


THIS IS EXHIBIT "J" TO
THE AFFIDAVIT OF W. JUDSON MARTIN
SWORN MARCH 30, 2012

A Commissioner, etc.


LEE HONG KIM KUIDARIA
Solicitor, Hong Kong SAR

Execution Version

SINO-FOREST CORPORATION

AND

**THE ENTITIES LISTED IN SCHEDULE A HERETO
AS SUBSIDIARY GUARANTORS**

AND

**THE BANK OF NEW YORK MELLON
AS TRUSTEE**

**INDENTURE
DATED AS OF DECEMBER 17, 2009**

4.25% CONVERTIBLE SENIOR NOTES DUE 2016

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Exhibit E	Form of Supplemental Indenture for a Subsidiary to Become a Subsidiary Guarantor	Exhibit E-1

THIS INDENTURE dated as of December 17, 2009 is among Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “**Company**”), the subsidiary guarantors named in Schedule A hereto (each, a “**Subsidiary Guarantor**”) and The Bank of New York Mellon, a New York banking corporation duly organized and existing under the laws of the State of New York, as Trustee (the “**Trustee**”).

In consideration of the purchase of the Notes (as defined herein) by the Holders thereof, each of the parties agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Company’s 4.25% Convertible Senior Notes Due December 15, 2016.

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. *Definitions.*

“**Affiliate**” means, with respect to any specified person, any other person (i) directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person or (ii) who is a director or officer of such specified person or any Subsidiary of such specified person or of any person referred to in clause (i) of this definition. For the purposes of this definition, “control” when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agent**” means any Registrar, Paying Agent or Conversion Agent.

“**Applicable Procedures**” means, with respect to any conversion, transfer or exchange of beneficial ownership interests in a Global Note, the rules and procedures of the Depositary and any other applicable settlement and clearing system, to the extent applicable to such conversion, transfer or exchange.

“**Beneficial Ownership**” means the definition such term is given in accordance with Rule 13d-3 promulgated by the SEC under the Exchange Act.

“**Board of Directors**” means either the board of directors of the Company or any committee of the Board of Directors authorized to act for it with respect to this Indenture.

“**Business Day**” means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

“**Capital Stock**” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, but excluding any debt securities convertible into such equity.

“**Cash**” or “**cash**” means such coin or currency of the United States as at any time of payment is legal tender for the payment of public and private debts; *provided* that, with respect to the definitions of “**Consolidated Cash**” of the Company and “**Non-consolidated Cash**” of an “**Initial Non-Guarantor Subsidiary**”, “**Cash**” or “**cash**” shall mean any money or currency recognizable as cash under GAAP.

“**Cash Settlement Averaging Period**” means, in respect of a Conversion Date, the 25 consecutive Trading Days beginning on, and including, the third Trading Day after such Conversion Date; *provided, however*, that with respect to any Conversion Date occurring during the period beginning on, and including, the 25th Scheduled Trading Day prior to the Final Maturity Date and ending at the close of business on the Business Day immediately preceding the Final Maturity Date, the “**Cash Settlement Averaging Period**” means the 25 consecutive Trading Day period beginning on, and including, the 27th Scheduled Trading Day prior to the Final Maturity Date.

“**Certificated Note**” means a Note that is in substantially the form attached as Exhibit A but that does not include the legend called for by footnote 1 thereof or the schedule called for by footnote 3 thereof.

“**Change of Control**” will be deemed to have occurred at such time after the date hereof when the following has occurred:

(i) the acquisition by any Person of Beneficial Ownership, directly or indirectly, through a purchase, merger, amalgamation or other acquisition transaction or series of transactions of shares of the Company’s Capital Stock entitling that Person to exercise 50% or more of the total voting power of all shares of the Company’s Capital Stock entitled to vote generally in elections of directors, other than any acquisition by the Company or any of its Subsidiaries; or

(ii) the consolidation, amalgamation or merger of the Company with or into any other Person, any merger of another Person into the Company, or any conveyance, transfer, sale, lease or other disposition of all or substantially all of the Company’s properties and assets to another Person other than to one or more of the Company’s wholly-owned Subsidiaries, other than (A) any transaction (x) that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of the Company’s Capital Stock, and (y) pursuant to which holders of the Company’s Capital Stock immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of the Capital Stock entitled to vote generally in the election of directors of the continuing or surviving Person immediately after the transaction; or (B) any merger solely for the purpose of changing the Company’s jurisdiction of incorporation and resulting in a reclassification, conversion or exchange of outstanding Common Shares solely into common stock of the surviving entity; or

- (iii) during any consecutive two-year period, individuals who at the beginning of that two-year period constituted the Board of Directors, together with any new directors whose election or appointment to the Board of Directors, or whose nomination for election by the Company's shareholders, was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election, appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors then in office; or
- (iv) the adoption of a plan of liquidation, dissolution or winding up of the Company.

Notwithstanding the foregoing, it will not constitute a Change of Control if 100% of the consideration for the Common Shares (excluding cash payments for fractional shares, cash payments made in respect of dissenters' appraisal rights, and cash payments that do not exceed US\$1.00 or similar nominal amount for each Common Share) in the transaction or transactions constituting a Change of Control consists of common shares, shares of common stock, depositary receipts or other certificates representing common equity interest that are listed or quoted on any of the Toronto Stock Exchange, The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market or which will be so traded or quoted when issued or exchanged in connection with the Change of Control, and as a result of such transaction or transactions the Notes become convertible solely into such consideration (excluding cash payments for fractional shares, cash payments made in respect of dissenters' appraisal rights, and cash payments that do not exceed US\$1.00 or similar nominal amount for each Common Share). Solely for purposes of this definition of Change of Control, the phrase "or any committee of the Board of Directors authorized to act for it with respect to this Indenture" of the definition of Board of Directors shall be disregarded.

"**close of business**" means 5:00 p.m. (New York City time).

"**Common Shares**" means, subject to Section 4.10, the common shares of the Company, with no par value, as they exist on the date of this Indenture.

"**Company**" means the party named as such in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture, and thereafter "**Company**" shall mean such successor.

"**Consolidated Cash**" of the Company means cash and cash equivalents of the Company on a consolidated basis.

"**Conversion Price**" per Common Share as of any given time is equal to US\$1,000 (translated into Canadian dollars at the Fixed Exchange Rate) *divided by* the applicable Conversion Rate, rounded to the nearest cent.

"**Conversion Rate**" means the rate in effect at any given time at which Common Shares shall be delivered upon conversion of each US\$1,000 principal amount of Notes, which rate shall be initially 47.2619 Common Shares for each US\$1,000 principal amount of Notes, as adjusted from time to time pursuant to the provisions of this Indenture.

“**Conversion Value**” per US\$1,000 principal amount of Notes will be an amount equal to the sum of the Daily Conversion Value Amounts for each of the Trading Days in the Cash Settlement Averaging Period.

“**Corporate Trust Office**” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 4 East, New York, New York 10286, Facsimile No.: (212) 815-5802 or (212) 815-5803, Attention: Global Corporate Trust, with a copy to: 4 King Street West Suite 1101, Toronto, Ontario M5H 1B6, Canada, Facsimile No.: (416) 360-1711 or (416) 360-1727, Attention: Global Corporate Trust and The Bank of New York Mellon, 12/F Three Pacific Place, 1 Queen’s Road East, Hong Kong, Facsimile No.: (852) 2295-3283, Attention: Global Corporate Trust, or such other address as the Trustee may designate from time to time by notice to Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

“**Daily Common Share Amount**” means, for each Trading Day of the Cash Settlement Averaging Period and for each US\$1,000 principal amount of Notes, a number of Common Shares (but in no event less than zero) determined by the Company using the following formula:

$$\frac{\text{(Daily VWAP on such Trading Day x applicable Conversion Rate)} - \text{US\$1,000}}{\text{Daily VWAP on such Trading Day x 25}}$$

Any determination of the Daily Common Share Amount by the Company shall be conclusive absent manifest error as described in Section 2.16.

If an event requiring an adjustment to the Conversion Rate occurs subsequent to any Trading Day in the relevant Cash Settlement Averaging Period and prior to the Settlement Date for Notes surrendered for conversion, appropriate adjustments shall be made to the Daily Common Share Amounts for each Trading Day following such event.

“**Daily Conversion Value Amount**” means, for each Trading Day of the Cash Settlement Averaging Period and for each US\$1,000 principal amount of Notes, the amount equal to the Daily VWAP of the Common Shares on such Trading Day, *multiplied by* the applicable Conversion Rate on such Trading Day, *divided by 25*.

“**Daily Volume Weighted Average Trading Price**” means, with respect to any Capital Stock or similar equity interest distributed to holders of Common Shares in connection with a Spin-Off, for each day over the Valuation Period, the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on the relevant Bloomberg page for such Capital Stock or similar equity interest (or if such volume-weighted average price is not available, the quotient obtained by dividing (1) the aggregate sale price of all such Capital Stock or similar equity interest sold on such stock exchange or quotation service during that day by (2) the total number of shares of such Capital Stock or similar equity interest sold on such stock exchange or quotation service during such day, as determined in good faith by the Board of Directors or an independent internationally recognized investment bank selected by the Board of Directors for

this purpose), translated, if necessary, into U.S. dollars at the Prevailing Exchange Rate on such Trading Day.

“Daily VWAP” of the Common Shares for any Trading Day means the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “TRE.CN <equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading on the principal trading market for the Common Shares until the scheduled close of trading of the primary trading session on such market on such Trading Day (or if such volume-weighted average price is unavailable, the market value of one Common Share on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent banking firm retained for this purpose by the Company), translated, if necessary, into U.S. dollars at the Prevailing Exchange Rate on such Trading Day. The Daily VWAP shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours on the principal trading market for the Common Shares.

“Default” means, when used with respect to the Notes, any event that is or, after notice or passage of time, or both, would be, an Event of Default.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

“Ex-Dividend Date” is the first date upon which a sale of a Common Share does not automatically transfer the right to receive the relevant distribution from the seller of the Common Share to its buyer.

“Final Maturity Date” means December 15, 2016.

“Fixed Exchange Rate” is the exchange rate of US\$1.00 to 1.05205 Canadian dollars.

“Fundamental Change” will be deemed to occur upon a Change of Control or a Termination of Trading following the date of this Indenture.

“Fundamental Change Effective Date” means the date on which any Fundamental Change becomes effective.

“Fundamental Change Purchase Price” of any Note means 100% of the principal amount of such Note, *plus* any interest accrued and unpaid to, but excluding, the Fundamental Change Purchase Date, except that if such Fundamental Change Purchase Date is after a Regular Record Date but on or prior to the related Interest Payment Date, then the interest payable on such Interest Payment Date will be paid to the Holder of record of such Note on such Regular Record Date (and the Fundamental Change Purchase Price of such Note will be 100% of the principal amount of such Note).

“GAAP” means Canadian generally accepted accounting principles established from time to time by the Canadian Institute of Chartered Accountants; *provided* that, commencing on or after January 1, 2011, GAAP shall mean the International Financial Reporting Standards published by the International Accounting Standards Board.

“**Global Note**” means a Note in global form that is in substantially the form attached as Exhibit A and that includes the legend and schedule called for in footnotes 1 and 3 thereof and that is deposited with the Depository or its custodian and registered in the name of the Depository or its nominee.

“**Guarantee**” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term “**Guarantee**” shall not include endorsements for collection or deposit in the ordinary course of business. The term “**Guarantee**” used as a verb has a corresponding meaning.

“**Holder**” or “**Holder of a Note**” means the person in whose name a Note is registered on the Registrar’s books.

“**Indebtedness**” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments; and
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except trade payables.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that (A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP and (B) that money borrowed and set aside at the time of the incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “**Indebtedness**” so long as such money is held to secure the payment of such interest.

“**Indenture**” means this Indenture as amended or supplemented from time to time pursuant to the terms of this Indenture.

“**Interest Payment Date**” means June 15 and December 15 of each year, commencing on June 15, 2010.

“**Issue Date**” of any Note means the date on which the Note was originally issued or deemed to have been issued as set forth on the face of the Note.

“**Make-Whole Fundamental Change**” means the occurrence of a Fundamental Change prior to the Final Maturity Date as a result of a Termination of Trading or a transaction described in clauses (i), (ii) or (iv) of the definition of Change of Control and, in the case of a transaction described in clause (ii) of such definition without regard to the exception in subclause (ii)(A)(y) thereof.

“**Non-consolidated Cash**” of the Initial Non-Guarantor Subsidiary means cash and cash equivalents held by such person on a non-consolidated basis, and not including, for the avoidance of doubt, cash and cash equivalents held by Subsidiaries of such person.

“**Note**” or “**Notes**” means any note or notes, as the case may be, authenticated and delivered under this Indenture.

“**Notes Custodian**” means the Trustee, as custodian with respect to the Notes in global form, or any successor thereto.

“**Offering Memorandum**” means the offering memorandum dated December 10, 2009 as supplemented by the pricing term sheet dated December 10, 2009, relating to the offering by the Company of the Notes.

“**Officer**” means the Chairman of the Board, the Chief Executive Officer, the President, any Senior Vice President, the Chief Financial Officer, the Controller, the Secretary, or any Assistant Controller or any Assistant Secretary of the Company designated by one of the former officers or, in the case of a Subsidiary Guarantor, one of the directors or executive officers of such Subsidiary Guarantor.

“**Officer’s Certificate**” means a certificate signed on behalf of the Company or a Subsidiary Guarantor by an Officer; *provided, however*, that for purposes of Sections 4.12 and 6.03, “**Officer’s Certificate**” means a certificate signed by (a) the principal executive officer, principal financial officer, principal operating officer or principal accounting officer of the Company and (b) one other Officer.

“**open of business**” means 9:00 a.m. (New York City time).

“**Opinion of Counsel**” means a written opinion from legal counsel, which opinion is acceptable to the Trustee. The counsel may be an employee of or counsel to the Company.

“**Person**” or “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any syndicate or group that would be deemed to be a “**person**” under Section 13(d)(3) of the Exchange Act or any other entity.

“Prevailing Exchange Rate” means, for translation of any Canadian dollar-denominated amount (or any other currency-denominated amount) into U.S. dollars with respect to any particular day, the mid-market Reuters WMCO closing spot rate for conversion of Canadian dollars (or such other currency-denominated amount) into U.S. dollars as reported on Bloomberg page “WMCO” at approximately 4:00 p.m., London time, on that day, or if such source is unavailable, by an internationally recognized bank based in New York to be selected in good faith by the Board of Directors.

“Principal” or **“principal”** of a debt security, including the Notes, means the principal of the security (or if such debt security was incurred with original issue discount, the face amount of such debt security less the remaining unamortized portion of the original issue discount of such debt security).

“Regular Record Date” means, with respect to each Interest Payment Date, the June 1 or December 1, as the case may be, immediately preceding such Interest Payment Date.

“Regulation S” means Regulation S under the Securities Act or any successor to such regulation.

“Relevant Indebtedness” means any present or future Indebtedness in the form of, or represented by, notes, bond, debenture stock, loan stock, certificates or other securities which (a) either (i) are by their terms payable, or confer a right to receive payment, in any currency other than Renminbi or (ii) are denominated or payable in Renminbi and more than 50% of the aggregate principal amount thereof is initially distributed outside the People’s Republic of China by the Company or any of its Subsidiaries or with the authorization of any of them and (b) are or are capable of being quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities markets.

“Renminbi” means the official currency of the People’s Republic of China.

“Responsible Officer” means, when used with respect to the Trustee, any officer within the Corporate Trust Office department of the Trustee with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Restricted Global Note” means a Global Note that is a Restricted Note, including a Rule 144A Global Note and a Regulation S Global Note.

“Restricted Note” means a Note required to bear the restricted legend set forth in the form of Note annexed as Exhibit A.

“Rule 144” means Rule 144 under the Securities Act or any successor to such Rule.

“Rule 144A” means Rule 144A under the Securities Act or any successor to such Rule.

“Scheduled Trading Day” means a day that is scheduled to be a Trading Day on the principal securities exchange on which the Common Shares are listed or quoted for trading. If

the Common Shares are not so listed or quoted for trading, “**Scheduled Trading Day**” means a Business Day.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

“**Settlement Method**” means, with respect to any conversion of Notes, Physical Settlement, Cash Settlement or Combination Settlement, as elected (or deemed to have been elected) by the Company.

“**Stock Price**” means the price paid, or deemed to be paid, per Common Share in the transaction constituting the Make-Whole Fundamental Change, subject to adjustment in accordance with Section 4.01(e). If Holders of the Common Shares receive only cash in the Make-Whole Fundamental Change, the “**Stock Price**” shall be the cash amount paid per Common Share (translated, if necessary, into U.S. dollars at the Prevailing Exchange Rate on the Effective Date). In all other cases, the “**Stock Price**” shall be the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days (translated, if necessary, into U.S. dollars at the Prevailing Exchange Rate on the relevant Trading Days) immediately prior to but not including the Effective Date.

“**Subsidiary**” means, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency within the control of such Person to satisfy) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

“**Subsidiary Guarantee**” means any Guarantee of the obligations of the Company under this Indenture and the Notes by any Subsidiary Guarantor.

“**Subsidiary Guarantor**” means any initial Subsidiary Guarantor named in Schedule A hereto and any Future Subsidiary Guarantor; *provided* that “**Subsidiary Guarantor**” will not include any Person whose Subsidiary Guarantee has been released in accordance with this Indenture and the Notes.

“**Termination of Trading**” will be deemed to occur if the Common Shares into which the Notes are convertible (or other shares of common equity underlying the Notes) are not listed for trading on the Toronto Stock Exchange.

“**TIA**” means the U.S. Trust Indenture Act of 1939, as amended, and the rules and regulations thereunder as in effect on the date of this Indenture, except to the extent that the Trust Indenture Act or any amendment thereto expressly provides for application of the Trust Indenture Act as in effect on another date.

“**Trading Day**” means a day during which trading in securities generally occurs on the Toronto Stock Exchange or if the Common Shares are not listed on the Toronto Stock Exchange, such principal other securities exchange on which the Common Shares are listed or quoted for trading; *provided* that a “**Trading Day**” shall only include those days that have a standard closing time for regular trading on the relevant exchange or trading system. If the Common Shares are not listed on the Toronto Stock Exchange or any other stock exchange, “**Trading Day**” will mean any Business Day.

“**Trustee**” means the party named as such in the first paragraph of this Indenture until a successor replaces it in accordance with the provisions of this Indenture, and thereafter means the successor.

“**Unrestricted Global Note**” means a Global Note that is an Unrestricted Note.

“**Unrestricted Note**” means a Note that is not required to bear the restrictive legend set forth in the form of Note annexed as Exhibit A.

“**US\$**” means the United States dollar.

“**U.S. Person**” shall have the meaning as such term is defined under Regulation S.

“**Vice President**” when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president.”

Section 1.02. *Other Definitions.*

<u>Term</u>	<u>Defined in Section</u>
Additional Amounts	6.10
Agent Members	2.01
Bankruptcy Law	8.01
Business Combination	4.10
Cash Settlement	4.14
Combination Settlement	4.14
Company Order	2.02
Conversion Agent	2.03
Conversion Date	4.02
Conversion Notice	4.02
Daily Volume Weighted Average Trading Price	4.06
DTC	2.01
Depository	2.01
Effective Date	4.01
Event of Default	8.01
Excluded Taxes	6.10
Expiration Date	4.06
Fundamental Change Offer Notice	3.01
Fundamental Change Purchase Date	3.01

<u>Term</u>	<u>Defined in Section</u>
Fundamental Change Purchase Notice	3.01
Future Subsidiary Guarantor	5.09
Guaranteed Indebtedness	6.09
Initial Non-Guarantor Subsidiary	5.09
Legend	2.12
Make-Whole Premium	4.01
Notice of Default	8.01
Notice of Election	3.08
Paying Agent	2.03
Physical Settlement	4.14
Primary Registrar	2.03
QIB	2.01
Receiver	8.01
Redemption Date	3.08
Redemption Price	3.08
Reference Property	4.10
Registrar	2.03
Regulation S Global Notes	2.01
Relevant Taxing Jurisdiction	6.10
Rule 144A Global Notes	2.01
Settlement Date	4.14
Spin-Off	4.06
Surviving Person	7.01
unit of Reference Property	4.10
Valuation Period	4.06

Section 1.03. *Rules of Construction.*

- (a) Unless the context otherwise requires:
- (i) a term has the meaning assigned to it;
 - (ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
 - (iii) words in the singular include the plural, and words in the plural include the singular;
 - (iv) provisions apply to successive events and transactions;
 - (v) the term “merger” includes a statutory share exchange and the term “merged” has a correlative meaning;
 - (vi) the masculine gender includes the feminine and the neuter;

(vii) references to agreements and other instruments include subsequent amendments thereto; and

(viii) all “Article”, “Exhibit” and “Section” references are to Articles, Exhibits and Sections, respectively, of or to this Indenture unless otherwise specified herein, and the terms “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2 THE NOTES

Section 2.01. *Form and Dating.* The Notes, the Subsidiary Guarantees and the Trustee’s certificate of authentication shall be substantially in the respective forms set forth in Exhibit A, which Exhibit is incorporated in and made part of this Indenture. The Notes may include such letters, numbers or other marks of identification and such notations, legends, endorsements or changes as the Officer executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required by the Trustee, the Depositary, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any national securities exchange or automated quotation system on which the Notes may be listed or quoted, or to conform to usage, or to indicate any special limitations or restrictions to which any particular Notes are subject (*provided* that any such letter, number, mark or notation, legend, endorsement or change is in a form reasonably acceptable to the Company). The Company shall provide any such notations, legends, endorsements or changes to the Trustee in writing. Each Note (with the Subsidiary Guarantee endorsed thereon) shall be dated the date of its authentication.

