)), in any manner other than that permitted under paragraph (b) or (d), the following procedures will apply:
 - (i) the Company will, in writing, request E&Y’s further written consent to that use;
 - (ii) if E&Y agrees that the request is an appropriate use of the audit report, the Company and E&Y will enter into an engagement letter setting out the terms of such engagement, including the scope of the procedures to be undertaken by E&Y and its fee for performing these services; and
 - (iii) E&Y will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, E&Y is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor’s Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

(2) Interim Financial Statements

We expressly do not consent to the use of any communication, report, statement or opinion prepared by E&Y on the interim financial statements and such communication may not be included in, summarized in, quoted from or otherwise used in any “document” or “public oral statement” (as such terms are defined in section 138.1 of the *Securities Act* (Ontario)).

Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data to other EY Entities for the purpose of rendering the Services. EY may also disclose Client Data to other EY Entities for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence as well as to implement standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that own in the aggregate more than 50% of the total vote or value of such non-US corporation);
 - (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
 - (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item,(together, (a), (b) and (c) referred to as "Tax Advice"),

EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.

8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.
10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for

items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.

11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "*EY Waiver Re: Tax Advice*" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client were not planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.
14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), strict liability, failure of essential purpose or otherwise,
 - (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph shall not limit EY's liability for death, bodily injury or physical damage to tangible property caused by the negligent acts or omissions of EY, and shall not limit EY's liability for loss or damage caused by the fraud or wilful misconduct of EY.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
16. **No Application** - The preceding two sections (*Limitation of Liability*, *Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel*, and *Legal Proceedings*. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.