(a) *Restricted Global Notes.* All of the Notes that are initially being offered and sold to qualified institutional buyers as defined in Rule 144A (collectively, “**QIBs**” or individually, each a “**QIB**”) in reliance on Rule 144A under the Securities Act and all of the Notes sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act shall be issued initially in the form of one or more Restricted Global Notes (respectively, “**Rule 144A Global Notes**” and “**Regulation S Global Notes**”). The Rule 144A Global Notes and Regulation S Global Notes, in each case with the Subsidiary Guarantee endorsed thereon, shall be deposited on behalf of the purchasers of the securities represented thereby with the Trustee, at its Corporate Trust Office, as custodian for the depositary, The Depository Trust Company (“**DTC**”, and such depositary, or any successor thereto, being hereinafter referred to as the “**Depositary**”), and registered in the name of its nominee, Cede & Co. (or any successor thereto), for the accounts of participants in the Depository, duly executed by the Company and the Subsidiary Guarantors and authenticated by the Trustee as hereinafter provided. Subject to Section 2.02 hereof, the aggregate principal amount of the Restricted Global Notes may from time to time be increased or decreased by adjustments made on the records of the Notes Custodian as hereinafter provided, subject in each case to compliance with the Applicable Procedures.

(b) *Global Notes in General.* Each Global Note, with the Subsidiary Guarantee endorsed thereon, shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate amount of outstanding Notes from time to time endorsed thereon and that the aggregate amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect replacements, exchanges, purchases, redemption or conversions of such Notes. Any adjustment of the aggregate principal amount of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian in accordance with instructions given by the Holder thereof as required by Section 2.12 and shall be made on the records of the Trustee and the Depository.

Members of, or participants in, the Depository (“**Agent Members**”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository or by the Note Custodian for the Depository or under the Global Note, and the Depository (including, for this purpose, its nominee) may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall (i) prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or (ii) impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(c) *Book Entry Provisions.* The Company shall execute and the Trustee shall, in accordance with this Section 2.01(c), authenticate and deliver initially one or more Global Notes (with the Subsidiary Guarantee endorsed thereon) that (i) shall be registered in the name of the Depository or its nominee, (ii) shall be delivered by the Trustee to the Depository or pursuant to the Depository’s instructions and (iii) shall bear legends substantially to the following effect:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE

DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.”

Section 2.02. *Execution and Authentication.*

(a) The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to US\$460,000,000, subject to Section 2.15 and except as provided in Sections 2.06, 2.07, 2.10, 2.12(a), 3.05, 4.02(d) and 11.04.

(b) An Officer shall sign the Notes for the Company by manual or facsimile signature. Each of the Subsidiary Guarantors shall execute the Subsidiary Guarantees by an Officer of such Subsidiary Guarantor. Typographic and other minor errors or defects in any such facsimile signature shall not affect the validity or enforceability of any Note (or the Subsidiary Guarantee endorsed thereon) that has been authenticated and delivered by the Trustee.

(c) If an Officer whose signature is on a Note (or the Subsidiary Guarantee endorsed thereon) no longer holds that office at the time the Trustee authenticates the Note (or the Subsidiary Guarantee endorsed thereon), the Note (or the Subsidiary Guarantee endorsed thereon) shall be valid nevertheless.

(d) A Note (with the Subsidiary Guarantee endorsed thereon) shall not be valid until an authorized signatory of the Trustee by manual or facsimile signature signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note (with the Subsidiary Guarantee endorsed thereon) has been authenticated under this Indenture.

(e) The Trustee shall authenticate Notes (with the Subsidiary Guarantee endorsed thereon by the Subsidiary Guarantors) for original issue in the aggregate principal amount of US\$460,000,000 upon receipt of a written order or orders of the Company signed by an Officer of the Company (a “**Company Order**”). The Company Order shall specify the amount of Notes (with the Subsidiary Guarantee endorsed thereon) to be authenticated, shall provide that the respective amounts of all such securities will be represented by a Restricted Global Note and the date on which each original issue of Notes is to be authenticated.

(f) The Trustee shall act as the initial authenticating agent. Thereafter, the Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes (with the Subsidiary Guarantee endorsed thereon). An authenticating agent may authenticate Notes (with the Subsidiary Guarantee endorsed thereon) whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent shall have the same rights as an Agent to deal with the Company, any Subsidiary Guarantor or an Affiliate of the Company.

(g) The Notes shall be issuable only in registered form without coupons and only in denominations of US\$1,000 principal amount and any integral multiple thereof.

Section 2.03. *Registrar, Paying Agent and Conversion Agent.*

(a) The Company shall maintain one or more offices or agencies where Notes may be presented for registration of transfer or for exchange (each, a “**Registrar**”), one or more offices or agencies where Notes may be presented for payment (each, a “**Paying Agent**”), one or more offices or agencies where Certificated Notes may be presented for conversion and where Conversion Notices may be presented in respect of Global Notes (each, a “**Conversion Agent**”) and one or more offices or agencies where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will at all times maintain a Paying Agent, Conversion Agent, Registrar and an office or agency where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served in the Borough of Manhattan, The City of New York. One of the Registrars (the “**Primary Registrar**”) shall keep a register of the Notes and of their transfer and exchange. At the option of the Company, any payment of cash may be made by check mailed to the Holders at their addresses set forth in the register of Holders. The Company shall provide written notice to the Trustee of any Registrar, Notes Custodian, Conversion Agent or Paying Agent that is not also the Trustee.

(b) The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, provided that the Agent may be an Affiliate of the Trustee. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any Agent not a party to this Indenture. If the Company fails to maintain a Registrar, Paying Agent, Conversion Agent, or agent for service of notices and demands in any place required by this Indenture, or fails to give the foregoing notice, the Trustee shall act as such. The Company or any Affiliate of the Company may act as Paying Agent (except for the purposes of Section 6.01 and Article 10).

(c) The Company hereby initially designates the Trustee as Paying Agent, Registrar, Notes Custodian and Conversion Agent, and designates the Corporate Trust Office of the Trustee as the office or agency of the Company for each of the aforesaid purposes and as the office or agency where notices and demands to or upon the Company in respect of the Notes and this Indenture shall be served.

The Canadian Transfer Agent and Registrar of the Common Shares is CIBC Mellon Trust Company of Canada at its principal office currently located at 320 Bay Street, P.O. Box 1, Toronto, Ontario, Canada M5H 4A6.

(d) The Primary Registrar shall provide to the Company a duplicate of the register of Notes to be maintained by the Company at its head office in Canada in accordance with the *Canada Business Corporations Act*. The Primary Registrar agrees to provide to the Company updates to the register within two (2) Business Days after any changes are made thereto.

Section 2.04. *Paying Agent to Hold Money in Trust*. No later than 10:00 a.m., New York City time, on the Business Day prior to the due date of the payment of principal of, interest on, or other amounts (including any Additional Amounts) due under any Notes, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal or interest so becoming due. Subject to Section 9.02, a Paying Agent shall hold in trust for the benefit of Holders of Notes or the Trustee all money held by the Paying Agent for the payment of principal of, interest on, or other amounts (including any Additional Amounts) due under the Notes, and shall notify the Trustee of any failure by the Company (or any other obligor on the Notes) to make any such

payment. If the Company or an Affiliate of the Company acts as Paying Agent, it shall, no later than 10:00 a.m., New York City time, on the Business Day prior to the due date of the principal of, interest on, or other amounts (including any Additional Amounts) due under any Notes, segregate the money and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee, and the Trustee may at any time during the continuance of any Default, upon written request to a Paying Agent, require such Paying Agent to pay forthwith to the Trustee all sums so held in trust by such Paying Agent. Upon doing so, the Paying Agent (other than the Company) shall have no further liability for the money.

Section 2.05. *Lists of Holders of Notes.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of Notes. If the Trustee is not the Primary Registrar, the Company shall furnish to the Trustee on or before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders of Notes.

Section 2.06. *Transfer and Exchange.*

(a) Subject to compliance with any applicable additional requirements contained in Sections 2.12 and 2.13, when a Note is presented to a Registrar with a request to register a transfer thereof or to exchange such Note for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested; *provided, however*, that every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by an assignment form and a transfer certificate in the form provided for on the form of the Restricted Note and other applicable notice or certification provided in Section 2.13, and completed in a manner satisfactory to the Registrar and duly executed by the Holder thereof or its attorney duly authorized in writing. To permit registration of transfers and exchanges, upon surrender of any Note for registration of transfer or exchange at an office or agency maintained pursuant to Section 2.03, the Company shall execute and the Trustee shall authenticate Notes (with the Subsidiary Guarantee endorsed thereon by the Subsidiary Guarantors) of a like aggregate principal amount at the Registrar's request. Any exchange or transfer shall be without charge, except that the Company or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto; *provided* that this sentence shall not apply to any exchange pursuant to Section 2.10, 2.12(a), 3.05, 4.02(d) or 11.04.

(b) Neither the Company, any Registrar nor the Trustee shall be required to exchange or register a transfer of any Notes or portions thereof in respect of which a Fundamental Change Purchase Notice has been delivered and not withdrawn by the Holder thereof (except, in the case of the purchase of a Note in part, the portion thereof not to be purchased).

(c) All Notes (with the Subsidiary Guarantee endorsed thereon by the Subsidiary Guarantors) issued upon any transfer or exchange of Notes shall be valid obligations of the Company, evidencing the same debt and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

(d) Any Registrar appointed pursuant to Section 2.03 shall provide to the Trustee such information as the Trustee may reasonably require in connection with the delivery by such Registrar of Notes upon transfer or exchange of Notes.

(e) Each Holder of a Note agrees to indemnify and hold harmless the Company and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

(f) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or other beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07. *Replacement Notes.*

(a) If any mutilated Note is surrendered to the Company, a Registrar or the Trustee, and the Company, a Registrar and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, and there is delivered to the Company, the applicable Registrar and the Trustee such security or indemnity as will be required by them to save each of them harmless, then, in the absence of notice to the Company, such Registrar or the Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute, and upon its written request the Trustee shall authenticate and deliver, in exchange for any such mutilated Note or in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, or is about to be purchased or redeemed by the Company pursuant to Article 3, or converted pursuant to Article 4, the Company in its discretion may, instead of issuing a new Note, pay, purchase or convert such Note, as the case may be.

(c) Upon the issuance of any new Notes under this Section 2.07, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee or the Registrar) in connection therewith.

(d) Every new Note (with the Subsidiary Guarantee endorsed thereon) issued pursuant to this Section 2.07 in lieu of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company and the Subsidiary Guarantors, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section 2.07 are (to the extent lawful) exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.08. *Outstanding Notes.*

(a) Notes outstanding at any time are all Notes authenticated by the Trustee, except for those cancelled by it, those purchased or redeemed pursuant to Article 3, those converted pursuant to Article 4, those delivered to the Trustee for cancellation or surrendered for transfer or exchange and those described in this Section 2.08 as not outstanding.

(b) If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Company receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

(c) If a Paying Agent (other than the Company or an Affiliate of the Company) holds in respect of the outstanding Notes on a Fundamental Change Purchase Date, the Redemption Date or the Final Maturity Date money sufficient to pay the principal of, accrued interest on, and other amounts (including Additional Amounts) on Notes (or portions thereof) payable on that date, then on or after such Fundamental Change Purchase Date, the Redemption Date or Final Maturity Date, as the case may be, such Notes (or portions thereof, as the case may be) shall cease to be outstanding and cash interest on them shall cease to accrue.

(d) Subject to the restrictions contained in Section 2.09, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

Section 2.09. *Treasury Notes.* In determining whether the Holders of the required principal amount of Notes have concurred in any notice, direction, waiver or consent, Notes owned by the Company or any other obligor on the Notes or by any Subsidiary or any other Affiliate of the Company or of such other obligor shall be considered as though not outstanding and disregarded, except that, for purposes of determining whether the Trustee shall be protected in relying on any such notice, direction, waiver or consent, only Notes which a Responsible Officer of the Trustee with responsibility for this Indenture actually knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to the Notes and that the pledgee is not the Company or any other obligor on the Notes or any Subsidiary or any other Affiliate of the Company or of such other obligor.

Section 2.10. *Temporary Notes.* Until definitive Notes are ready for delivery, the Company may prepare and execute, and, upon receipt of a Company Order, the Trustee shall authenticate and deliver, temporary Notes (with the Subsidiary Guarantee endorsed thereon). Temporary Notes (with the Subsidiary Guarantee endorsed thereon) shall be substantially in the form of definitive Notes but may have variations that the Company with the consent of the Trustee considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate and deliver definitive Notes in exchange for temporary Notes.

Section 2.11. *Cancellation.* The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar, the Paying Agent and the Conversion Agent shall forward to the

Trustee or its agent any Notes surrendered to them for transfer, exchange, purchase, redemption, payment or conversion. The Trustee and no one else shall cancel, in accordance with its standard procedures, all Notes surrendered for transfer, exchange, purchase, redemption, payment, conversion or cancellation and shall dispose of the cancelled Notes in accordance with its customary procedures or deliver the cancelled Notes to the Company upon its request therefor. All Notes that are purchased or redeemed by the Company pursuant to Article 3 or converted pursuant to Article 4 shall be delivered to the Trustee for cancellation, and the Company may not hold or resell such Notes or issue any new Notes to replace any such Notes.

Section 2.12. *Legend; Additional Transfer and Exchange Requirements.*

(a) Any Notes that are issued upon the transfer, exchange or replacement of Notes shall bear the legends set forth on the forms of Notes attached as Exhibit A (collectively, the “**Legend**”), unless there is delivered to the Company and the Registrar such satisfactory evidence, which shall include an Opinion of Counsel if requested by the Company or such Registrar, as may be reasonably required by the Company and the Registrar, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure that transfers and conversions thereof comply with the Securities Act. Upon provision of such satisfactory evidence if requested, the Trustee, at the written direction of the Company, shall authenticate and deliver an Unrestricted Note (with the Subsidiary Guarantee endorsed thereon) that does not bear the Legend. If the Legend is removed from the face of a Note and the Note is subsequently held by an Affiliate of the Company, the Legend shall be reinstated.

(b) A Global Note may not be transferred, in whole or in part, to any Person other than the Depository or a nominee or any successor thereof, and no such transfer to any such other Person may be registered; *provided* that the foregoing shall not prohibit any transfer of a Note that is issued in exchange for a Global Note but is not itself a Global Note. No transfer of a Note to any Person shall be effective under this Indenture or the Notes unless and until such Note has been registered in the name of such Person. Notwithstanding any other provisions of this Indenture or the Notes, transfers of a Global Note, in whole or in part, shall be made only in accordance with this Section 2.12.

(c) Subject to Section 2.12(b), every Restricted Note shall be subject to the restrictions on transfer provided in the Legend. Whenever any Restricted Note other than a Restricted Global Note is presented or surrendered for registration of transfer or in exchange for a Note registered in a name other than that of the Holder, such Restricted Note must be accompanied by a certificate in substantially the form set forth in Exhibit A, dated the date of such surrender and signed by the Holder of such Note, as to compliance with such restrictions on transfer. The Registrar shall not be required to accept for such registration of transfer or exchange any Note not so accompanied by a properly completed certificate. As used in this subsection (c), the term “transfer” encompasses any sale, pledge, transfer, hypothecation or other disposition of any Note.

(d) The provisions below shall apply only to Global Notes:

(i) Each Global Note (with the Subsidiary Guarantee endorsed thereon) authenticated under this Indenture shall be registered in the name of the Depository or a nominee thereof and delivered to such Depository or a nominee thereof or custodian

therefor, and each such Global Note (with the Subsidiary Guarantee endorsed thereon) shall constitute a single Note for purposes of this Indenture.

(ii) Notwithstanding any other provisions of this Indenture or the Notes, a Global Note shall not be exchanged in whole or in part for a Note registered, and no transfer of a Global Note in whole or in part shall be registered, in the name of any Person other than the Depositary or one or more nominees thereof; *provided* that a Global Note may be exchanged for securities registered in the names of any person designated by the Depositary in the event that (A) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for such Global Note or such Depositary has ceased to be a “clearing agency” registered under the Exchange Act, and a successor Depositary is not appointed by the Company within 90 days after receiving such notice or becoming aware that the Depositary has ceased to be a “clearing agency,” or (B) an Event of Default has occurred and is continuing with respect to the Notes. Any Global Note exchanged pursuant to subclause (A) above shall be so exchanged in whole and not in part, and any Global Note exchanged pursuant to subclause (B) above may be exchanged in whole or from time to time in part as directed by the Depositary. Any Note issued in exchange for a Global Note or any portion thereof shall be a Global Note; *provided, however,* that any such Note so issued that is registered in the name of a Person other than the Depositary or a nominee thereof shall not be a Global Note.

(iii) Notes issued in exchange for a Global Note or any portion thereof shall be issued in definitive, fully registered form, without interest coupons, shall have an aggregate principal amount equal to that of such Global Note or portion thereof to be so exchanged, shall be registered in such names and be in such authorized denominations as the Depositary shall designate and shall bear the applicable legends provided for herein. Any Global Note to be exchanged in whole shall be surrendered by the Depositary to the Trustee, as Registrar. With regard to any Global Note to be exchanged in part, either such Global Note shall be so surrendered for exchange or, if the Trustee is acting as custodian for the Depositary or its nominee with respect to such Global Note, the principal amount thereof shall be reduced, by an amount equal to the portion thereof to be so exchanged, by means of an appropriate adjustment made on the records of the Trustee. Upon any such surrender or adjustment, the Trustee shall authenticate and deliver the Note (with the Subsidiary Guarantee endorsed thereon) issuable on such exchange to or upon the order of the Depositary or an authorized representative thereof.

(iv) Subject to clause (vi) of this Section 2.12(d), the registered Holder may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(v) In the event of the occurrence of any of the events specified in clause (ii) of this Section 2.12(d), the Company will promptly make available to the Trustee a reasonable supply of Certificated Notes (with the Subsidiary Guarantee endorsed thereon) in definitive, fully registered form, without interest coupons.

(vi) Neither Agent Members nor any other Persons on whose behalf Agent Members may act shall have any rights under this Indenture with respect to any Global Note registered in the name of the Depository or any nominee thereof, or under any such Global Note, and the Depository or such nominee, as the case may be, may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or such nominee, as the case may be, or impair, as between the Depository, its Agent Members and any other Person on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of a Holder of any Note.

(vii) At such time as all interests in a Global Note have been converted, cancelled or exchanged for Notes in certificated form, such Global Note shall, upon receipt thereof, be cancelled by the Trustee in accordance with standing procedures and instructions existing between the Depository and the Notes Custodian, subject to Section 2.11 of this Indenture. At any time prior to such cancellation, if any interest in a Global Note is converted, cancelled or exchanged for Notes in certificated form, the principal amount of such Global Note shall, in accordance with the standing procedures and instructions existing between the Depository and the Notes Custodian, be appropriately reduced, and an endorsement shall be made on such Global Note, by the Trustee or the Notes Custodian, at the direction of the Trustee, to reflect such reduction.

(e) Any stock certificate representing Common Shares issued upon conversion of any Restricted Note shall bear a legend in substantially the following form, unless such Common Shares have been sold pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer) or transferred in compliance with Rule 144 under the Securities Act (or any successor provision thereto), or unless otherwise agreed by the Company in writing with written notice thereof to the transfer agent:

THE COMMON SHARES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT.

BY ITS ACQUISITION HEREOF, THE HOLDER AGREES TO OFFER, SELL OR OTHERWISE TRANSFER THE COMMON SHARES EVIDENCED HEREBY ONLY (A) TO SINO-FOREST CORPORATION (THE “**COMPANY**”) OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO

THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS CERTIFICATE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT.

EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE HEREOF OR AN INTEREST IN THE COMMON SHARES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS AND THAT NO REPRESENTATION CAN BE MADE AS TO WHETHER HOLDERS WISHING TO SELL THE COMMON SHARES EVIDENCED HEREBY IN RELIANCE ON RULE 144 UNDER THE SECURITIES ACT WILL BE ABLE TO TACK THE HOLDING PERIOD FOR THE NOTES THAT WERE CONVERTED FOR THE COMMON SHARES EVIDENCED HEREBY TO THE HOLDING PERIOD FOR SUCH COMMON SHARES FOR PURPOSES OF RULE 144 UNDER THE SECURITIES ACT.

THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AND ITS DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THE COMPANY AND THE TRANSFER AGENT THAT THE COMMON SHARES EVIDENCED HEREBY DO NOT CONSTITUTE "RESTRICTED SECURITIES" AS SUCH TERM IS DEFINED IN RULE 144(A)(3) UNDER THE SECURITIES ACT.

Any such Common Shares as to which the conditions for removal of the foregoing legend set forth therein have been satisfied may, upon surrender of the certificates representing such Common Shares for exchange in accordance with the procedures of the transfer agent for the Common Shares, be exchanged for a new certificate or certificates for a like number of Common Shares, which shall not bear the restrictive legend required by this section. The Trustee may in good faith rely on an Opinion of Counsel in order to determine whether the legend is required upon transfer.

In addition to the foregoing, any stock certificate representing Common Shares issued upon conversion of any Note prior to April 18, 2010 by a holder who is resident in, or subject to the laws of, any Province of Canada shall bear a legend in substantially the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 18, 2010.

Section 2.13. *Special Transfer Provisions.* The following additional provisions shall apply to the proposed transfer, exchange or replacement of Certificated Notes or, to the extent relevant to the Trustee, the Transfer Agent, the Registrar or the Depositary, any beneficial interest in a Global Note:

(a) The following provisions shall apply with respect to the registration of any proposed transfer of a Note (or interest in a Global Note) to a QIB that is a U.S. Person:

(i) The Registrar shall register the transfer of any Certificated Note containing the Legend if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company, the Transfer Agent and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the transfer notice provided for on the form of Note in substantially the form of Exhibit B.

(ii) If the Note to be transferred is a Certificated Note containing the Legend and the proposed transferee is an Agent Member holding such interest on behalf of a QIB that is a U.S. Person, upon receipt by the Registrar of (x) the documents referred to in paragraph (i) above and (y) instructions given in accordance with the Applicable Procedures and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Rule 144A Global Note in an amount equal to the principal amount of the Certificated Note to be transferred and the Transfer Agent shall cancel the Certificated Note so transferred.

(iii) Subject to the Applicable Procedures, if the proposed interest to be transferred is an interest in a Rule 144A Global Note, (x) such transfer may be effected only through the book-entry system maintained by the Depository in compliance with the applicable provisions of the Legend and (y) the transferee is required to hold such interest through an Agent Member.

(iv) Subject to the Applicable Procedures, an interest in a Regulation S Global Note proposed to be transferred to a QIB that is a U.S. Person shall be required to be held on behalf of such transferee through Agent Members and upon receipt by the Registrar of certificates by the transferor and the transferee that are provided for on the form of Note in substantially the form of Exhibit C, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Rule 144A Global Note in an amount equal to the principal amount of the beneficial interest in such Regulation S Global Note to be transferred, and shall decrease such Regulation S Global Note in a like amount.

(b) *Transfers of Interests in a Regulation S Global Note to a QIB that is a U.S. Person.* Subject to the Applicable Procedures, an interest in a Regulation S Global Note proposed to be transferred to any QIB that is a U.S. Person shall be required to be held on behalf of such QIB through an Agent Member.

(c) *Transfers to Non-U.S. Persons.* The following provisions shall apply with respect to the registration of transfers of a Note (or interest in a Global Note) to a non-U.S. Person:

(i) The Registrar shall register the transfer of any Certificated Note containing the Legend to a non-U.S. Person upon receipt by the Registrar from the transferor of a transfer notice provided for on the form of Note in substantially the form of Exhibit B.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in a Rule 144A Global Note, upon receipt by the Registrar of (x) a certificate by

the transferor that is provided for on the form of Note in substantially the form of Exhibit D and (y) instructions given in accordance with the Applicable Procedures and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such Rule 144A Global Note in an amount equal to the principal amount of the beneficial interest in such Rule 144A Global Note to be transferred, and shall increase a Regulation S Global Note in a like amount.

(iii) If the Note to be transferred is a Certificated Note containing the Legend and the proposed transferee is an Agent Member holding such interest on behalf of a non-U.S. Person, upon receipt by the Registrar of (x) the documents required by paragraph (i) above and (y) instructions given in accordance with the Applicable Procedures and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Regulation S Global Note in an amount equal to the principal amount of the Certificated Note to be transferred, and the Transfer Agent shall cancel the Certificated Note so transferred.

(iv) Subject to the Applicable Procedures, an interest in the Regulation S Global Note shall be required to be held through Agent Members.

Section 2.14. *CUSIP, Common Code and ISIN Numbers.* The Company in issuing the Notes may use one or more "CUSIP," "Common Code," "ISIN" or similar numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP," "Common Code," "ISIN" or similar numbers in notices of purchase as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a purchase and that reliance may be placed only on the other identification numbers printed on the Notes, and any such purchase shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP," "Common Code," "ISIN" or similar numbers.

Section 2.15. *Additional Notes; Repurchases.* Subject to the penultimate sentence of this Section 2.15, the Company may, without the consent of the Holders and notwithstanding Section 2.02, reopen this Indenture and issue additional Notes in an unlimited aggregate principal amount hereunder with the same terms of the Notes initially issued hereunder. Such additional Notes may have the same CUSIP or other identifying numbers as the Notes initially issued hereunder; *provided* that such additional Notes are issued with no more than a *de minimis* amount of original issue discount or are part of a qualified reopening of the Notes for U.S. federal income tax purposes. The Company's right to issue such additional Notes will terminate when such additional Notes would mature sooner than 5 years and 1 day from the date of issuance thereof. The Company may also from time to time repurchase the Notes in open market purchases or negotiated transactions without prior notice to Holders.

Section 2.16. *Calculations.* The solicitation of any necessary bids and calculations to be made in respect of the Notes shall be the obligation of the Company. These calculations include, but are not limited to, determination of the average market prices, the applicable Conversion Rate, any adjustment thereto, the Make-Whole Premium, the Conversion Value, the Daily Conversion Value Amount, the Daily Common Share Amount, the Daily VWAP, the Daily Volume Weighted Average Trading Price and the Prevailing Exchange Rate in respect of the

Notes or the Common Shares, as the case may be. All calculations made by the Company or its agent as contemplated pursuant to the terms hereof and of the Notes shall be made in good faith and, absent manifest error, be final and binding on the Trustee, the Conversion Agent, each Paying Agent and on the Holders. For any calculations to be made by the Company or its agent as contemplated pursuant to the terms hereof and of the Notes, the Company shall provide a schedule of such calculations to the Trustee and the Conversion Agent, and each of the Trustee and the Conversion Agent shall be entitled to conclusively rely upon the accuracy of the calculations by the Company or its agent without independent verification, shall have no liability with respect thereto and shall have no liability to the Holders of the Notes for any loss any of them may incur in connection with no independent verification having been done. The Trustee shall forward calculations made by the Company to any Holder of Notes upon request, at no cost to any such Holder.

Section 2.17. *Computation of Interest.* Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

For purposes of the *Interest Act* (Canada), whenever any interest or fee under this Indenture is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365, as the case may be.

ARTICLE 3

OFFER TO PURCHASE AND REDEMPTION FOR TAX REASONS

Section 3.01. *Offer to Purchase at Option of the Holder upon a Fundamental Change.*

(a) If a Fundamental Change occurs prior to the Final Maturity Date, the Company shall be required to make an offer to each Holder, subject to the terms and conditions of this Indenture, to purchase for cash all or a portion of the Notes in integral multiples of US\$1,000 principal amount, at such Holder's option, at the Fundamental Change Purchase Price, on the date fixed by the Company (the "**Fundamental Change Purchase Date**") that is not less than 30 days nor more than 45 days after the date the Company gives the Fundamental Change Offer Notice pursuant to subsection 3.01(b).

(b) As promptly as practicable following the date on which the Company publicly announces such Fundamental Change, but in no event less than 20 days prior to the anticipated Fundamental Change Effective Date, the Company shall mail to the Trustee, Paying Agent and to each Holder of record of Notes at their addresses shown in the register of the Registrar (and to beneficial owners as required by applicable law) a written notice regarding the Fundamental Change and an offer to purchase the Notes (the "**Fundamental Change Offer Notice**"). The Fundamental Change Offer Notice shall include the form of a Fundamental Change Purchase Notice to be completed by the Holder, if the Holder wishes to accept the offer, and shall state:

- (i) the events causing such Fundamental Change;

- (ii) the date (or expected date) of such Fundamental Change;
- (iii) the last date by which the Fundamental Change Purchase Notice must be delivered to accept the Company's offer to purchase the Notes pursuant to this Section 3.01;
- (iv) the Fundamental Change Purchase Price;
- (v) the Fundamental Change Purchase Date;
- (vi) the name and address of each Paying Agent and Conversion Agent;
- (vii) the then effective Conversion Rate and any adjustments to the Conversion Rate;
- (viii) the procedures that the Holder must follow to exercise conversion rights under Article 4 and that Notes as to which a Fundamental Change Purchase Notice has been given may be converted pursuant to Article 4 of this Indenture only to the extent that the Fundamental Change Purchase Notice has been withdrawn in accordance with the terms of this Indenture;
- (ix) the procedures that the Holder must follow to accept the offer of the Company to purchase the Notes under this Section 3.01;
- (x) the procedures for withdrawing a Fundamental Change Purchase Notice;
- (xi) that if the Holder accepts the offer, unless the Company fails to pay such Fundamental Change Purchase Price, Notes covered by any Fundamental Change Purchase Notice will cease to be outstanding and interest will cease to accrue on and after the Fundamental Change Purchase Date; and
- (xii) the CUSIP number of the Notes.

At the Company's request, the Trustee shall give such Fundamental Change Offer Notice in the Company's name and at the Company's expense; *provided* that, in all cases, the text of such Fundamental Change Offer Notice shall be prepared by the Company. If any Notes are Global Notes, then the Company shall modify such notice to the extent necessary to accord with the Applicable Procedures relating to the purchase of Global Notes.

(c) A Holder may accept the offer specified in Section 3.01(a) upon delivery of a written notice (which shall be in substantially the form attached to Exhibit A under the heading "Fundamental Change Purchase Notice" and which may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Notes, may be delivered electronically or by other means in accordance with the Applicable Procedures) of the acceptance of such offer (a "**Fundamental Change Purchase Notice**") so as to be received by any Paying Agent no later than the close of business on the third Business Day prior to the Fundamental Change Purchase Date.

(i) The Fundamental Change Purchase Notice shall state: (A) the certificate number (if such Note is not a Global Note) of the Note which the Holder will deliver to be purchased (or, if the Note is a Global Note, any other items required to comply with the Applicable Procedures), (B) the portion of the principal amount of the Note that the Holder will deliver to be purchased, which must be US\$1,000 or an integral multiple of US\$1,000 and (C) that such Holder accepts the offer by the Company to purchase such Notes pursuant to the terms and conditions specified in the Notes and in this Indenture.

(ii) The delivery of a Note for which a Fundamental Change Purchase Notice has been timely delivered to any Paying Agent and not validly withdrawn prior to, on or after the Fundamental Change Purchase Date (together with all necessary endorsements) at the office of such Paying Agent shall be a condition to the receipt by the Holder of the Fundamental Change Purchase Price therefor.

(iii) The Company shall only be obliged to purchase, pursuant to this Section 3.01, a portion of a Note if the principal amount of such portion is US\$1,000 or an integral multiple of US\$1,000 (and provisions of this Indenture that apply to the purchase of all of a Note also apply to the purchase of such portion of such Note).

(iv) Notwithstanding anything herein to the contrary, any Holder delivering to any Paying Agent the Fundamental Change Purchase Notice contemplated by this Section 3.01(c) shall have the right to withdraw such Fundamental Change Purchase Notice in whole or in a portion thereof that is a principal amount of US\$1,000 or in an integral multiple thereof at any time prior to the close of business on the Business Day prior to the Fundamental Change Purchase Date by delivery of a written notice of withdrawal to such Paying Agent in accordance with Section 3.02(b).

(v) Each Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written withdrawal thereof.

(vi) Anything herein to the contrary notwithstanding, in the case of Global Notes, any Fundamental Change Purchase Notice may be delivered or withdrawn and such Notes may be surrendered or delivered for purchase in accordance with the Applicable Procedures as in effect from time to time.

Section 3.02. Effect of Fundamental Change Purchase Notice.

(a) Upon (i) receipt by any Paying Agent of a properly completed Fundamental Change Purchase Notice from a Holder and (ii) at any time after receipt of such Fundamental Change Purchase Notice, book-entry transfer or delivery of the Note in respect of which such Fundamental Change Purchase Notice was given, together with any necessary endorsements, to a Paying Agent, the Holder of such Note shall (unless such Fundamental Change Purchase Notice is withdrawn as specified in Section 3.02(b)) thereafter be entitled to receive the Fundamental Change Purchase Price with respect to such Note, subject to the occurrence of the Fundamental Change Effective Date and Section 3.02(c). Such Fundamental Change Purchase Price shall be paid to such Holder on the later of (A) the Fundamental Change Purchase Date (*provided* that the conditions in Section 3.01 have been satisfied) and (B) the time of delivery of such Note to a

Paying Agent by the Holder thereof in the manner required by Section 3.01(c), together with necessary endorsements. Notes in respect of which a Fundamental Change Purchase Notice has been given by the Holder thereof may not be converted pursuant to Article 4 on or after the date of the delivery of such Fundamental Change Purchase Notice unless such Fundamental Change Purchase Notice has first been validly withdrawn in accordance with Section 3.02(b) with respect to the Notes to be converted.

(b) A Fundamental Change Purchase Notice may be withdrawn by means of a written notice (which may be delivered by mail, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Notes, may be delivered by other means in accordance with the Applicable Procedures) of withdrawal delivered by the Holder to any Paying Agent at any time prior to the close of business on the Business Day immediately prior to the Fundamental Change Purchase Date, specifying (i) the principal amount of the Note or portion thereof (which must be a principal amount of US\$1,000 or an integral multiple of US\$1,000 in excess thereof) with respect to which such notice of withdrawal is being submitted, (ii) the certificate number, if applicable, of the Note being withdrawn in whole or in part (or if the Notes are Global Notes, such written notice must comply with the Applicable Procedures) and (iii) the portion of the principal amount of the Note, if any, that will remain subject to a Fundamental Change Purchase Notice to accept the Company's offer to purchase, which portion must be a principal amount of US\$1,000 or an integral multiple thereof.

(c) Notwithstanding anything to the contrary herein, no Notes may be purchased by the Company at the option of the Holders upon a Fundamental Change if there has occurred and is continuing an Event of Default with respect to the Notes, other than a Default in making a Fundamental Change purchase offer pursuant to Section 3.01 or in the payment of the Fundamental Change Purchase Price with respect to such Notes. Each Paying Agent will promptly return to the respective Holders thereof any Certificated Notes held by it while such an Event of Default is occurring and continuing and shall deem to be cancelled any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depository, in which case, upon such return or cancellation, as the case may be, the Fundamental Change Purchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 3.03. Deposit of Fundamental Change Purchase Price.

(a) No later than 10:00 a.m., New York City time, on the Business Day prior to the applicable Fundamental Change Purchase Date, the Company shall deposit with the Trustee (if it is then acting as Paying Agent) or with a Paying Agent (or if the Company or an Affiliate of the Company is acting as the Paying Agent, the Company shall segregate and hold in trust as provided in Section 2.04), an amount of money (in immediately available funds in U.S. dollars), sufficient to pay the aggregate Fundamental Change Purchase Price of all the Notes or portions thereof that are to be purchased as of such Fundamental Change Purchase Date.

(b) If a Paying Agent or the Trustee (if it is then acting as Paying Agent) holds, or if the Company or an Affiliate of the Company is acting as the Paying Agent and the Company has segregated and held in trust as provided in Section 2.04, in accordance with the terms hereof, money sufficient to pay the Fundamental Change Purchase Price of any Note for which a Fundamental Change Purchase Notice has been surrendered and not withdrawn in accordance

with this Indenture then, whether or not book-entry transfer of such Note has been made or such Note has been delivered to the Paying Agent or the Trustee (if it is then acting as Paying Agent), on the Fundamental Change Purchase Date, (i) such Note will cease to be outstanding, (ii) interest on such Note shall cease to accrue and (iii) all rights of the Holder in respect of such Note shall terminate (other than the right to receive the Fundamental Change Purchase Price as aforesaid). The Company shall publicly announce the principal amount of Notes purchased on or as soon as practicable after the Fundamental Change Purchase Date.

(c) The Paying Agent will promptly return to the respective Holders thereof any Notes with respect to which a Fundamental Change Purchase Notice has been withdrawn in compliance with this Indenture.

Section 3.04. *Repayment to the Company.* To the extent that the aggregate amount of cash deposited by the Company pursuant to Section 3.03 exceeds the aggregate Fundamental Change Purchase Price of the Notes or portions thereof that the Company is obligated to purchase, then promptly after the Fundamental Change Purchase Date the Trustee or a Paying Agent (if the Trustee is not then acting as Paying Agent), as the case may be, shall return any such excess cash to the Company.

Section 3.05. *Notes Purchased in Part.* Any Note that is to be purchased only in part shall be surrendered at the office of a Paying Agent, and promptly after the Fundamental Change Purchase Date, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note, without service charge, a new Note or Notes (with the Subsidiary Guarantee endorsed thereon), of such authorized denomination or denominations as may be requested by such Holder (which must be equal to US\$1,000 principal amount or any integral thereof), in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Note so surrendered that is not purchased.

Section 3.06. *Compliance with Laws and Regulations upon Purchase of Notes.* In connection with any offer to purchase of Notes under Section 3.01, the Company shall comply with any laws, rules and regulations of Canada and any other relevant jurisdictions. To the extent that compliance with any such laws, rules and regulations would result in a conflict with any of the terms hereof, this Indenture is hereby modified to the extent required for the Company to comply with such laws, rules and regulations.

Section 3.07. *Purchase of Notes in Open Market.* The Company may, to the extent permitted by applicable law, at any time purchase Notes in the open market or by tender at any price or by private agreement. Any Note so purchased by the Company may be reissued or resold; *provided* that (i) the Company is permitted by applicable law to so reissue or resell such Note and (ii) such reissuance or resale does not result in such Note becoming a “restricted security,” as such term is defined in Rule 144(a)(3) under the Securities Act. The Company may also surrender any Note so purchased to the Trustee for cancellation, in which case any such Note may not be reissued or resold and will be cancelled promptly in accordance with Section 2.11.

Section 3.08. *Redemption for Tax Reasons.*

(a) The Company or the Surviving Person may redeem all but not part of the Notes for cash if the Company, the Surviving Person or any Subsidiary Guarantor has or would become obligated to pay to the Holder of any Note Additional Amounts (which are more than a *de minimis* amount) as a result of any change, in the case of Additional Amounts owed by the Company or any initial Subsidiary Guarantor, after the date of the Offering Memorandum, or in the case of Additional Amounts owed by the Surviving Person or any Future Subsidiary Guarantor, after the date such Surviving Person or Subsidiary Guarantor assumes the obligations under this Indenture, in the laws or any regulations of any Relevant Taxing Jurisdiction, or any change, in the case of Additional Amounts owed by the Company or any initial Subsidiary Guarantor, after the date of the Offering Memorandum, or in the case of Additional Amounts owed by the Surviving Person or any Future Subsidiary Guarantor, after the date such Surviving Person or Subsidiary Guarantor assumes the obligations under this Indenture, in an official position regarding the interpretation or application of such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); *provided* that the Company cannot avoid these obligations by taking reasonable measures available to it and that the Company delivers to the Trustee an opinion of independent legal counsel of recognized standing with respect to such matters and an Officers' Certificate attesting to such change and obligation to pay Additional Amounts. The redemption price (the "**Redemption Price**") shall be at 100% of the principal amount of the Notes *plus* accrued and unpaid interest to, but excluding, the date on which the Notes will be redeemed (the "**Redemption Date**") specified in the notice of redemption set forth in Section 3.09, but without reduction for applicable withholding taxes (except in respect of certain excluded Holders as described in Section 6.10). In such event, the Company will give the Holders of the Notes not less than 30 days' nor more than 60 days' notice of this redemption, except that (i) the Company will not give notice of redemption earlier than 60 days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

(b) Upon receiving such notice of redemption, each Holder who does not wish to have the Company redeem its Notes will have the right to elect to: (i) convert its Notes pursuant to Article 4 of this Indenture or (ii) not have its Notes redeemed; *provided* that no Additional Amounts will be payable on any payment of interest or principal with respect to the Notes after such Redemption Date and all future payments will be subject to the deduction or withholding of any taxes of a Relevant Taxing Jurisdiction required by law to be deducted or withheld.

For the avoidance of doubt, any Additional Amounts that had been payable in respect of the Notes as a result of the laws or regulations of the Relevant Taxing Jurisdiction in effect on the date of the Offering Memorandum shall continue to be payable to such Holders of the Notes.

Where no such election is made and the Holder does not convert its Notes, the Holder will have its Notes redeemed without any further action. If a Holder does not elect to convert its Notes pursuant to Article 4 of this Indenture but wishes to elect not to have its Notes redeemed pursuant to clause (ii) of the preceding paragraph, such Holder must convert its Notes not later than the Business Day immediately preceding the Redemption Date or deliver to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the

Company for such purpose in the notice of redemption, a written notice of election not to have its Notes redeemed in the form of the Notice of Election Upon Tax Redemption (the “**Notice of Election**”) on the back of the Notes, or any other form of written notice substantially similar to the Notice of Election, in each case, duly completed and signed, so as to be received by the Paying Agent no later than the close of business on a Business Day at least five Business Days prior to the Redemption Date.

(c) A Holder may withdraw any Notice of Election, or any other form of written notice substantially similar thereto, by delivering to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company in the notice of redemption, a written notice of withdrawal prior to the close of business on the Business Day prior to the Redemption Date.

Section 3.09. *Redemption Procedures.*

(a) The notice of redemption shall be given by the Company with a copy to the Trustee or, at the Company’s written request, by the Trustee in the name and at the expense of the Company. Such notice shall be delivered to the Holders at least 30 days and not more than 60 days prior to the Redemption Date by first class mailing, postage prepaid, to such Holders at their respective addresses in the register. Any notice which is mailed or published in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice, to the Holder of any Note designated for redemption shall not affect the validity of the proceedings for the redemption of any other Note.

(b) Notice of redemption to each Holder shall specify:

(i) the Redemption Date, the price at which such Notes will be redeemed and the place or places of payment;

(ii) that payment will be made upon presentation and surrender of the Notes to be redeemed;

(iii) the Conversion Price then in effect; and

(iv) the date on which the rights to convert such Notes will expire.

(c) No later than 10:00 a.m., New York City time, at least one Business Day prior to the Redemption Date specified in the notice of redemption given as provided in this Section 3.09, the Company will deposit or cause to be deposited with the Trustee (if it is then acting as Paying Agent) or a Paying Agent (or if the Company or an Affiliate of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 2.04) an amount of money (in immediately available funds in U.S. dollars) sufficient to redeem on the Redemption Date all of the Notes so called for redemption at the applicable Redemption Price. If any Note called for redemption is converted pursuant hereto, any money deposited with the Trustee (if it is then acting as Paying Agent) or the Paying Agent or so segregated and held in trust for the redemption of such Note shall be paid to the Company upon the Company’s request, or, if then held by the Company, shall be discharged from such trust.

ARTICLE 4
CONVERSION

Section 4.01. *Conversion Privilege and Conversion Rate.*

(a) Subject to and upon compliance with the provisions of this Article 4, at the option of the Holder thereof, any Note or portion thereof that is an integral multiple of US\$1,000 principal amount may be converted by the Holder thereof into fully paid and non-assessable Common Shares of the Company at any time prior to the close of business on the Business Day immediately preceding the Final Maturity Date at the Conversion Rate in effect at such time, determined as hereinafter provided. Upon conversion of a Note pursuant to the provisions of this Article 4, in lieu of Physical Settlement, the Company may, pursuant to Section 4.14, satisfy its conversion obligations hereunder through Cash Settlement or Combination Settlement.

(b) Provisions of this Indenture that apply to conversion of all of a Note also apply to conversion of a portion of a Note.

(c) A Holder of Notes is not entitled to any rights of a holder of Common Shares until such Holder has converted its Notes into Common Shares, and then only to the extent as provided by Section 4.11.

(d) The Conversion Rate shall be adjusted in certain instances as provided in Section 4.01(e) and Section 4.06.

(e) If a Make-Whole Fundamental Change occurs, the Company shall pay, to the extent provided herein, a “**Make-Whole Premium**” if a Holder converts its Notes in connection with any such Make-Whole Fundamental Change by increasing the Conversion Rate for the Notes so surrendered for conversion if and as required below. A conversion of the Notes by a Holder will be deemed for these purposes to be “in connection with” a Make-Whole Fundamental Change if the Conversion Notice is received by the Conversion Agent on or subsequent to the Effective Date of the Make-Whole Fundamental Change but before the close of business on the Business Day immediately preceding the related Fundamental Change Purchase Date or 10 Trading Days after the Effective Date of the Make-Whole Fundamental Change, if later. The number of additional Common Shares per US\$1,000 principal amount of Notes constituting the Make-Whole Premium shall be determined by the Company by reference to the table below, based on the date on which the Make-Whole Fundamental Change becomes effective (the “**Effective Date**”) and the Stock Price applicable to the Make-Whole Fundamental Change

Make-Whole Premium upon a Make-Whole Fundamental Change
(Number of Additional Shares per US\$1,000 Principal Amount of Notes)

<u>Stock Price on Effective Date</u>	<u>December 17, 2009</u>	<u>December 15, 2010</u>	<u>December 15, 2011</u>	<u>December 15, 2012</u>	<u>December 15, 2013</u>	<u>December 15, 2014</u>	<u>December 15, 2015</u>	<u>December 15, 2016</u>
US\$15.97	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601	15.3601
US\$19.00	13.0356	12.5485	11.9458	11.2597	10.4192	9.2985	7.5758	5.3697
US\$21.00	11.0460	10.5004	9.8140	9.0219	8.0306	6.7069	4.6914	0.3571
US\$23.00	9.5194	8.9523	8.2478	7.3993	6.3498	4.9611	2.9105	0.0000
US\$25.00	8.3201	7.7543	7.0497	6.1984	5.1483	3.7811	1.8512	0.0000

Stock Price on Effective Date	December 17, 2009	December 15, 2010	December 15, 2011	December 15, 2012	December 15, 2013	December 15, 2014	December 15, 2015	December 15, 2016
US\$30.00	6.2311	5.7158	5.0739	4.3014	3.3659	2.2079	0.7736	0.0000
US\$35.00	4.8996	4.4552	3.9028	3.2434	2.4613	1.5362	0.4940	0.0000
US\$40.00	3.9804	3.6042	3.1371	2.5837	1.9374	1.1954	0.3916	0.0000
US\$50.00	2.7919	2.5247	2.1921	1.8008	1.3496	0.8407	0.2854	0.0000
US\$60.00	2.0535	1.8617	1.6210	1.3374	1.0093	0.6358	0.2178	0.0000

The actual Stock Price and Effective Date may not be set forth in the table, in which case:

(i) if the actual Stock Price on the Effective Date is between two Stock Prices in the table or the actual Effective Date is between two Effective Dates in the table, the Make-Whole Premium will be determined by a straight-line interpolation between the Make-Whole Premiums set forth for the two Stock Prices and the two Effective Dates in the table based on a 365-day year, as applicable;

(ii) if the Stock Price on the Effective Date exceeds US\$60.00 per share, subject to adjustment in the same manner as the Stock Prices set forth in the first column of the table above pursuant to the immediately succeeding paragraph, no Make-Whole Premium will be paid; and

(iii) if the Stock Price on the Effective Date is less than US\$15.97 per share, subject to adjustment in the same manner as the Stock Prices set forth in the first column of the table above pursuant to the immediately succeeding paragraph, no Make-Whole Premium will be paid.

The Stock Prices set forth in the first column of the table above will be adjusted as of any date on which the Conversion Rate of the Notes is adjusted pursuant to Section 4.06 hereof. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to such adjustment, *multiplied by* a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Stock Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of additional shares set forth in the table above will be adjusted in the same manner as the Conversion Rate as set forth in Section 4.06 hereof, other than by operation of an adjustment to the Conversion Rate by adding the Make-Whole Premium as described above.

Notwithstanding the foregoing, in no event will the Conversion Rate exceed 62.6220 Common Shares per US\$1,000 principal amount of Notes, subject to adjustment in the same manner as the Conversion Rate as set forth in subsections (a) through (e) of Section 4.06.

The additional Common Shares (or cash in lieu thereof) delivered to satisfy the Company's obligations to Holders pursuant to this Section 4.01(e) that convert their Notes in connection with a Make-Whole Fundamental Change shall be delivered upon the Settlement Date for the conversion.

(f) The Trustee and the Conversion Agent shall conclusively rely on the Company's calculations of the Make-Whole Premium, and shall have no liability with respect thereto.

(g) Notes in respect of which a Fundamental Change Purchase Notice has been delivered, if otherwise convertible pursuant to this Article 4, may not be surrendered for conversion pursuant to this Article 4 prior to a valid withdrawal of such Fundamental Change Purchase Notice, in accordance with the relevant provisions of Article 3.

(h) The conversion rights pursuant to this Article 4 shall commence on the Issue Date of the Notes and expire at the close of business on the Business Day immediately preceding the Final Maturity Date.

Section 4.02. *Conversion Procedure.*

(a) To convert a Note, a Holder must (i) complete and manually sign a conversion notice (a “**Conversion Notice**”), which shall be substantially in the form set forth in the form of Note attached as Exhibit A under the heading “Conversion Notice,” and certify in such Conversion Notice that (1) the converting Holder is a QIB that is (x) converting such Note for its own account, or for the accounts of one or more QIBs with respect to which account or accounts it exercises sole investment discretion and (y) acknowledging that the delivery of the Company’s Common Shares, if any, upon conversion of the Note is being made in reliance on Section 4(2) of the Securities Act or (2) the converting Holder is not a U.S. Person and that the delivery of the Common Shares, if any, upon conversion of the Note is being made outside the United States in an offshore transaction in accordance with Rule 903 of Regulation S, (ii) deliver the Conversion Notice to the Conversion Agent, except that in the case of a Holder that is making the certification in clause (i)(2) above, such Conversion Notice must be delivered to the office of the Conversion Agent in Hong Kong or Toronto, Ontario, Canada, (iii) surrender the Note to a Conversion Agent, (iv) if required by the Conversion Agent, furnish appropriate endorsements and transfer documents, (v) if required pursuant to Section 4.02(c), pay funds equal to the interest payable on the next Interest Payment Date to which such Holder is not entitled and (vi) if required pursuant to Section 4.04, pay all transfer or similar taxes.

(b) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the “**Conversion Date**”) that the Holder has complied with all of the requirements set forth in subsection (a) of this Section 4.02. Upon the conversion of a Note, the Company shall deliver the Common Shares (or cash in lieu of all or a portion thereof) in accordance with Section 4.14. Anything herein to the contrary notwithstanding, in the case of Global Notes, such Notes may be surrendered for conversion in accordance with the Applicable Procedures as in effect from time to time.

(c) If Notes are surrendered for conversion (in whole or in part) during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the open of business on the next succeeding Interest Payment Date, Holders of such Notes on such Regular Record Date will receive the interest payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion, and such interest shall be payable on the corresponding Interest Payment Date to the Holder of such Notes as of the close of business on the Regular Record Date. Notes surrendered for conversion after the close of business on such Regular Record Date shall also be accompanied by funds (acceptable to the Company) equal to the interest payable on such corresponding Interest Payment Date; *provided* that no such payment need be made:

- (i) in connection with any conversion following the Regular Record Date immediately preceding the Interest Payment Date;
- (ii) if the Company has specified a Fundamental Change Purchase Date or a Redemption Date that is after a Regular Record Date and on or prior to the corresponding Interest Payment Date
- (iii) to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such Note.

Except as otherwise provided in this Section 4.02(c), no payment or adjustment will be made for accrued and unpaid interest on a converted Note. Instead, accrued interest will be deemed paid by the Common Shares (or any cash in lieu of all or a portion thereof) received by the Holder on conversion. Delivery to the Holder of the full number of Common Shares into which the Note is convertible (or any cash in lieu thereof), together with any cash payment in lieu of such Holder's fractional shares, shall thus be deemed to satisfy the Company's obligation to pay the principal amount of the Note and accrued and unpaid interest on the Note, if any. As a result, accrued and unpaid interest shall be deemed to be paid in full, rather than cancelled, extinguished or forfeited. The Company shall not be required to convert any Notes which are surrendered for conversion without payment of interest as required by this Section 4.02(c).

(d) In the case of any Note which is converted in part only, upon such conversion the Company shall execute and the Trustee at the Company's written direction shall authenticate and deliver to the Holder thereof, without service charge, a new Note or Notes (with the Subsidiary Guarantee endorsed thereon) of authorized denominations in an aggregate principal amount equal to the, and in exchange for, unconverted portion of the principal amount of such Note. A Note may be converted in part, but only if the principal amount of such part is an integral multiple of US\$1,000 and the principal amount of such Note to remain outstanding after such conversion is equal to US\$1,000 or any integral multiple of US\$1,000 in excess thereof.

Section 4.03. *Fractional Shares.* The Company will not issue fractional Common Shares or securities representing fractional Common Shares upon conversion of Notes. If more than one Note shall be surrendered for conversion at one time by the same Holder, the number of full shares that shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted hereby) so surrendered. Any fractional interest in one Common Share resulting from conversion will be paid in cash, on the Settlement Date, but based on the Daily VWAP at the close of business on the Trading Day immediately preceding the Conversion Date.

Section 4.04. *Taxes on Conversion.* If a Holder converts a Note, the Holder shall pay any documentary, stamp or similar issue or transfer tax or fee due upon the issuance or delivery of Common Shares upon such conversion.

Section 4.05. *Company to Provide Stock.*

(a) The Company shall, prior to issuance of any Notes hereunder, and from time to time as may be necessary, reserve, out of its authorized but unissued Common Shares, a sufficient number of Common Shares to permit the conversion of all outstanding Notes into

Common Shares (assuming that at the time of computation of such number of Common Shares all such Notes would be converted by a single Holder and that Physical Settlement is applicable).

(b) All Common Shares delivered upon conversion of the Notes shall be newly issued shares, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive or similar rights and free of any lien or adverse claim as the result of any action by the Company.

(c) The Company will take all such actions and obtain all such approvals as are required by the relevant rules and regulations with respect to the conversion of the Notes into Common Shares.

Section 4.06. *Adjustment of Conversion Rate*

The Conversion Rate shall be adjusted from time to time by the Company as follows:

(a) If the Company issues exclusively Common Shares as a dividend or distribution on Common Shares to all or substantially all holders of Common Shares, or if the Company effects a share split or share combination, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where

CR_0 = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR_1 = the new Conversion Rate taking such event into account;

OS_0 = the number of Common Shares outstanding immediately prior to the open of business on the Ex-Dividend Date of such dividend or distribution or the effective date of such share split or share combination, as the case may be; and

OS_1 = the number of Common Shares outstanding immediately after giving effect to such event.

Any adjustment made under this Section 4.06(a) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination, as the case may be. If any dividend or distribution of the type described in this Section 4.06(a) is declared but not so paid or made, then the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Company issues to all or substantially all holders of Common Shares any rights, warrants or options entitling them for a period of not more than 45 days after the date of issuance thereof to subscribe for or purchase Common Shares at an exercise price per Common Share that is less than the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days prior to the Business Day immediately preceding the date of public announcement of such issuance, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where

CR_0 = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR_1 = the new Conversion Rate taking such event into account;

OS_0 = the number of Common Shares outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

X = the total number of Common Shares issuable pursuant to such rights, warrants or options; and

Y = the number of Common Shares equal to the quotient of (A) the aggregate price payable to exercise such rights, warrants or options, *divided by* (B) the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days prior to the Business Day immediately preceding the date of public announcement for the issuance of such rights, warrants or options.

For purposes of this Section 4.06(b), in determining whether any rights, warrants or options entitle the holders to subscribe for or purchase Common Shares at less than the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days prior to the Business Day immediately preceding the date of public announcement of such issuance and in determining the aggregate exercise price payable for such Common Shares, there shall be taken into account any consideration received by the Company for such rights, warrants or options and any amount payable on exercise thereof, with the value of such consideration, if other than cash, to be determined in good faith by the Board of Directors. Any adjustment made pursuant to this Section 4.06(b) shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. If any right, warrant or option described in this Section 4.06(b) is not exercised prior to the expiration of the exercisability thereof, the new Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such right, warrant or option had not been so issued.

(c) If the Company distributes Capital Stock, rights to acquire Capital Stock or other securities, evidences of indebtedness or other assets or property of the Company to all or substantially all holders of Common Shares, excluding:

- (i) dividends, distributions, rights, warrants or options as to which an adjustment was effected pursuant to Section 4.06(a) or 4.06(b) above,
- (ii) dividends or distributions paid exclusively in cash referred to in Section 4.06(d) below, and
- (iii) Spin-Offs described below in this Section 4.06(c),

then the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where

CR₀ = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR₁ = the new Conversion Rate taking such event into account;

SP₀ = the average of the Daily VWAP of the Common Shares over the 10 consecutive Trading Days ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined in good faith by the Board of Directors) of the Capital Stock, rights to acquire Capital Stock or other securities, evidences of indebtedness, assets or property distributed with respect to each outstanding Common Share on the Ex-Dividend Date for such distribution.

An adjustment to the Conversion Rate made pursuant to this paragraph shall be made successively whenever any such distribution is made and shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such distribution is not so made, the Conversion Rate shall be decreased to be the Conversion Rate that would then be in effect if such distribution had not been declared.

If “FMV” (as defined above) is equal to or greater than the “SP₀” (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, in respect of each US\$1,000 principal amount thereof, at the same time and upon the same terms as holders of the Common Shares, the amount and kind of the Capital Stock, rights to acquire Capital Stock or other securities, evidences of indebtedness, other assets or property that such Holder would have received if such Holder owned a number of Common Shares equal to the Conversion Rate in effect on the Ex-Dividend Date for such distribution.

If the Company distributes to all or substantially all holders of Common Shares any Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company (a “Spin-Off”), the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where

CR₀ = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR₁ = the new Conversion Rate taking such event into account;

FMV₀ = the average of the Daily Volume Weighted Average Trading Prices of the Capital Stock or similar equity interest distributed to holders of Common Shares applicable to one Common Share over the first 10 consecutive Trading Days after, and including, the effective date of the Spin-Off (the “**Valuation Period**”); and

MP₀ = the Daily VWAP of the Common Shares over the Valuation Period.

An adjustment to the Conversion Rate made pursuant to this paragraph will occur on the last day of the Valuation Period; *provided* that in respect of any conversion during the Valuation Period, references in the immediately preceding paragraph with respect to 10 consecutive Trading Days shall be deemed replaced with such lesser number of consecutive Trading Days as have elapsed between the effective date of such Spin-Off and the Conversion Date in determining the applicable Conversion Rate. If any such dividend or distribution described in this Section 4.06(c) is declared but not paid or made, the new Conversion Rate shall be readjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(d) If the Company pays or makes any dividend or distribution consisting exclusively of cash to all or substantially all holders of Common Shares, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where

CR₀ = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR₁ = the new Conversion Rate taking such event into account;

SP₀ = the average of the Daily VWAP of the Common Shares over the 10 consecutive Trading Days ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

C = the amount in cash per Common Share that the Company distributes to holders of Common Shares.

An adjustment to the Conversion Rate made pursuant to this Section 4.06(d) shall become effective on the Ex-Dividend Date for such dividend or distribution. If any dividend or distribution described in this Section 4.06(d) is declared but not so paid or made, the new Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

If “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, for each US\$1,000 principal amount of Notes, at the same time and upon the same terms as holders of the Common Shares, the amount of cash that such Holder would have received if such Holder owned a number of Common Shares equal to the Conversion Rate in effect on the Ex-Dividend Date for such cash dividend or distribution.

(e) If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for Common Shares, then, to the extent that the cash and value of any other consideration included in the payment per Common Share exceeds the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (such last date, the “**Expiration Date**”), the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where

CR₀ = the Conversion Rate in effect immediately prior to the adjustment relating to such event;

CR₁ = the new Conversion Rate taking such event into account;

AC = the aggregate value of all cash and any other consideration (as determined in good faith by the Board of Directors) paid or payable for Common Shares purchased in such tender or exchange offer;

OS₀ = the number of Common Shares outstanding immediately prior to the Expiration Date (prior to giving effect to the purchase or exchange of Common Shares pursuant to such tender or exchange offer);

OS₁ = the number of Common Shares outstanding immediately after the Expiration Date (after giving effect to the purchase or exchange of Common Shares pursuant to such tender or exchange offer); and

SP₁ = the average of the Daily VWAP of the Common Shares for the 10 consecutive Trading Days commencing on, and including, the Trading Day next succeeding the Expiration Date.

If the application of the foregoing formula would result in a decrease in the Conversion Rate (except in the case of readjustment pursuant to the last sentence of this paragraph), no adjustment to the Conversion Rate will be made. Any adjustment to the Conversion Rate made pursuant to this Section 4.06(e) shall become effective at the open of business on the date immediately following the determination of the average of the Daily VWAP of Common Shares for purposes of SP₁ above; *provided* that in respect of any conversion within the 10 consecutive Trading Days commencing on, and including, the Trading Day next succeeding the Expiration Date, references with respect to “10 consecutive Trading Days” shall be deemed replaced with such lesser number of consecutive Trading Days as have elapsed between the Expiration Date and the Conversion Date in determining the applicable Conversion Rate. If the Company or one of its Subsidiaries is obligated to purchase Common Shares pursuant to any such tender or exchange offer but the Company or the relevant Subsidiary is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the new Conversion Rate shall be readjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made.

(f) Notwithstanding the foregoing, if a Conversion Rate adjustment becomes effective on any Ex-Dividend Date as described above, and a Holder that has converted its Notes on or after such Ex-Dividend Date and on or prior to the related record date would be treated as the record holder of the Common Shares as of the related Conversion Date pursuant to Section 4.11 based on an adjusted Conversion Rate for such Ex-Dividend Date, then, notwithstanding subsections (a) through (e) above, the Conversion Rate adjustment relating to such Ex-Dividend Date will not be made for such converting Holder. Instead, such Holder will be treated as if such Holder were the record owner of the Common Shares on an unadjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

(g) If the Company has in effect a rights plan while any Notes remain outstanding, Holders will receive, upon a conversion of Notes in respect of which the Company delivers Common Shares, in addition to such Common Shares, rights under the Company’s stockholder rights plan unless, prior to such conversion, the rights have expired, terminated or been redeemed or unless the rights have separated from the Common Shares. If the rights provided for in the rights plan adopted by the Company have separated from the Common Shares in accordance with the provisions of the applicable stockholder rights agreement so that Holders would not be entitled to receive any rights in respect of Common Shares, if any, that the Company is required to deliver upon conversion of Notes, the Conversion Rate will be adjusted at the time of separation as if the Company had distributed to all holders of Common Shares, Capital Stock, rights to acquire Capital Stock or other securities, evidences of indebtedness or other assets or property pursuant to Section 4.06(c) above, subject to readjustment upon the subsequent expiration, termination or redemption of the rights.

(h) For purposes of this Section 4.06, the number of Common Shares at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of Common Shares.

Section 4.07. *No Adjustment.*

(a) No adjustment in the Conversion Rate shall be required for the transactions set forth in Section 4.06 above that would otherwise require adjustment of the Conversion Rate if Holders of Notes participate, at the same time and upon the same terms as holders of the Common Shares and solely as a result of holding the Notes, without having to convert their Notes as if they held a number of Common Shares equal to the applicable Conversion Rate, *multiplied by* the principal amount (expressed in thousands) of Notes held by such Holder.

(b) No adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Rate as last adjusted; *provided, however*, that any adjustments which would be required to be made but for this Section 4.07(b) shall be carried forward and taken into account in any subsequent adjustment. The Company shall adjust for any carried-forward amount upon conversion regardless of the 1% threshold. All calculations under this Article 4 shall be made to the nearest cent or to the nearest one-ten thousandth of a share, as the case may be, with one half cent and 0.00005 of a share, respectively, being rounded upward.

(c) Notwithstanding anything to the contrary contained herein, in addition to the other events set forth herein on account of which no adjustment to the Conversion Rate shall be made, the applicable Conversion Rate shall not be adjusted for: (i) the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Company and the investment of additional optional amounts in Common Shares under any plan; (ii) the issuance of any Common Shares or options or rights to purchase those shares pursuant to any present or future employee, officer, director or consultant benefit plan, stock option plan, stock purchase plan, employee agreement or arrangement or program of the Company; (iii) the issuance of any Common Shares pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Notes were first issued; (iv) for a change in the par value of the Common Shares; (v) for accrued and unpaid interest; or (vi) for any fluctuations in the rate of exchange between the U.S. dollar and the Canadian dollar.

(d) To the extent that the Notes become convertible, in whole or in part, into the right to receive cash following a Business Combination, no adjustment need be made thereafter as to the amount of cash underlying the Notes.

Section 4.08. *Notice of Adjustment.* Whenever the Conversion Rate or conversion privilege is required to be adjusted pursuant to this Indenture, the Company shall promptly mail to Holders a notice of the adjustment and file with the Trustee and the Conversion Agent an Officer's Certificate briefly stating the facts requiring the adjustment and the manner of computing it. Failure to mail such notice or any defect therein shall not affect the validity of any such adjustment. Unless and until the Trustee and the Conversion Agent shall receive an Officer's Certificate setting forth an adjustment of the Conversion Rate, the Trustee and the Conversion Agent may assume without inquiry that the Conversion Rate has not been adjusted and that the last Conversion Rate of which it has knowledge remains in effect.

Section 4.09. *Notice of Certain Transactions.* In the event that there is a dissolution or liquidation of the Company, the Company shall mail to Holders and file with the Trustee a notice stating the proposed effective date. The Company shall mail such notice at least ten days before

such proposed effective date. Failure to mail such notice or any defect therein shall not affect the validity of any such dissolution or liquidation, as the case may be.

Section 4.10. *Effect of Recapitalization, Reclassification, Consolidation, Merger or Sale.* In the case of the following events (each, a “**Business Combination**”):

- (a) any recapitalization, reclassification or change of the Common Shares, other than changes resulting from a subdivision or combination;
- (b) a consolidation, merger, amalgamation or combination involving the Company;
- (c) a sale, conveyance or lease to another corporation of all or substantially all of the property and assets of the Company, other than to one or more of the Company’s Subsidiaries;
- (d) a statutory share exchange; or
- (e) a plan of arrangement under the Company’s governing corporate law which gives effect to any of these business combinations,

in each case as a result of which holders of Common Shares are entitled to receive stock, other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for Common Shares, the Holders of the Notes then outstanding shall be entitled thereafter to convert those Notes into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that they would have owned or been entitled to receive upon such Business Combination had such Notes been converted into the Common Shares immediately prior to such Business Combination (the “**Reference Property**”, with each “**unit of Reference Property**” meaning the kind and amount of Reference Property that a holder of one Common Share is entitled to receive), except that (i) such Holders will not receive a Make-Whole Premium if such Holder does not convert its Notes “in connection with” a Make-Whole Fundamental Change and (ii) at and after the effective time of such Business Combination (A) the Company shall continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of Notes, as set forth under Section 4.14 and (B)(x) the amount otherwise payable in cash upon conversion of the Notes as set forth under Section 4.14 will continue to be payable in cash and (y) any Common Shares that the Company would have been required to deliver upon conversion of the Notes as set forth under Section 4.14 shall instead be deliverable in the amount and type of Reference Property that a holder of that number of Common Shares would have received in such Business Combination and (z) the Daily VWAP shall be calculated based on the value of a unit of Reference Property. In the event holders of Common Shares have the opportunity to elect the form of consideration to be received in such Business Combination, the Reference Property into which the Notes will be convertible shall be deemed to be the weighted average of the kind and amount of consideration received by the holders of the Common Shares that affirmatively make such an election. The Company shall notify Holders of the weighted average as soon as practicable after such determination is made.

Prior to or at the effective time of such Business Combination, the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of

such supplemental indenture if such supplemental indenture is then required to so comply) providing that the Holders of the Notes then outstanding will be entitled thereafter to convert such Notes into the relevant Reference Property. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 4. If, in the case of any such Business Combination, the stock or other securities and assets receivable thereupon by a holder of Common Shares includes shares of stock or other securities and assets of a corporation other than the successor or purchasing corporation, as the case may be, in such Business Combination, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the Holders of the Notes as the Board of Directors shall reasonably consider necessary by reason of the foregoing, including to the extent practicable the provisions providing for the purchase rights set forth in Article 3 hereof.

The Company shall not become a party to any Business Combination unless its terms are consistent with this Section 4.10. Notwithstanding anything contained in this Section, and for the avoidance of doubt, this Section shall not affect the right of a Holder to convert its Notes into Common Shares prior to the effective date of the Business Combination.

Section 4.11. *Time Of Effectiveness Of Conversion.* Each conversion shall be deemed to have been effected as to any Notes surrendered for conversion on the Conversion Date; *provided, however,* that the person in whose name any Common Shares shall be issuable upon such conversion shall become the holder of record of such Common Shares for purposes of any distribution or event that would otherwise require an adjustment to the Conversion Rate as of the close of business on the Conversion Date (in the case of Physical Settlement) or the last Trading Day of the relevant Cash Settlement Averaging Period (in the case of Combination Settlement).

Section 4.12. *Trustee's/Conversion Agent's Disclaimer.*

(a) Neither of the Trustee nor the Conversion Agent shall have any duty to determine when an adjustment under this Article 4 should be made, how it should be made or what such adjustment should be, but may accept as conclusive evidence of that fact or the correctness of any such adjustment, and shall be protected in relying upon, an Officer's Certificate and/or an Opinion of Counsel, including the Officer's Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 4.08. Neither the Trustee nor the Conversion Agent makes any representation as to the validity or value of any securities or assets issued upon conversion of Notes, and the Trustee shall not be responsible for the Company's failure to comply with any provisions of this Article 4.

(b) The Trustee shall not be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture executed pursuant to Section 4.10, but may accept as conclusive evidence of the correctness thereof, and shall be fully protected in relying upon, the Officer's Certificate and Opinion of Counsel, with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 12.03.

Section 4.13. *Voluntary Increase.* The Company may also, from time to time, to the extent permitted by applicable law and by the rules of any stock exchange on which the Common Shares may be listed, including the Toronto Stock Exchange, increase the Conversion Rate by

any amount for any period of at least 20 days if the Company has determined that such increase would be in the best interests of the Company. If the Company makes such determination and has obtained all necessary regulatory approvals, it will be conclusive and the Company will mail to Holders of the Notes a notice of the increased Conversion Rate and the period during which it will be in effect at least 15 days prior to the date the increased Conversion Rate takes effect in accordance with applicable law. The Company may also make such an increase to the Conversion Rate as the Board of Directors, in good faith, deems advisable to avoid or diminish any income tax to holders of Common Shares resulting from any dividend or distribution of Common Shares (or rights to acquire Common Shares) or from any event treated as such for income tax purposes.

Section 4.14. *Settlement upon Conversion.*

(a) In lieu of delivery of all of the Common Shares otherwise issuable upon conversion of any Notes (“**Physical Settlement**”), the Company may elect to pay or deliver, as the case may be, cash (“**Cash Settlement**”) or a combination of cash and Common Shares (“**Combination Settlement**”). Except as described in this Section 4.14, the Company may select the Settlement Method in its sole discretion and without obtaining the consent of any Holder of the Notes.

(b) All conversions occurring on or after the 25th Scheduled Trading Day prior to the Final Maturity Date will be settled using the same Settlement Method. Prior to the 25th Scheduled Trading Day prior to the Final Maturity Date, the Company shall treat all Holders converting on the same Trading Day in the same manner. However, except for conversions that occur on or after the 25th Scheduled Trading Day prior to the Final Maturity Date, the Company shall not have any obligation to use the same Settlement Method to settle its conversion obligations arising on different Trading Days. If the Company elects Cash Settlement or Combination Settlement, the Company shall notify converting Holders (i) in the case of any conversions occurring before the 25th Scheduled Trading Day prior to the Final Maturity Date, no later than the second Trading Day immediately following the related Conversion Date and (ii) in the case of any conversions occurring on or after the 25th Scheduled Trading Day prior to the Final Maturity Date, no later than the 25th Scheduled Trading Day prior to the Final Maturity Date. In either case, if the Company chooses Combination Settlement, the Company shall specify the amount to be satisfied in cash as a fixed dollar amount. If the Company does not provide such notice, it shall be deemed to have elected Physical Settlement.

(c) If the Company does not elect Cash Settlement or Combination Settlement and instead satisfies its conversion obligation through Physical Settlement, settlement of its conversion obligation shall occur on the third Trading Day following the Conversion Date. In the case of Cash Settlement or Combination Settlement, however, settlement of its conversion obligation shall occur on the third Trading Day following the final Trading Day of the Cash Settlement Averaging Period. The date that a settlement is made as described in this Section 4.14 is referred to as the “**Settlement Date.**”

(d) The settlement amount shall be computed as follows:

(i) If the Company does not elect Cash Settlement or Combination Settlement and instead satisfies its conversion obligation through Physical Settlement, it shall deliver

to the Holder, in respect of each US\$1,000 principal amount of Notes surrendered for conversion, a number of Common Shares equal to the applicable Conversion Rate (except that the Company will deliver cash in lieu of fractional Common Shares in accordance with Section 4.03).

(ii) If the Company elects to satisfy its conversion obligation through Cash Settlement, it shall pay to the Holder, in respect of each US\$1,000 principal amount of Notes surrendered for conversion, cash in an amount equal to the Conversion Value.

(iii) If the Company elects to satisfy its conversion obligation through Combination Settlement, it shall pay or deliver, as the case may be, to the Holder, in respect of each US\$1,000 principal amount of Notes surrendered for conversion:

(A) an amount in cash equal to the lesser of (1) the Conversion Value and (2) US\$1,000; and

(B) if the Conversion Value is greater than US\$1,000, a number of Common Shares per US\$1,000 principal amount of Notes to be converted equal to the sum of the Daily Common Share Amounts for each of the Trading Days in the Cash Settlement Averaging Period (except that the Company will deliver cash in lieu of fractional Common Shares in accordance with Section 4.03).

ARTICLE 5

SUBSIDIARY GUARANTEES

Section 5.01. *The Subsidiary Guarantees.* Subject to the provisions of this Article 5, each of the Subsidiary Guarantors (whether originally a signatory hereto or added pursuant to a supplemental indenture) hereby, jointly and severally, Guarantees as principal obligor to each Holder of a Note authenticated by the Trustee or the Authenticating Agent and to the Trustee and its successors and assigns the due and punctual payment of the principal of, and interest on, and all other amounts payable under, the Notes and this Indenture.

Section 5.02. *Guarantee Unconditional.* The obligations of each Subsidiary Guarantor hereunder are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Company under this Indenture or any Note, by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Indenture or any Note;

(c) any change in the corporate existence, structure or ownership of the Company, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any obligation of the Company contained in this Indenture or any Note;

(d) the existence of any claim, set-off or other rights which the Subsidiary Guarantor may have at any time against the Company, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions; *provided* that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;

(e) any invalidity, irregularity, or unenforceability relating to or against the Company for any reason of this Indenture or any Note; or

(f) any other act or omission to act or delay of any kind by the Company, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such Subsidiary Guarantor's obligations hereunder.

Section 5.03. *Discharge; Reinstatement.* Each Subsidiary Guarantor's obligations hereunder will remain in full force and effect until the principal of, and interest on, the Notes and all other amounts payable by the Company under this Indenture have been paid in full. If at any time any payment of the principal of, or interest on, any Note or any other amount payable by the Company under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Company or otherwise, each Subsidiary Guarantor's obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time. All payments under the Subsidiary Guarantees will be made in such coins or currency of the United States as at the time of payment will be legal tender for the payment of public and private debt.

Section 5.04. *Waiver by Each Subsidiary Guarantor.* Each Subsidiary Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Company or any other Person. In particular, each Subsidiary Guarantor irrevocably waives its right to require the Trustee to pursue or exhaust the Trustee's legal or equitable remedies against the Company prior to exercising the Trustee's rights under the Subsidiary Guarantee.

Section 5.05. *Subrogation and Contribution.* Upon making any payment with respect to any obligation of the Company under this Article 5, the Subsidiary Guarantor making such payment will be subrogated to the rights of the payee against the Company with respect to such obligation; *provided* that the Subsidiary Guarantor may not enforce either any right of subrogation, or any right to receive payment in the nature of contribution, or otherwise, from any other Subsidiary Guarantor, with respect to such payment so long as any amount payable by the Company hereunder or under the Notes remains unpaid.

Section 5.06. *Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Company under this Indenture or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Company, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Subsidiary Guarantors hereunder forthwith on demand by the Trustee or the Holders.

Section 5.07. *Limitation on Amount of Subsidiary Guarantee.* Notwithstanding anything to the contrary in this Article 5, each Subsidiary Guarantor, and by its acceptance of Notes, each

Holder, hereby confirms that it is the intention of all such parties that the Subsidiary Guarantee of such Subsidiary Guarantor not constitute a fraudulent conveyance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable law of any other jurisdiction. To effectuate that intention, the Trustee, the Holders and the Subsidiary Guarantors hereby irrevocably agree that the obligations of each Subsidiary Guarantor under its Subsidiary Guarantee are limited in an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Section 5.08. *Ranking of Subsidiary Guarantees.* The Subsidiary Guarantee of each Subsidiary Guarantor: (a) is a general senior unsubordinated obligation of such Subsidiary Guarantor; (b) is effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor; (c) ranks senior in right of payment to all existing and future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to the Subsidiary Guarantee; and (d) ranks at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

Section 5.09. *Further Subsidiary Guarantors.*

(a) The Company will, for the benefit of the Holders of the Notes, cause each of its future Subsidiaries (other than Persons organized under the laws of the People's Republic of China or any other jurisdiction that prohibits such Subsidiary from guaranteeing payments under the Notes), after the Issue Date, immediately upon becoming a Subsidiary, to execute and deliver to the Trustee a supplemental indenture to this Indenture pursuant to which such future Subsidiary will Guarantee the payment of the Notes.

(b) If Sino-Capital Global Inc. (BVI) (the “**Initial Non-Guarantor Subsidiary**”), would not be required to register as an investment company under the Investment Company Act of 1940, as amended, as determined in good faith by the Company within 30 days after the date on which the most recently available non-consolidated financial statements of the Initial Non-Guarantor Subsidiary and consolidated financial statements of the Company have been provided to the Trustee (or if not timely provided, would have been required to be provided) pursuant to this Indenture, the Company will promptly cause the Initial Non-Guarantor Subsidiary to execute and deliver to the Trustee a supplemental indenture to this Indenture, pursuant to which the Initial Non-Guarantor Subsidiary will Guarantee the payment of the Notes.

(c) If the Non-consolidated Cash of the Initial Non-Guarantor Subsidiary accounts for more than 10% of the Consolidated Cash of the Company, based on the most recently available non-consolidated financial statements of the Initial Non-Guarantor Subsidiary and consolidated financial statements of the Company which have been provided to the Trustee (or if not timely provided, required to be provided) pursuant to this Indenture, the Company shall, within 30 days after the date on which such financial statements are available and have been so provided (or if not timely provided, required to be provided), cause the Initial Non-Guarantor Subsidiary to execute and deliver to the Trustee a supplemental indenture to this Indenture, pursuant to which

the Initial Non-Guarantor Subsidiary will Guarantee the payment of the Notes, to ensure that after giving effect to such new Subsidiary Guarantee, the foregoing condition with respect to the Consolidated Cash of the Company will cease to exist.

(d) Each Subsidiary that Guarantees the Notes after the Issue Date is referred to as a “**Future Subsidiary Guarantor**” and, upon execution of the applicable supplemental indenture, will be a Subsidiary Guarantor.

Section 5.10. *Execution and Delivery of Guarantee.* The execution by each Subsidiary Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit E) evidences the Subsidiary Guarantee of such Subsidiary Guarantor, whether or not the person signing as an Officer of the Subsidiary Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Subsidiary Guarantee set forth in this Indenture on behalf of each Subsidiary Guarantor.

Section 5.11. *Release of the Subsidiary Guarantees.*

(a) A Subsidiary Guarantee given by a Subsidiary Guarantor will be released:

(i) upon repayment in full of the Notes;

(ii) upon the sale of a Subsidiary Guarantor in compliance with the terms of this Indenture (including Section 7.02); and

(iii) if at any time when no Default has occurred and is continuing with respect to the Notes, such Subsidiary Guarantor no longer Guarantees any other Indebtedness of the Company or any other Subsidiary Guarantor; *provided* that, at the time of such release, the Subsidiary Guarantor is not a guarantor of any Relevant Indebtedness.

(b) No release of a Subsidiary Guarantor from its Subsidiary Guarantee shall be effective against the Trustee or the Holders of Notes (i) if a Default or Event of Default shall have occurred and be continuing under this Indenture as of the time of such proposed release until such time as such Default or Event of Default is cured or waived and (ii) until the Company has delivered to the Trustee an Officers’ Certificate stating that all conditions precedent provided for in this Indenture relating to such release have been complied with and that such release is authorized and permitted under this Indenture. At the request of the Company, the Trustee will execute and deliver an instrument evidencing such release.

ARTICLE 6 COVENANTS

Section 6.01. *Payment of Notes.*

(a) The Company shall promptly make all payments in respect of the Notes on the dates and in the manner provided in the Notes and this Indenture. A payment of principal or interest shall be considered paid on the date it is due if the Paying Agent (other than the Company) holds no later than 10:00 a.m., New York City time, on the Business Day prior to that

date when payment is due money, deposited by or on behalf of the Company sufficient to make the payment. Subject to Section 4.02, accrued and unpaid interest on any Note that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Note is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose. Principal, Fundamental Change Purchase Price, Redemption Price, and interest, if any, in each case if payable, shall be considered paid on the applicable date due if on such date (or, in the case of Fundamental Change Purchase Price, on the Business Day following the applicable Fundamental Change Purchase Date) the Trustee or the Paying Agent (if the Trustee is not then acting as Paying Agent) holds, in accordance with this Indenture, money sufficient to pay all such amounts then due. The Company shall, to the fullest extent permitted by law, pay interest in immediately available funds on overdue principal amount and interest at the annual rate borne by the Notes compounded semiannually, which interest shall accrue from the date such overdue amount was originally due to the day preceding the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand.

(b) Payment of the principal of and interest, if any, on the Notes shall be made at the office or agency of the Company maintained for that purpose (which shall initially be the Corporate Trust Office of the Trustee) in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however,* that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the register; and *provided further* that a Holder with an aggregate principal amount in excess of US\$5,000,000 will be paid by wire transfer in immediately available funds at the election of such Holder if such Holder has provided wire transfer instructions to the Trustee at least 10 Business Days prior to the payment date. Any wire transfer instructions received by the Trustee will remain in effect until revoked by the Holder. Notwithstanding the foregoing, so long as this Note is registered in the name of a Depository or its nominee, all payments thereon shall be made by wire transfer of immediately available funds to the account of the Depository or its nominee.

Section 6.02. *Provision of Reports.*

(a) The Company shall file with the Trustee and provide the Holders of the Notes with the documents required to be sent to its shareholders pursuant to applicable securities laws in the Provinces of Canada in which the Company is a reporting issuer and within the time prescribed by such applicable securities laws. In the event the Company is no longer subject to such applicable securities laws, the Company shall continue to provide to the Trustee and the Holders of the Notes (i) within 90 days after the end of each fiscal year, copies of its annual audited report and annual consolidated financial statements, (ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim unaudited consolidated financial statements that shall, at a minimum, contain such information required to be provided in quarterly reports under the applicable securities laws of the Province of Ontario and (iii) copies of proxy materials sent to holders of Common Shares even though a Holder of Notes will not be permitted to attend or vote at any meeting of shareholders unless it is otherwise a holder of Common Shares.

(b) The Company shall provide the Trustee and the Holders of the Notes (i) within 90 days after the end of each fiscal year, copies of annual non-consolidated financial statements of the Initial Non-Guarantor Subsidiary and (ii) within 45 days after the end of each of the first three quarters of each fiscal year interim non-consolidated financial statements of the Initial Non-Guarantor Subsidiary.

(c) Each of the reports or financial statements required to be provided under this Section 6.02 to the Trustee shall be prepared in accordance with GAAP as such accounting standards may be applicable to the Company or the Initial Non-Guarantor Subsidiary, as the case may be.

(d) The reporting obligations under this Section 6.02 shall terminate with respect to the Initial Non-Guarantor Subsidiary that becomes a Subsidiary Guarantor pursuant to the terms of this Indenture.

(e) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificates).

Section 6.03. *Compliance Certificates.* The Company shall deliver to the Trustee, (a) within 14 days of any request from the Trustee, or (b) otherwise, within 90 days after the end of each fiscal year of the Company (beginning with the fiscal year ending December 31, 2009), an Officer's Certificate stating (i) whether or not the Company has been and is in compliance with all conditions and covenants on its part contained in this Indenture and (ii) (up to a date specified therein which shall be no earlier than 5 days prior to the date of such Officer's Certificate) whether or not there have been any Default or Event of Default. If such signer knows of such a Default or Event of Default, the Officer's Certificate shall describe the Default or Event of Default and the efforts to remedy the same. For the purposes of this Section 6.03, compliance shall be determined without regard to any grace period or requirement of notice provided pursuant to the terms of this Indenture.

Section 6.04. *Further Instruments and Acts.* Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 6.05. *Maintenance of Corporate Existence.* Subject to Article 7, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 6.06. *Rule 144A Information Requirement.* The Company covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, upon the request of any Holder or beneficial holder of the Notes make available to such Holder or beneficial holder of Notes or any Common Shares issued upon conversion thereof which continue to be Restricted Notes in connection with any sale thereof and any prospective purchaser of Notes or such Common Shares designated by such Holder or beneficial

holder, the information required pursuant to Rule 144A(d)(4) under the Securities Act and it will take such further action as any Holder or beneficial holder of such Notes or such Common Shares may reasonably request, all to the extent required from time to time to enable such Holder or beneficial holder to sell its Notes or Common Shares without registration under the Securities Act within the limitation of the exemption provided by Rule 144A, as such Rule may be amended from time to time. Whether a person is a beneficial holder shall be determined by the Company.

Section 6.07. *Stay, Extension and Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or accrued but unpaid interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 6.08. *Maintenance of Office or Agency.* The Company will maintain an office or agency of the Trustee, Registrar and Paying Agent where securities may be presented or surrendered for payment, where Notes may be surrendered for registration of transfer or purchase and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Corporate Trust Office shall initially be one such office or agency for all of the aforesaid purposes. The Company shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency (other than a change in the location of the office of the Trustee). If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 12.02.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency.

Section 6.09. *Limitation on Issuances of Guarantees by Subsidiaries.* (a) So long as any of the Notes remain outstanding, the Company will not permit any Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to Guarantee any Relevant Indebtedness (“**Guaranteed Indebtedness**”) unless (i) such Subsidiary, at the same time or prior thereto executes and delivers a supplemental indenture to this Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Subsidiary and (ii) such Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any right of reimbursement, indemnity or subrogation or any other rights against the Company or any other Subsidiary as a result of any payment by such Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

(b) If the Guaranteed Indebtedness (i) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (ii) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or any Subsidiary Guarantee.

Section 6.10. *Additional Amounts.*

(a) All payments made by or on behalf of the Company, the Surviving Person or any Subsidiary Guarantor under or with respect to the Notes or the Subsidiary Guarantees (including payments of cash or delivery of Common Shares upon conversion) will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges (including, without limitation, penalties, interest and other liabilities thereto) of whatever nature imposed or levied by or within any jurisdiction in which the Company, the Surviving Person or the applicable Subsidiary Guarantor are organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a “**Relevant Taxing Jurisdiction**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as may be necessary to ensure that the net amount received by the Holder of each Note or the Subsidiary Guarantee, as the case may be, after such withholding or deduction (and after deducting any taxes on the Additional Amounts) shall equal the amounts which would have been received by such Holder had no such withholding or deduction been required. Similar payment of Additional Amounts to Holders of Notes that are exempted from withholding but are required by the government or other authorities in any Relevant Taxing Jurisdiction to pay tax directly on amounts otherwise subject to withholding will also be made by the Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be. However, no Additional Amounts will be payable:

(i) with respect to a payment made to a Holder or beneficial owner of Notes:

(A) with which the Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be, do not deal at arm’s length (within the meaning of the Income Tax Act (Canada)) at the time of making such payment (*provided* that this clause shall only be applicable if and when the Relevant Taxing Jurisdiction is Canada or any province or territory thereof);

(B) that is subject to such tax, duty, assessment or other governmental charge by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation or administrative practice as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such tax, duty, assessment or other governmental charge (*provided* that in the case of any imposition or change in any such certification,

identification, information, documentation or other reporting requirements which applies generally to Holders of Notes who are not residents of the Relevant Taxing Jurisdiction, at least 60 days prior to the effective date of any such imposition or change, the Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be, shall give written notice, in the manner provided in this Indenture, to the Trustee and the Holders of the Notes then outstanding of such imposition or change, as the case may be, and provide the Trustee and such Holders with such forms or documentation, if any, as may be required to comply with such certification, identification, information, documentation, or other reporting requirements); or

(C) that is subject to such tax, duty, assessment or other governmental charge by reason of its carrying on business in or otherwise being connected with the Relevant Taxing Jurisdiction otherwise than by the mere holding of such Notes or the receipt of payment, or exercise of any enforcement rights, thereunder;

(ii) with respect to any estate, inheritance, gift, sales, excise, transfer, personal property, consumption, value-added or similar tax, assessment or governmental charge (“**Excluded Taxes**”);

(iii) to any withholding or deduction that is imposed on a payment to an individual and that is required to be made pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such Directive; or

(iv) with respect to any payment on a Note to a Holder who is a fiduciary, a partnership, a limited liability company or a person other than the sole beneficial owner of that payment to the extent that such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder.

(b) Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, Redemption Price, Fundamental Change Purchase Price and other amounts in respect of any Note, such mention shall be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(c) The Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will furnish to the Trustee, within 30 days after the date the payment of any tax, duty, assessment or other governmental charge is due pursuant to applicable law, certified copies of tax receipts evidencing that such payment has been made. The Company will indemnify and hold harmless each Holder of Notes (other than a Holder who shall have been excluded from

receiving the relevant Additional Amounts under this Section) and upon written request reimburse each such Holder for the amount of (i) any tax, duty, assessment or other governmental charge so levied or imposed and paid by such Holder as a result of payments made under or with respect to the Notes or any Subsidiary Guarantee, as the case may be, (ii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, and (iii) any tax, duty, assessment or other governmental charge levied or imposed and paid by such Holder with respect to any reimbursement under (i) and (ii) above, but excluding any Excluded Taxes.

ARTICLE 7

CONSOLIDATION, MERGERS AND SALES OF ASSETS

Section 7.01. *Company May Consolidate, etc., Only on Certain Terms.* The Company may not consolidate with, amalgamate with or merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and its Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(a) the Company shall be the continuing person or the person (if other than the Company) formed by such consolidation or amalgamation or merger or that acquired or leased such property and assets (the “**Surviving Person**”) is a corporation organized and validly existing under the laws of Canada or any province of Canada, and shall expressly assume, by a supplemental indenture to this Indenture, executed and delivered to the Trustee, all of the Company’s obligations under the Notes and this Indenture, and this Indenture and the Notes shall remain in full force and effect;

(b) after giving effect to the transaction no Event of Default, and no Default, has occurred and is continuing;

(c) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company have entered into a transaction described under Section 7.01(a) above, shall execute and deliver a supplemental indenture to this Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and this Indenture; and

(d) if the Company will not be the resulting or surviving corporation, the Company shall have, at or prior to the effective date of such consolidation, amalgamation, merger, sale, conveyance, transfer or disposal, delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer complies with this Section 7.01 and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article 7, and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 7.02. *Subsidiary Guarantors May Consolidate, etc., Only on Certain Terms.* No Subsidiary Guarantor may consolidate with, amalgamate with or merge with or into another

Person, or permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Subsidiaries' properties and assets (computed on consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than to the Company or another Subsidiary Guarantor), unless:

(a) such Subsidiary Guarantor shall be the continuing Person or the Person (if other than it) formed by such consolidation, amalgamation or merger or that acquired or leased such property and assets shall be the Company or another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction;

(b) after giving effect to the transaction no Event of Default, and no Default, has occurred and is continuing; and

(c) the Company delivers to the Trustee (i) an Officers' Certificate and (ii) an Opinion of Counsel, in each case stating that such consolidation, merger, sale, conveyance, transfer or disposal and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in this Indenture relating to such transaction have been complied with.

Section 7.03. *Successor Substituted.* Upon any consolidation or amalgamation of the Company with, or merger of the Company into, any other Person or any sale, conveyance, transfer, lease or disposal substantially as an entirety, of the properties and assets of the Company and its Subsidiaries, taken as a whole, in accordance with Section 7.01, the Surviving Person formed by such consolidation or amalgamation or into which the Company is merged or to which such sale, conveyance, transfer, lease or disposal is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such Surviving Person had been named as the Company herein, and thereafter, except in the case of a lease, and except for obligations the predecessor Person may have under a supplemental indenture, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Notes.

ARTICLE 8

DEFAULT AND REMEDIES

Section 8.01. *Events of Default.*

(a) An “**Event of Default**” shall occur if:

(i) the Company shall fail to pay when due any Principal (including any related Additional Amounts), any Redemption Price or Fundamental Change Purchase Price with respect to the Notes, when the same becomes due and payable; or

(ii) the Company shall fail to pay when due any interest (including any related Additional Amounts) under the Notes, which default continues for 30 days; or

(iii) the Company shall fail to deliver when due Common Shares and any cash payable upon conversion with respect to the Notes, including any Make-Whole Premium; or

(iv) the Company shall fail to provide a Fundamental Change Offer Notice within the time limit required to provide such notice; or

(v) the Company or any Subsidiary Guarantor shall fail to comply with any of its other agreements contained in the Notes or this Indenture upon receipt by the Company of a Notice of Default and fail to cure (or obtain a waiver of) such default within 60 days after receipt of such Notice of Default; or

(vi) the Company or any of its Subsidiaries shall fail to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of US\$5 million, which judgments are not paid, discharged or stayed for a period of 60 days; or

(vii) the Company or any of its Subsidiaries defaults in the payment of principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any Indebtedness of the Company or its Subsidiaries for money borrowed in excess of US\$5 million in the aggregate, whether such Indebtedness exists or shall hereafter be created, resulting in such Indebtedness becoming or being declared due and payable, and such acceleration shall not have been rescinded or annulled within 30 days after written notice of such acceleration has been received by the Company or such Subsidiary, *provided* that if such default is cured, waived, rescinded or annulled, then the Event of Default by reason thereof would not be deemed to have occurred;

(viii) the Company or any of its Subsidiaries pursuant to or within the meaning of any Bankruptcy Law:

(A) commences as a debtor a voluntary case or proceeding; or

(B) consents to the entry of an order for relief against it in an involuntary case or proceeding or the commencement of any case against it;

(C) consents to the appointment of a Receiver of it or for all or substantially all of its property; or

(D) makes a general assignment for the benefit of its creditors;

(E) files a petition in bankruptcy or answer or consent seeking reorganization or relief; or

(F) consents to the filing of such a petition or the appointment of or taking possession by a Receiver; or

(G) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- (1) grants relief against the Company or any of its Subsidiaries in an involuntary case or proceeding or adjudicates the Company or any of its Subsidiaries insolvent or bankrupt;
- (2) appoints a Receiver of the Company or any of its Subsidiaries or for all or substantially all of the property of the Company or any of its Subsidiaries; or
- (3) orders the winding up or liquidation of the Company or any of its Subsidiaries;

and in each case the order or decree remains unstayed and in effect for 60 consecutive days. The term “**Bankruptcy Law**” means any bankruptcy, insolvency or other similar law for the relief of debtors applicable to the Company or any of its Subsidiaries. The term “**Receiver**” means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law; or

(ix) any Subsidiary Guarantor repudiates its obligations under its Subsidiary Guarantee or, except as permitted by this Indenture, any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

(b) Notwithstanding Section 8.01(a), no Event of Default under clause (v) of Section 8.01(a) shall occur until the Trustee notifies the Company in writing upon the written direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding notify the Company and the Trustee in writing, of the Default (a “**Notice of Default**”), and the Company does not cure the Default within the time specified in clause (v) of Section 8.01(a) after receipt of such notice. A notice given pursuant to this Section 8.01 shall be given by registered or certified mail, must specify the Default, demand that it be remedied and state that the notice is a Notice of Default. When any Default under this Section 8.01 is cured, it ceases.

(c) The Company will deliver to the Trustee, within five Business Days after becoming aware of the occurrence of a Default or Event of Default, written notice thereof.

The Trustee shall not be charged with knowledge of any Event of Default unless written notice thereof shall have been given to a Responsible Officer with responsibility for this Indenture at the Corporate Trust Office of the Trustee by the Company, a Paying Agent, any Holder or any agent of any Holder or unless a Responsible Officer with responsibility for this Indenture acquires actual knowledge of such Event of Default in the course of performing other duties pursuant to this Indenture.

Section 8.02. *Acceleration.* If an Event of Default (other than an Event of Default specified in clause (viii) or (ix) of Section 8.01(a)) occurs and is continuing with respect to the Company, the Trustee may, by notice to the Company, and shall upon the written direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may, by notice to the Company and the Trustee, declare the principal amount and accrued and unpaid

interest, if any, through the date of declaration on all the Notes to be immediately due and payable. Upon such a declaration, such principal amount and such accrued and unpaid interest, if any, shall be due and payable immediately. If an Event of Default specified in Section 8.01(a)(viii) or (ix) occurs in respect of the Company and is continuing, the principal amount and accrued but unpaid interest, if any, on all the Notes shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders of Notes. After a declaration of acceleration with respect to the Notes, but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

- (a) the Company has paid or deposited with the Trustee a sum sufficient to pay:
 - (i) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,
 - (ii) all overdue interest, if any, on all outstanding Notes,
 - (iii) the principal of any outstanding Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, and
 - (iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes;
- (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and
- (c) all Defaults or Events of Default, other than the non-payment of principal of and interest on the Notes which have become due solely by such declaration of acceleration and failure to deliver the consideration due upon conversion, have been cured or waived as provided in Section 8.04. No such rescission shall affect any subsequent Default or impair any right consequent thereon.

Section 8.03. *Other Remedies.*

- (a) If an Event of Default occurs and is continuing, the Trustee may, but shall not be obligated to, pursue any available remedy by proceeding at law or in equity to collect payment of the principal amount and accrued and unpaid interest, if any, on the Notes or to enforce the performance of any provision of the Notes or this Indenture.
- (b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is

exclusive of any other remedy. All available remedies are cumulative to the extent permitted by applicable law.

Section 8.04. *Waiver of Defaults and Events of Default.* Subject to Sections 8.02, 8.07 and 11.02, the Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may waive an existing Default or Event of Default and its consequences, except an uncured Default or Event of Default in the payment of the principal of, or any accrued but unpaid interest on, any Note, an uncured failure by the Company to convert any Notes into Common Shares, cash or a combination of cash and Common Shares, as the case may be, or any Default or Event of Default in respect of any provision of this Indenture or the Notes which, under Section 11.02, cannot be modified or amended without the consent of the Holder of each Note affected. When a Default or Event of Default is waived, it is cured and ceases to exist.

Section 8.05. *Control by Majority.* The Holders of a majority in aggregate principal amount of the Notes then outstanding may direct the time method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of another Holder or the Trustee, or that may involve the Trustee in personal liability unless the Trustee is offered security or indemnity satisfactory to it; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 8.06. *Limitations on Suits.*

(a) A Holder may not pursue any remedy with respect to this Indenture or the Notes (except actions for payment of overdue principal or interest or for the conversion of the Notes pursuant to Article 4) unless:

(i) the Holder gives to the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee security or indemnity acceptable to the Trustee against any loss, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Notes then outstanding.

(b) No Holder of a Note shall have any right under any provision of this Indenture or the Notes to affect, disturb, or prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 8.07. *Rights of Holders to Receive Payment and to Convert.* Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of the principal amount, Fundamental Change Purchase Price, Redemption Price or Make-Whole Premium, interest and Additional Amounts, if any, in respect of the Notes held by such Holder, on or after the respective due dates expressed in the Notes and this Indenture, (whether upon purchase, redemption or otherwise), and to convert such Note in accordance with Article 4, and to bring suit for the enforcement of any such payment on or after such respective due dates or for the right to convert in accordance with Article 4, is, subject to compliance with the provisions of Section 8.06, absolute and unconditional and shall not be impaired or affected without the consent of the Holder.

Section 8.08. *Collection Suit by Trustee.* If an Event of Default described in clause (i) or (ii) of Section 8.01(a) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or another obligor on the Notes for the whole amount owing with respect to the Notes and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 8.09. *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor on the Notes), its creditors or its property and shall be entitled and empowered to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same, and any Receiver in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 9.06, and to the extent that such payment of the reasonable compensation, expenses, disbursements and advances in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other property which the Holders may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to, or, on behalf of any Holder, to authorize, accept or adopt any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 8.10. *Priorities.*

(a) If the Trustee collects any money pursuant to this Article 8, it shall pay out the money in the following order:

- (i) *First*, to the Trustee for amounts due under Section 9.06;

(ii) *Second*, to Holders for amounts due and unpaid on the Notes for the principal amount, interest, Additional Amounts and other payments, as applicable, ratably, without preference or priority of any kind, according to such respective amounts due and payable on the Holders' Notes; and

(iii) *Third*, the balance, if any, to the Company.

(b) The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 8.10.

Section 8.11. *Undertaking for Costs*. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses (whether incurred before trial, at trial, on appeal or in any bankruptcy or arbitration or other administrative proceeding), against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 8.11 does not apply to a suit made by the Trustee, a suit by a Holder pursuant to Section 8.07, or a suit by Holders of more than 10% in aggregate principal amount of the Notes then outstanding.

ARTICLE 9

TRUSTEE

Section 9.01. *Obligations of Trustee*.

(a) If an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge has occurred and is continuing, the Trustee may (and shall upon the written direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding and being furnished with indemnity acceptable to it) exercise such of the rights and powers vested in it by this Indenture. If an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge has occurred and is continuing, the Trustee shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default of which a Responsible Officer of the Trustee shall have actual knowledge, the Trustee need perform only those duties as are specifically set forth in this Indenture and no others.

(c) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. The Trustee, however, shall examine any certificates and opinions which by any provision hereof are specifically required to be delivered to the Trustee to determine whether or not they conform on their face to the requirements of this Indenture, but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein

(d) The Trustee may not be relieved from liability for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of Section 9.01(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with this Indenture or a direction received by it pursuant to Section 8.05.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless the Trustee shall have received adequate security or indemnity in its opinion against potential costs and liabilities incurred by it relating thereto.

(f) Every provision of this Indenture that in any way relates to the Trustee is subject to subsections (a), (b), (c), (d) and (e) of this Section 9.01.

(g) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(h) Pursuant to Section 12.16 hereof, the Trustee shall not be liable for any delays occurring as a result of force majeure.

Section 9.02. *Rights of Trustee.*

(a) Subject to Section 9.01:

(i) The Trustee may rely conclusively and shall be protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(ii) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel, which shall conform to Section 12.03(b). The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(iii) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or custodians, and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, attorney or custodian appointed by the Trustee with due care.

(iv) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.

(v) The Trustee may consult with counsel of its selection, and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection in respect of any such action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(vi) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or to institute, conduct or defend any litigation hereunder or in relation hereto at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(vii) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(viii) The Trustee shall not be deemed to have notice or knowledge of any Default or Event of Default, or Fundamental Change unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by a Responsible Officer of the Trustee at the Corporate Trust Office, and such notice references the Notes and this Indenture. In the absence of receipt of such notice or actual knowledge, the Trustee may conclusively assume that there is no Default, Event of Default, or Fundamental Change.

(ix) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(x) The rights, privileges, protections, immunities and benefits given to the Trustee hereunder, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the bank acting as Trustee in each of its agency capacities hereunder, including, without limitation as Paying Agent, Registrar and Conversion Agent, and to each agent, custodian and other Person employed to act hereunder; *provided, however*, that as any such agent, the agent shall not be liable except for claims found attributed solely to the agent's gross negligence or willful misconduct.

Section 9.03. *Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or an Affiliate of the Company with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 9.09.

Section 9.04. *Trustee's Disclaimer.* The Trustee makes no representation as to the enforceability, validity, sufficiency, value or adequacy of this Indenture, any Guarantee, the Notes, the Common Shares, any conversion consideration, any Make-Whole Premium, average market price, Conversion Rate, any adjustments thereto, Conversion Value, Daily Conversion Value Amount, Daily Common Share Amount, Daily VWAP, Daily Volume Weighted Average Trading Price, Prevailing Exchange Rate, or any calculation performed by the Company pursuant to this Indenture. It shall not be accountable for the Company's use of the proceeds from the Notes and it shall not be responsible for any statement in the Notes other than its certificate of authentication.

Section 9.05. *Notice of Default or Events of Default.* If a Default or an Event of Default occurs and is continuing and if it is known to a Responsible Officer of the Trustee, the Trustee shall mail to each Holder of a Note notice of all uncured Defaults or Events of Default known to it within 90 days after it occurs or, if later, within 15 days after it becomes known to the Trustee. However, the Trustee may withhold the notice if and for so long as a committee of its Responsible Officers in good faith determines that withholding notice is in the interests of Holders of Notes, except in the case of a Default or an Event of Default in payment of the principal of, or interest on, any Note when due or in the payment of any purchase or redemption obligation, or the Company's failure to convert Notes when obligated to convert them.

Section 9.06. *Compensation and Indemnity.*

(a) The Company shall pay to the Trustee (which for purposes of this Section 9.06 shall include its officers, directors, employees, agents and counsel, including in-house counsel) from time to time such compensation (as agreed to from time to time by the Company and the Trustee in writing) for its services (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust). The Company shall reimburse the Trustee upon request for all reasonable disbursements, expenses and advances incurred or made by or on behalf of the Trustee in accordance with any of the provisions of this Indenture. Such expenses may include the compensation, disbursements and expenses reasonably incurred of the Trustee's agents and counsel.

(b) The Company shall indemnify and hold harmless the Trustee or any predecessor Trustee (which for purposes of this Section 9.06 shall include its officers, directors, employees and agents) for, and hold it harmless against, any and all loss, liability, claim, damage or expense including taxes (other than franchise taxes and taxes based upon, measured by or determined by the income of the Trustee), incurred by it in connection with and to the extent resulting from the acceptance or administration of its duties under this Indenture or any action or failure to act as authorized or within the discretion or rights or powers conferred upon the Trustee hereunder including the reasonable costs and expenses of the Trustee and its counsel in defending (including legal fees and expenses reasonably incurred whether incurred before trial, at trial, on appeal or in any bankruptcy or arbitration or other administrative proceeding) itself against any

claim or liability in connection with and to the extent resulting from the exercise or performance of any of its powers or duties hereunder. The Trustee shall notify the Company promptly of any claim asserted against the Trustee for which it may seek indemnity. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement effected without its prior written consent, which shall not be unreasonably withheld.

(c) The Company need not reimburse the Trustee for any expense or indemnify the Trustee against any loss or liability incurred by it determined to have been caused by the Trustee's gross negligence, willful misconduct or bad faith.

(d) To secure the Company's payment obligations in this Section 9.06, the Trustee shall have a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by the Trustee. The obligations of the Company under this Section 9.06 shall survive the satisfaction and discharge of this Indenture or the resignation or removal of the Trustee.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in clause (viii) or (ix) of Section 8.01(a) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law. The provisions of this Section shall survive the termination of this Indenture.

(f) The Trustee shall comply with the provisions of Section 313(b)(2) of the TIA to the extent applicable.

Section 9.07. *Replacement of Trustee.*

(a) The Trustee may resign by so notifying the Company. The Holders of a majority in aggregate principal amount of the Notes then outstanding may remove the Trustee by so notifying the Trustee and the Company and may, with the Company's written consent, appoint a successor Trustee. The Company may remove the Trustee only if (i) it is no longer eligible or qualified under Section 9.09 hereof, (ii) it is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any applicable bankruptcy law, (iii) a custodian or public officer takes charge of the Trustee or its property, or (iv) the Trustee becomes incapable of acting, so long as no Default or Event of Default has occurred and is continuing, and appoint a Successor Trustee in accordance with this Section 9.07.

(b) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. The resignation or removal of a Trustee shall not be effective until a successor Trustee shall have delivered the written acceptance of its appointment as described below.

(c) If a successor Trustee does not take office within 45 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of 10% in principal amount of the Notes then outstanding may petition any court of competent jurisdiction at the expense of the Company for the appointment of a successor Trustee at the expense of the Company.

(d) If the Trustee fails to comply with Section 9.09, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Immediately after that, upon payment of all amounts due the Trustee, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee and be released from its obligations (exclusive of any liabilities that the retiring Trustee may have incurred while acting as Trustee) hereunder, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Holder.

(f) A retiring Trustee shall not be liable for the acts or omissions of any successor Trustee after its succession.

(g) Notwithstanding replacement of the Trustee pursuant to this Section 9.07, the Company's obligations under Section 9.06 shall continue for the benefit of the retiring Trustee.

Section 9.08. *Successor Trustee by Merger, etc.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the administration of this Indenture) to, another corporation, the resulting, surviving or transferee corporation, without any further act, shall be the successor Trustee; *provided* such transferee corporation shall qualify and be eligible under Section 9.09. Such successor Trustee shall promptly mail notice of its succession to the Company and each Holder.

Section 9.09. *Eligibility; Disqualification.* The Trustee shall always satisfy the requirements of paragraphs (1), (2) and (5) of TIA Section 310(a). There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof, that is authorized under such laws to exercise corporate trustee power, that is subject to inspection or examination by federal or state authorities in the United States of America and that (or its parent holding company) shall have a combined capital and surplus of at least US\$50,000,000 as set forth in its most recent published annual report of condition. If at any time the Trustee shall cease to satisfy any such requirements, it shall resign immediately in the manner and with the effect specified in this Article 9.

ARTICLE 10

SATISFACTION AND DISCHARGE OF INDENTURE

Section 10.01. *Satisfaction and Discharge of Indenture.*

(a) This Indenture shall cease to be of further force and effect (except as to any surviving rights of conversion, registration of transfer or exchange of Notes herein expressly provided for and except as further provided below), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when either:

(i) all Notes theretofore authenticated and delivered (other than (A) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (B) Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company as provided in Section 10.03) have been delivered to the Trustee for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation,

(A) have become due and payable, or

(B) will become due and payable at the Final Maturity Date within one year; *provided* that in the case of clause (ii), that

(1) the Company has deposited with the Trustee or a Paying Agent (other than the Company or any of its Affiliates) as trust funds in trust for the purpose of and in an amount sufficient to pay and discharge all indebtedness related to such Notes not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the Final Maturity Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein relating to the satisfaction and discharge of this Indenture have been complied with.

(b) Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company with respect to the conversion privilege and the Conversion Rate of the Notes pursuant to Article 4, the obligations of the Company to the Trustee under Section 9.06 and, if money shall have been deposited with the Trustee pursuant to clause (2) of Section 10.01(a), the provisions of Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.12, 6.01 and 12.04, Article 4, and this Article 10, shall survive until the Notes have been paid in full.

Section 10.02. *Application of Trust Money.* Subject to the provisions of Section 10.03, the Trustee or a Paying Agent shall hold in trust, for the benefit of the Holders, all money deposited with it pursuant to Section 10.01 and shall apply the deposited money in accordance with this Indenture and the Notes to the payment of the principal of and interest on the Notes.

Section 10.03. *Repayment to Company.*

(a) The Trustee and each Paying Agent shall promptly pay to the Company upon request any excess money (i) deposited with them pursuant to Section 10.01 and (ii) held by them at any time.

(b) The Trustee and each Paying Agent shall, subject to applicable abandonment property laws, pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for six years after a right to such money has matured; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such payment, may at the expense of the Company cause to be mailed to each Holder entitled to such money notice that such money remains unclaimed and that after a date specified therein, which shall be at least 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be repaid to the Company. After payment to the Company, Holders entitled to money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person.

Section 10.04. *Reinstatement.* If the Trustee or any Paying Agent is unable to apply any money in accordance with Section 10.02 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and each Subsidiary Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 10.01 until such time as the Trustee or such Paying Agent is permitted to apply all such money in accordance with Section 10.02; *provided, however*, that if the Company has made any payment of the principal of or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive any such payment from the money held by the Trustee or such Paying Agent.

ARTICLE 11 MODIFICATION AND WAIVER

Section 11.01. *Without Consent of Holders.*

(a) The Company, the Subsidiary Guarantors and the Trustee may amend this Indenture or the Notes without notice to or consent of any Holder of a Note for the purpose of:

- (i) evidencing a successor to the Company and the assumption by that successor of the Company's obligations under this Indenture and the Notes;
- (ii) adding to the Company's covenants for the benefit of the Holders or surrendering any right or power conferred upon the Company;
- (iii) securing the obligations of the Company and any Subsidiary Guarantor in respect of the Notes;
- (iv) evidencing and providing for the acceptance of the appointment of a successor trustee in accordance with Article 9;
- (v) providing for conversion rights of Holders if any reclassification or change of Common Shares or any consolidation, amalgamation, merger or sale of all or substantially all of the Company's property and assets occurs or otherwise complying

with the provisions of this Indenture in the event of a merger, consolidation or transfer of assets (including the provisions of Section 4.10 and Article 7);

- (vi) adding guarantees with respect to the Notes;
 - (vii) increasing the Conversion Rate in accordance with the terms of the Notes;
 - (viii) curing any ambiguity, omission, defect or inconsistency in this Indenture;
- or

(ix) making any other changes to this Indenture that does not adversely affect the rights of the Holders in any material respect; *provided* that any amendment made solely to conform the provisions of this Indenture to the description of the Notes contained in the Offering Memorandum will not be deemed to adversely affect the rights of the Holders.

Section 11.02. *With Consent of Holders.*

(a) The Company, the Subsidiary Guarantors and the Trustee may amend this Indenture or the Notes with the written consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding. However, subject to Section 11.03, without the written consent of each Holder affected, an amendment, supplement or waiver may not:

- (i) alter the manner of calculation or rate of accrual of interest on any Note or change the time of payment of any installment of interest on any Note;
- (ii) make any of the Notes payable in money or payable in or convertible into securities other than that stated in the Notes;
- (iii) change the stated maturity of any Note;
- (iv) reduce the principal amount, Redemption Price or Fundamental Change Purchase Price (including any Make-Whole Premium payable) (as applicable) with respect to any Note;
- (v) make any change that adversely affects the rights of Holders to require the Company to purchase Notes at the option of Holders in any material respect;
- (vi) impair the right to institute suit for the enforcement of any payment with respect to any Note or with respect to the conversion of any Note;
- (vii) change the currency of payment of principal of, or interest on, or Additional Amounts in respect of, the Notes;
- (viii) except as otherwise permitted or contemplated by Section 4.10, adversely affect the conversion rights of the Notes;

(ix) reduce the percentage in principal amount of outstanding Notes necessary for waiver of compliance with certain provisions of this Indenture or for waiver of certain Defaults;

(x) change the provisions in this Indenture that relate to modifying or amending this Indenture;

(xi) amend, change or modify the Company's, the Surviving Person's or any Subsidiary Guarantor's obligation to pay Additional Amounts; or

(xii) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in this Indenture.

(b) Without limiting the provisions of Section 11.02(a) hereof, the Holders of a majority in principal amount of the Notes then outstanding may, on behalf of all the Holders of all Notes, (i) waive compliance by the Company or any Subsidiary Guarantor with the restrictive provisions of this Indenture, and (ii) waive any past Default or Event of Default under this Indenture and its consequences, except an uncured failure to pay when due the principal amount, accrued and unpaid interest or Fundamental Change Purchase Price or Redemption Price or other amounts due, or in the obligation to deliver Common Shares or cash, with respect to any Note, or in respect of any provision which under this Indenture cannot be modified or amended without the consent of the Holder of each outstanding Note affected.

(c) After an amendment, supplement or waiver under this Section 11.02 becomes effective, the Company shall promptly mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

(d) With respect to any amendment, modifications or changes to be made pursuant to this Article 11 that will require the Company to obtain regulatory approvals, including stock exchange approvals, the Company will seek to obtain such approvals prior to the amendment, modifications or changes becoming effective.

Section 11.03. *Revocation and Effect of Consents.*

(a) Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of a Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective.

(b) After an amendment, supplement or waiver becomes effective, it shall bind every Holder of a Note.

Section 11.04. *Notation on or Exchange of Notes.* If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it

to the Trustee. The Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make an appropriate notation or to issue a new Note shall not affect the validity of such amendment, supplement or waiver.

Section 11.05. *Trustee to Sign Amendments, etc.* The Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article 11 if the amendment or supplemental indenture does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, in its sole discretion, but need not sign it. In signing or refusing to sign such amendment or supplemental indenture, the Trustee shall be provided with and, subject to Section 9.01, shall be fully protected in relying upon, an Opinion of Counsel and an Officer's Certificate stating that such amendment or supplemental indenture is authorized or permitted by this Indenture and is legal, valid, binding and enforceable under the laws of the State of New York. The Company may not sign an amendment or supplemental indenture until the Board of Directors approves it.

Section 11.06. *Effect of Supplemental Indentures.* Upon the execution of any supplemental indenture under this Article 11, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

ARTICLE 12 MISCELLANEOUS

Section 12.01. *Ranking.* The Notes: (a) are general senior unsubordinated obligations of the Company; (b) rank senior in right of payment to all existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (c) are effectively subordinated to secured obligations of the Company, to the extent of the value of the assets serving as security therefor; (d) rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); (e) are Guaranteed by the Subsidiary Guarantors on a senior basis, subject to the limitations described in this Indenture; and (f) are effectively subordinated to all existing and future obligations of its Subsidiaries which are not Subsidiary Guarantors.

Section 12.02. *Notices.* Any demand, authorization notice, request, consent or communication shall be given in writing, in the English language or a certified translation, and delivered in person or mailed by first-class mail, postage prepaid, or delivered by recognized overnight courier, addressed as follows or transmitted by facsimile transmission (confirmed by delivery in person or mail by first-class mail, postage prepaid, or by guaranteed overnight courier) to the following facsimile numbers:

If to the Company and the Subsidiary Guarantors, to:

Sino-Forest Corporation
 3815-29 38th Floor
 Sun Hung Kai Center
 30 Harbour Road, Wanchai
 Hong Kong, S.A.R.
 Facsimile No.: (852) 2877-0062
 Attention: Emilia Sin, Legal Affairs Manager

if to the Trustee, to:

The Bank of New York Mellon
 101 Barclay Street
 Floor 4 East
 New York, New York 10286
 Facsimile No.: (212) 815-5802 or (212) 815-5803
 Attention: Global Corporate Trust

with a copy to:

The Bank of New York Mellon
 12/F Three Pacific Place
 1 Queen's Road East
 Hong Kong
 Facsimile No.: (852) 2295-3283
 Attention: Global Corporate Trust

and

THE BANK OF NEW YORK MELLON
 4 King Street West Suite 1101
 Toronto, Ontario M5H 1B6
 Canada
 Facsimile No.: (416) 360-1711 or (416) 360-1727
 Attention: Global Corporate Trust

Such notices or communications shall be effective when received.

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder of a Note shall be mailed by first-class mail or delivered by an overnight delivery service to it at its address shown on the register kept by the Primary Registrar.

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture given by the Company, *provided, however* that: (i) the Company, subsequent to such facsimile transmission of written instructions and/or directions, shall provide the originally executed instructions and/or directions to the Trustee in a timely

manner and (ii) such originally executed instructions and/or directions shall be signed by an “Officer” of the Company

Failure to mail a notice or communication to a Holder of a Note or any defect in it shall not affect its sufficiency with respect to other Holders of Notes. If a notice or communication to a Holder of a Note is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

If the Company mails any notice to a Holder of a Note, it shall mail a copy to the Trustee and each Registrar, Paying Agent and Conversion Agent.

Section 12.03. *Certificate and Opinion as to Conditions Precedent.*

(a) Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee at the request of the Trustee:

(i) an Officer’s Certificate of the Company and/or any Subsidiary Guarantor stating that, in the opinion of the signer, all conditions precedent (including any covenants, compliance with which constitutes a condition precedent), if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent (including any covenants, compliance with which constitutes a condition precedent) have been complied with.

(b) Each Officer’s Certificate and Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that the person making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with;

provided, however, that with respect to matters of fact an Opinion of Counsel may rely on an Officer’s Certificate or certificates of public officials.

Section 12.04. *Record Date for Vote or Consent of Holders of Notes.* The Company (or, in the event deposits have been made pursuant to Section 10.01, the Trustee) may set a record date for purposes of determining the identity of Holders entitled to vote or consent to any action

by vote or consent authorized or permitted under this Indenture, which record date shall not be more than 30 days prior to the date of the commencement of solicitation of such action. Notwithstanding the provisions of Section 11.03, if a record date is fixed, those persons who were Holders of Notes at the close of business on such record date (or their duly designated proxies), and only those persons, shall be entitled to take such action by vote or consent or to revoke any vote or consent previously given, whether or not such persons continue to be Holders after such record date.

Section 12.05. *Rules by Trustee, Paying Agent, Registrar and Conversion Agent.* The Trustee may make reasonable rules (not inconsistent with the terms of this Indenture) for action by or at a meeting of Holders. Any Registrar, Paying Agent or Conversion Agent may make reasonable rules for its functions.

Section 12.06. *Non-Business Days.* In any case where any Interest Payment Date, Fundamental Change Purchase Date, Redemption Date, Final Maturity Date or other payment date of any Note shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Notes) payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, Fundamental Change Purchase Date, Redemption Date, Final Maturity Date or other payment date, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Fundamental Change Purchase Date, Redemption Date, Final Maturity Date or other payment date, as the case may be, to the next succeeding Business Day.

Section 12.07. *Governing Law, Consent to Jurisdiction; Waiver of Immunities.*

(a) Each of the Notes, the Subsidiary Guarantees and this Indenture, and any claim, controversy or dispute arising under or related to this Indenture or the Notes, shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) The Company and each of the Subsidiary Guarantors hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, New York City over any suit, action or proceeding arising out of or relating to this Indenture, any Note, any Subsidiary Guarantee or any transactions contemplated thereby. The Company and each of the Subsidiary Guarantors irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company or any Subsidiary Guarantor, as the case may be, has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect to itself or its property, Company or such Subsidiary Guarantor, as the case may be, irrevocably waives such immunity in respect of its obligations hereunder or under any Note, or any Subsidiary Guarantee, as applicable. The Company and each of the Subsidiary Guarantors agree that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Company or the Subsidiary Guarantor, as the case may be, and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of

which the Company or any of the Subsidiary Guarantors, as the case may be, is subject by a suit upon such judgment or in any manner provided by law, provided that service of process is effected upon the Company or any of the Subsidiary Guarantors, as the case may be, in the manner specified in the following subsection or as otherwise permitted by applicable law.

(c) As long as any of the Notes remain outstanding, the Company and each of the Subsidiary Guarantors will at all times have an authorized agent in New York City, upon whom process may be served in any legal action or proceeding arising out of or relating to this Indenture, any Note or any Subsidiary Guarantee. Service of process upon such agent and written notice of such service mailed or delivered to the Company or any Subsidiary Guarantor, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Company or such Subsidiary Guarantor, as the case may be, in any such legal action or proceeding. The Company and each of the Subsidiary Guarantors hereby appoints Law Debenture Corporate Services Inc. as its agent for such purpose, and covenants and agrees that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 767 Third Avenue, New York, New York 10017. Notwithstanding the foregoing, the Company or any Subsidiary Guarantor may, with prior written notice to the Trustee, terminate the appointment of Law Debenture Corporate Services Inc. and appoint another agent for the above purposes so that the Company and the Subsidiary Guarantors shall at all times have an agent for the above purposes in New York City.

(d) The Company and each of the Subsidiary Guarantors hereby irrevocably waives, to the fullest extent permitted by applicable law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Indenture or any Note or any Subsidiary Guarantee, the posting of any bond or the furnishing, directly or indirectly, of any other security.

Section 12.08. *No Adverse Interpretation of Other Agreements.* This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or a Subsidiary of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.09. *No Personal Liability of Incorporators, Shareholders, Directors, Officers, Directors, or Employees.* No recourse for the payment of the principal of, or interest on, or other amounts in respect of any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon is any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors in this Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees.

Section 12.10. *No Security Interest Created.* Nothing in this Indenture or in the Notes, express or implied, shall be construed to constitute a security interest under the Uniform

Commercial Code or similar legislation, now in effect or hereafter enacted and made effective, in any jurisdiction.

Section 12.11. *Successors.* All agreements of the Company in this Indenture and the Notes shall bind its successor. All agreements of each Subsidiary Guarantor in this Indenture, its Subsidiary Guarantor and the Notes shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

Section 12.12. *Multiple Counterparts.* The parties may sign multiple counterparts of this Indenture. Each signed counterpart shall be deemed an original, but all of them together represent the same agreement.

Section 12.13. *Separability.* If any provisions in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.14. *Table of Contents, Headings, etc.* The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 12.15. *Waiver of Jury Trial.* EACH OF THE COMPANY, THE SUBSIDIARY GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 12.16. *Force Majeure.* In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 12.17. *Currency Indemnity.* U.S. dollars are the sole currency of account and payment for all sums payable by the Company or any Subsidiary Guarantor under or in connection with the Notes, this Indenture or its Subsidiary Guarantee, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or through the enforcement of, a judgment or order of a court of any jurisdiction, in the Company's or any Subsidiary Guarantor's winding-up or dissolution or otherwise) by any Holder of a Note or Subsidiary Guarantee or the Trustee in respect of any sum expressed to be due to it from the Company or the applicable Subsidiary Guarantor will only constitute a discharge to the Company or such Subsidiary Guarantor to the extent of the U.S. dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of

that receipt or recover (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so.) If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, this Indenture or Subsidiary Guarantee, the Company or the applicable Subsidiary Guarantor will indemnify such Holder or the Trustee against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such Holder or the Trustee, such Holder or the Trustee will, by accepting a Note or Subsidiary Guarantee, be deemed to have agreed to repay such excess. In any event, the Company or the applicable Subsidiary Guarantor, as the case may be, will indemnify the recipient against the cost of making any such purchase.


For the purposes of the proceeding paragraph, it will be sufficient for the Holder of a Note or Subsidiary Guarantee or the Trustee to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the Company's and any Subsidiary Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Holder of a Note or Subsidiary Guarantee and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Subsidiary Guarantee.

[SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date and year first above written.

Very truly yours,

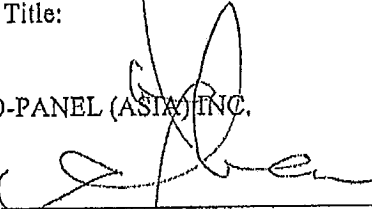
SINO-FOREST CORPORATION


By: _____
Name:
Title:

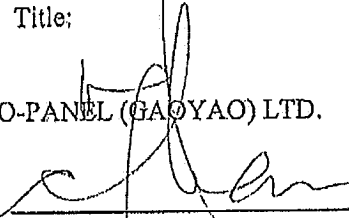
SINO-PANEL HOLDINGS LIMITED


By: _____
Name:
Title:

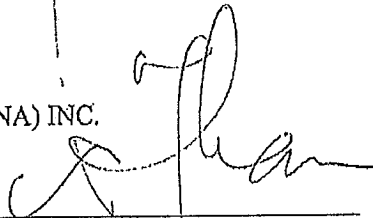
SINO-PANEL (ASIA) INC.


By: _____
Name:
Title:

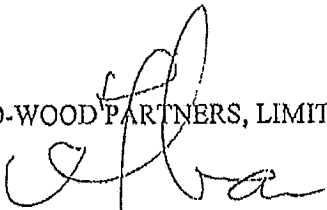
SINO-PANEL (GAOYAO) LTD.


By: _____
Name:
Title:

SFR (CHINA) INC.


By: _____
Name:
Title:

SINO-WOOD PARTNERS, LIMITED

By: 

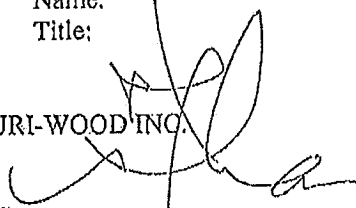
Name:
Title:

SINO-FOREST RESOURCES INC.

By: 

Name:
Title:

SURI-WOOD INC.

By: 

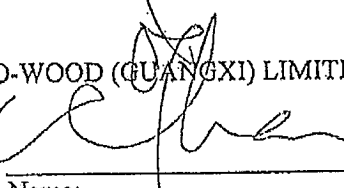
Name:
Title:

SINO-PLANTATION LIMITED

By: 

Name:
Title:

SINO-WOOD (GUANGXI) LIMITED

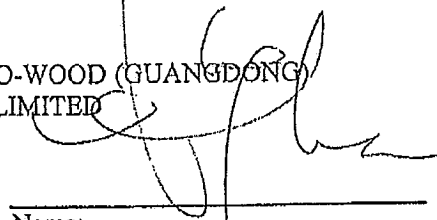
By: 

Name:
Title:

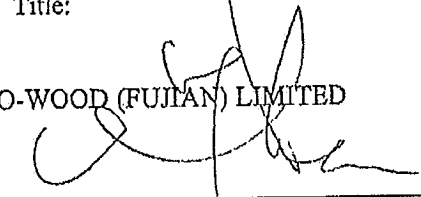
SINO-WOOD (JIANGXI) LIMITED

By: 
Name:
Title:

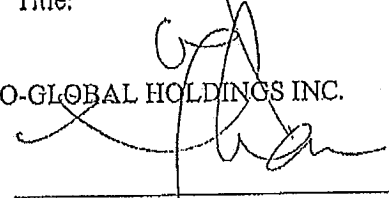
SINO-WOOD (GUANGDONG) LIMITED

By: 
Name:
Title:

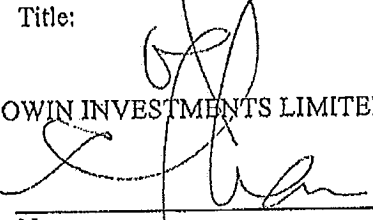
SINO-WOOD (FUJIAN) LIMITED

By: 
Name:
Title:

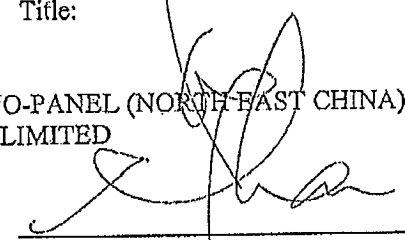
SINO-GLOBAL HOLDINGS INC.

By: 
Name:
Title:


SINOWIN INVESTMENTS LIMITED

By: 
Name:
Title:

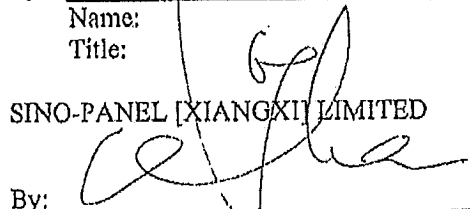
SINO-PANEL (NORTH-EAST CHINA) LIMITED

By: 
Name:
Title:

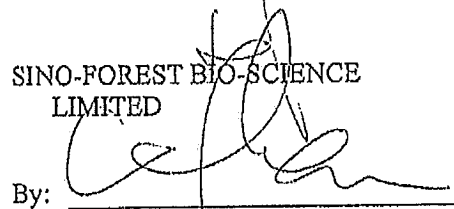
SINO-PANEL [HUNAN] LIMITED

By: 
Name: _____
Title: _____

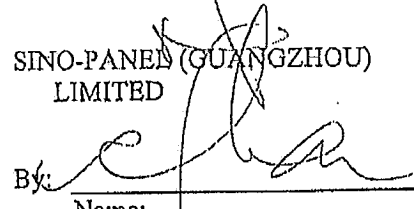
SINO-PANEL [XIANGXI] LIMITED

By: 
Name: _____
Title: _____

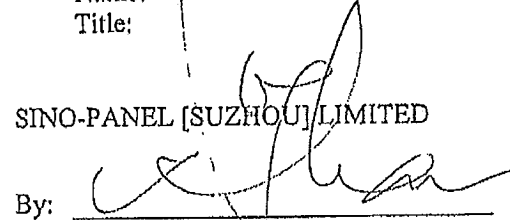
SINO-FOREST BIO-SCIENCE
LIMITED

By: 
Name: _____
Title: _____

SINO-PANEL (GUANGZHOU)
LIMITED

By: 
Name: _____
Title: _____

SINO-PANEL [SUZHOU] LIMITED

By: 
Name: _____
Title: _____

SINO-PANEL (YUNNAN) LIMITED

By: [Signature]
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED

By: [Signature]
Name:
Title:

SINO-PANEL (GUANGDONG) LIMITED

By: [Signature]
Name:
Title:

SINO-PANEL (QINGZHOU) LIMITED

By: [Signature]
Name:
Title:

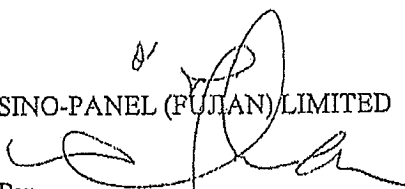
SINO-PANEL (SHAOGYANG) LIMITED

By: [Signature]
Name:
Title:

SINO-PANEL (LONGZHOU) LIMITED

By: [Signature]
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED

By: 


Name:
Title:

GRANDEUR WINWAY LTD.

By: 


Name:
Title:

SINOWOOD LIMITED

By: 


Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED

By: 

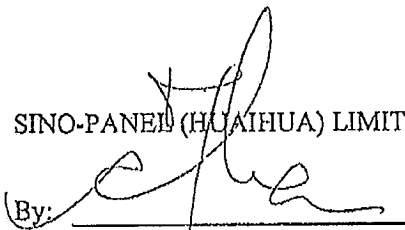
Name:
Title:

SINO-PANEL (NORTH SEA) LIMITED

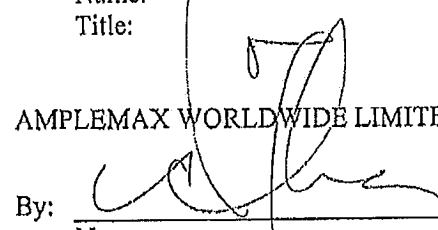
By: 

Name:
Title:

SINO-PANEL (HUAIHUA) LIMITED

By: 
Name: _____
Title: _____

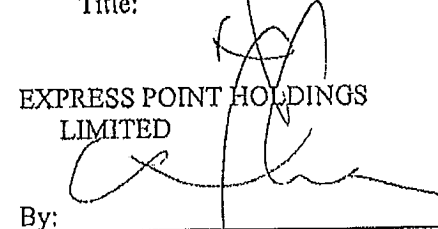
AMPLEMAX WORLDWIDE LIMITED

By: 
Name: _____
Title: _____

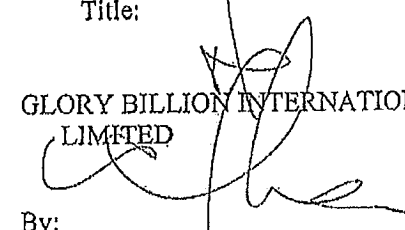
ACE SUPREME INTERNATIONAL LIMITED

By: 
Name: _____
Title: _____

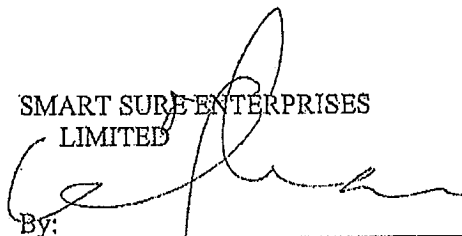
EXPRESS POINT HOLDINGS LIMITED

By: 
Name: _____
Title: _____

GLORY BILLION INTERNATIONAL LIMITED

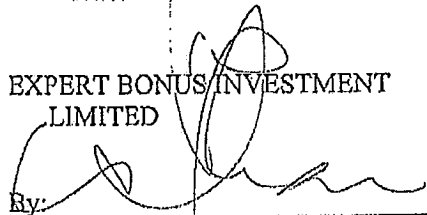
By: 
Name: _____
Title: _____

SMART SURE ENTERPRISES
LIMITED


By: _____

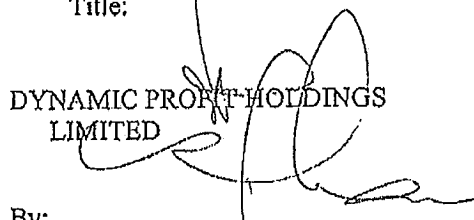
Name:
Title:

EXPERT BONUS INVESTMENT
LIMITED


By: _____

Name:
Title:

DYNAMIC PROFIT HOLDINGS
LIMITED


By: _____

Name:
Title:

THE BANK OF NEW YORK MELLON
as Trustee

By: _____
Name:

SMART SURE ENTERPRISES
LIMITED

By: _____
Name:
Title:

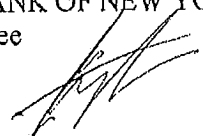
EXPERT BONUS INVESTMENT
LIMITED

By: _____
Name:
Title:

DYNAMIC PROFIT HOLDINGS
LIMITED

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON
as Trustee

By:  _____
Name: T.E. KIT LAM

Schedule A – List of Subsidiary Guarantors

Set out below is a list of all of the Subsidiary Guarantors:

1. Sino-Panel Holdings Limited
2. Sino-Panel (Asia) Inc.
3. Sino-Panel (Gaoyao) Ltd.
4. SFR (China) Inc.
5. Sino-Wood Partners, Limited
6. Sino-Forest Resources Inc.
7. Suri-Wood Inc.
8. Sino-Plantation Limited
9. Sino-Wood (Guangxi) Limited
10. Sino-Wood (Jiangxi) Limited
11. Sino-Wood (Guangdong) Limited
12. Sino-Wood (Fujian) Limited
13. Sino-Global Holdings Inc.
14. Sino-Panel (North East China) Limited
15. Sinowin Investments Limited
16. Sino-Panel [Hunan] Limited
17. Sino-Panel [Xiangxi] Limited
18. Sino-Forest Bio-Science Limited
19. Sino-Panel (Guangzhou) Limited
20. Sino-Panel [Suzhou] Limited
21. Sino-Panel (Yunnan) Limited
22. Sino-Panel (Guangxi) Limited
23. Sino-Panel (Guizhou) Limited

24. Sino-Panel (Qinzhou) Limited
25. Sino-Panel (Shaoyang) Limited
26. Sino-Panel (Yongzhou) Limited
27. Sino-Panel (Fujian) Limited
28. Grandeur Winway Ltd.
29. Sinowood Limited
30. Sino-Forest Investments Limited
31. Sino-Panel (North Sea) Limited
32. Sino-Panel (Huaihua) Limited
33. Amplemax Worldwide Limited
34. Ace Supreme International Limited
35. Express Point Holdings Limited
36. Glory Billion International Limited
37. Smart Sure Enterprises Limited
38. Expert Bonus Investment Limited
39. Dynamic Profit Holdings Limited

EXHIBIT A

[FORM OF RESTRICTED NOTE]*

SINO-FOREST CORPORATION

No. []

CUSIP: []

ISIN: []

COMMON CODE: []

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.¹

THIS NOTE (INCLUDING THE RELATED SUBSIDIARY GUARANTEE) EVIDENCED HEREBY, AND THE COMMON SHARES OF SINO-FOREST CORPORATION ISSUABLE UPON CONVERSION HEREOF (THE “**CONVERSION SHARES**”), HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND SUCH SECURITIES MAY NOT BE

* Rule 144A Global Notes and Regulation S Global Notes will be in the same form and will differ only by the principal amount of the Notes represented by each such Global Note and in the CUSIP, ISIN and Common Code numbers for each such Global Note.

¹ This paragraph should be included only if the Note is a Global Note.

OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT IS (A) A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) OR A PURCHASER THAT THE SELLER AND ANY PERSON ACTING ON THE SELLER’S BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER, IN EACH CASE PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (B) AWARE THAT THE OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (2) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THIS RULE 144A NOTE OR AN INTEREST IN THE NOTE EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS AND THAT NO REPRESENTATION CAN BE MADE AS TO WHETHER HOLDERS WISHING TO SELL CONVERSION SHARES IN RELIANCE ON RULE 144 UNDER THE SECURITIES ACT WILL BE ABLE TO TACK THE HOLDING PERIOD FOR THE NOTES TO THE HOLDING PERIOD FOR THE CONVERSION SHARES FOR PURPOSES OF RULE 144.²

LEGEND APPLICABLE TO HOLDERS RESIDENT IN, OR SUBJECT TO THE LAWS OF, ANY PROVINCE OF CANADA:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 18, 2010.

² This paragraph should not be included for an Unrestricted Note.

SINO-FOREST CORPORATION

Representing up to US\$460,000,000

4.25% Convertible Senior Notes due 2016

Unconditionally Guaranteed by the Signatories
Listed on the Subsidiary Guarantee hereto

Sino-Forest Corporation, a Canada Business Corporations Act corporation, promises to pay to Cede & Co. or registered assigns the principal amount [of (US\$)]² on December 15, 2016.

This Note shall bear interest as specified on the other side of this Note. This Note is convertible as specified on the other side of this Note. The aggregate principal amount of outstanding Notes represented hereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, purchases or conversions of such Notes.

Additional provisions of this Note are set forth on the other side of this Note.

Dated:

[SIGNATURE PAGE FOLLOWS]

² For Global Note – set forth on Schedule A hereto.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

SINO-FOREST CORPORATION

By: _____
Name:
Title:

Dated: [], 2009

Trustee's Certificate of Authentication:
This is one of the Notes referred to in
the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
as Trustee

By: _____
Authorized Signatory

SUBSIDIARY GUARANTEE

Each of the undersigned (the “**Subsidiary Guarantors**”) hereby, jointly and severally, Guarantees as principal obligor to each Holder of a Note authenticated by the Trustee or the Authenticating Agent and to the Trustee and its successors and assigns the due and punctual payment of the principal of, and interest on, and all other amounts payable under, the Notes and the Indenture. The obligations of each Subsidiary Guarantor are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by: (1) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Company under the Indenture or any Note, by operation of law or otherwise; (2) any modification or amendment of or supplement to the Indenture or any Note; (3) any change in the corporate existence, structure or ownership of the Company, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any obligation of the Company contained in the Indenture or any Note; (4) the existence of any claim, set off or other rights which the Subsidiary Guarantor may have at any time against the Company, the Trustee or any other Person, whether in connection with the Indenture or any unrelated transactions (*provided* that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim); (5) any invalidity, irregularity, or unenforceability relating to or against the Company for any reason of the Indenture or any Note; or (6) any other act or omission to act or delay of any kind by the Company, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such Subsidiary Guarantor’s obligations hereunder.

This Subsidiary Guarantee will not be discharged with respect to any Note except by payment in full of the principal of, and interest on, the Notes and all other amounts payable, in respect of any Subsidiary Guarantor, as otherwise contemplated in the Indenture. In case of the failure of the Company punctually to pay any such principal of, and interest on, the Notes and all other amounts payable, each of the Subsidiary Guarantors hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the stated maturity, by acceleration, call for redemption or otherwise, and as if such payment were made by the Company.

Subject to certain exceptions as set forth in the Indenture, each of the Subsidiary Guarantors hereby further agrees that all payments of, or in respect of, principal of, and interest in respect of, this Subsidiary Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, the Surviving Person (as defined in the Indenture) or the applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, each Subsidiary Guarantor severally agrees to pay such additional amounts as will result in receipt by the holder of this Subsidiary Guarantee of such amounts as would have been received by such holder had no such withholding or deduction been required.

The obligations of the Subsidiary Guarantors to the holder of this Note and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article 5 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Subsidiary Guarantee. In the case of any conflict between the provisions of this Subsidiary Guarantee and the Indenture, the provisions of the Indenture shall control.

This Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Subsidiary Guarantee is endorsed shall have been executed by the Trustee or an Authenticating Agent under the Indenture by manual signature of one of its authorized officers.

SINO-PANEL HOLDINGS LIMITED

By: _____
Name:
Title:

SINO-PANEL (ASIA) INC.

By: _____
Name:
Title:

SINO-PANEL (GAOYAO) LTD.

By: _____
Name:
Title:

SFR (CHINA) INC.

By: _____
Name:
Title:

SINO-WOOD PARTNERS, LIMITED

By: _____
Name:
Title:

SINO-FOREST RESOURCES INC.

By: _____
Name:
Title:

SURI-WOOD INC.

By: _____
Name:
Title:

SINO-PLANTATION LIMITED

By: _____
Name:
Title:

SINO-WOOD (GUANGXI) LIMITED

By: _____
Name:
Title:

SINO-WOOD (JIANGXI) LIMITED

By: _____
Name:
Title:

SINO-WOOD (GUANGDONG)
LIMITED

By: _____
Name:
Title:

SINO-WOOD (FUJIAN) LIMITED

By: _____
Name:
Title:

SINO-GLOBAL HOLDINGS INC.

By: _____
Name:
Title:

SINOWIN INVESTMENTS LIMITED

By: _____
Name:
Title:

SINO-PANEL (NORTH EAST CHINA)
LIMITED

By: _____
Name:
Title:

SINO-PANEL [HUNAN] LIMITED

By: _____
Name:
Title:

SINO-PANEL [XIANGXI] LIMITED

By: _____
Name:
Title:

SINO-FOREST BIO-SCIENCE
LIMITED

By: _____
Name:
Title:

SINO-PANEL (GUANGZHOU)
LIMITED

By: _____
Name:
Title:

SINO-PANEL [SUZHOU] LIMITED

By: _____
Name:
Title:

SINO-PANEL (YUNNAN) LIMITED

By: _____
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED

By: _____
Name:
Title:

SINO-PANEL (GUIZHOU) LIMITED

By: _____
Name:
Title:

SINO-PANEL (QINZHOU) LIMITED

By: _____
Name:
Title:

SINO-PANEL (SHAOYANG) LIMITED

By: _____
Name:
Title:

SINO-PANEL (YONGZHOU) LIMITED

By: _____
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED

By: _____
Name:
Title:

GRANDEUR WINWAY LTD.

By: _____
Name:
Title:

SINOWOOD LIMITED

By: _____
Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED

By: _____
Name:
Title:

SINO-PANEL (NORTH SEA) LIMITED

By: _____
Name:
Title:

SINO-PANEL (HUAIHUA) LIMITED

By: _____
Name:
Title:

AMPLEMAX WORLDWIDE LIMITED

By: _____
Name:
Title:

ACE SUPREME INTERNATIONAL
LIMITED

By: _____
Name:
Title:

EXPRESS POINT HOLDINGS
LIMITED

By: _____
Name:
Title:

GLORY BILLION INTERNATIONAL
LIMITED

By: _____
Name:
Title:

SMART SURE ENTERPRISES
LIMITED

By: _____
Name:
Title:

EXPERT BONUS INVESTMENT
LIMITED

By: _____
Name:
Title:

DYNAMIC PROFIT HOLDINGS
LIMITED

By: _____
Name:
Title:

[FORM OF REVERSE SIDE OF NOTE]

SINO-FOREST CORPORATION
4.25% CONVERTIBLE SENIOR NOTES DUE 2016

1. INTEREST

Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “**Company**”, which term shall include any successor corporation under the Indenture hereinafter referred to), promises to pay interest on the principal amount of this Note at the rate of 4.25% per annum. The Company shall pay interest semi-annually in arrears on June 15 and December 15 of each year (each an “**Interest Payment Date**”), commencing on June 15, 2010. Each payment of interest will include interest accrued for the period commencing on and including the immediately preceding Interest Payment Date (or the date of initial issuance in the case of the June 15, 2010 Interest Payment Date). Cash interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Any payment required to be made on a day that is not a Business Day shall be made on the next succeeding Business Day with the same force and effect as if made on such day, and no interest on such payment will accrue or be payable in respect of the delay.

For purposes of the *Interest Act* (Canada), whenever any interest or fee under the Indenture is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) *multiplied* by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) *divided by* 360 or 365, as the case may be.

No sinking fund is provided for the Notes.

Capitalized terms not defined herein have the meaning ascribed to such terms in the Indenture.

2. METHOD OF PAYMENT

The Company shall pay interest on this Note (except defaulted interest) to the person who is the Holder of this Note at the close of business on June 1 or December 1 as the case may be, (each, a “**Regular Record Date**”) immediately preceding the relevant Interest Payment Date. The Holder must surrender this Note to a Paying Agent to collect payment of principal. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company may pay principal and interest in respect of any Certificated Note by check or wire payable in such money; *provided, however*, that a Holder with an aggregate principal amount in excess of US\$5,000,000 will be paid by wire transfer in immediately available funds at the election of such Holder if such Holder has provided wire transfer instructions to the Trustee at least 10 Business Days prior to the payment date. The Company may mail an interest check to the Holder’s registered address. Notwithstanding the foregoing, so long as this Note is registered in the name of a Depositary or

its nominee, all payments hereon shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee.

Any wire transfer instructions received by the Trustee will remain in effect until revoked by the Holder.

3. PAYING AGENT, REGISTRAR AND CONVERSION AGENT

Initially, The Bank of New York Mellon (the “Trustee,” which term shall include any successor trustee under the Indenture hereinafter referred to) will act as Paying Agent, Registrar and Conversion Agent. The Company or any of its Affiliates may, subject to certain limitations set forth in the Indenture, act as Paying Agent.

4. INDENTURE, LIMITATIONS

This Note is one of a duly authorized issue of Notes of the Company designated as its 4.25% Convertible Senior Notes Due 2016 (the “Notes”), issued under an Indenture dated as of December 17, 2009 (together with any supplemental indentures thereto, the “Indenture”), among the Company, the Subsidiary Guarantors and the Trustee. The terms of this Note include those stated in the Indenture. This Note is subject to all such terms, and the Holder of this security is referred to the Indenture for a statement of them.

The Notes are unsecured, senior obligations of the Company limited to US\$460,000,000 aggregate principal amount except as provided for in the Indenture. The Indenture limits the ability of certain Subsidiaries of the Company to guarantee certain types of indebtedness.

5. OFFER TO PURCHASE AT HOLDER’S OPTION UPON A FUNDAMENTAL CHANGE

If a Fundamental Change occurs prior to the Final Maturity Date, subject to the terms and conditions of the Indenture, the Company shall make an offer to each Holder to purchase for cash, subject to certain exceptions described in the Indenture, all or a portion of its Notes (so long as the principal amount of such part is US\$1,000 or an integral multiple of US\$1,000) at such Holder’s option at the Fundamental Change Purchase Price on the Fundamental Change Purchase Date. The Holder shall have the right to withdraw any Fundamental Change Purchase Notice (in whole or in a portion thereof that is US\$1,000 or an integral multiple of US\$1,000) at any time prior to the close of business on the Business Day immediately prior to the Fundamental Change Purchase Date by delivering a written notice of withdrawal to the Paying Agent in accordance with the terms of the Indenture.

6. CONVERSION

Subject to and upon compliance with the provisions of the Indenture, a Holder may surrender for conversion into Common Shares all or any portion of this Note that is in an integral multiple of US\$1,000. Upon conversion, the Holders shall be entitled to receive the consideration specified in the Indenture. No fractional Common Shares or securities representing fractional Common Shares shall be issued upon conversion of a Note. Instead, the Company shall pay a cash adjustment as provided in the Indenture. The initial Conversion Rate

of the Notes shall be 47.2619 Common Shares per US\$1,000 principal amount of Notes, subject to adjustment in accordance with the provisions of Article 4 of the Indenture. If a Holder converts all or any portion of this Note in connection with the occurrence of a Make-Whole Fundamental Change, the Conversion Rate shall be increased in the manner and to the extent described in Section 4.01(e) of the Indenture.

A Note in respect of which a Holder has submitted a Fundamental Change Purchase Notice may be converted only if such Holder validly withdraws such Fundamental Change Purchase Notice in accordance with the terms of the Indenture.

7. ADDITIONAL AMOUNTS

All payments made by or on behalf of the Company, the Surviving Person or any Subsidiary Guarantor under or with respect to the Notes or the Subsidiary Guarantees (including payments of cash or delivery of Common Shares upon conversion) will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges (including, without limitation, penalties, interest and other liabilities thereto) of whatever nature imposed or levied by or within any Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, the Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts as may be necessary to ensure that the net amount received by the Holder of each Note or the Subsidiary Guarantee, as the case may be, after such withholding or deduction (and after deducting any taxes on the Additional Amounts) shall equal the amounts which would have been received by such Holder had no such withholding or deduction been required, subject to certain exceptions set forth in the Indenture.

8. REDEMPTION FOR TAX REASONS

Subject to certain exceptions, the Company or the Surviving Person may redeem, in whole but not in part, the Notes for a redemption price equal to 100% of the principal amount of the Notes to be redeemed *plus* any accrued and unpaid interest to, but excluding, the Redemption Date if the Company, the Surviving Person or any of the Subsidiary Guarantors has or would become obligated to pay certain Additional Amounts as a result of certain changes in specified tax laws or certain other circumstances as provided in the Indenture. Upon receiving a notice of redemption, a Holder may elect not to have its Notes redeemed in which case such holder would not be entitled to receive the Additional Amounts.

9. DENOMINATIONS, TRANSFER, EXCHANGE

The Notes are in registered form, without coupons, in denominations of US\$1,000 principal amount and integral multiples of US\$1,000 principal amount. A Holder may register the transfer of or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or other governmental charges that may be imposed in relation thereto by law or permitted by the Indenture.

10. PERSONS DEEMED OWNERS

The Holder of a Note may be treated as the owner of it for all purposes.

11. UNCLAIMED MONEY

If money for the payment of principal or interest remains unclaimed for six years, the Trustee and any Paying Agent will pay the money back to the Company at its written request, subject to applicable unclaimed property law and the provisions of the Indenture. After that, Holders entitled to money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person.

12. MODIFICATION AND WAIVER

Subject to certain exceptions, the Indenture or the Notes may be amended with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, and an existing Default or Event of Default and its consequence or compliance with any provision of the Indenture or the Notes may be waived in a particular instance with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding. Without the consent of or notice to any Holder, the Company and the Trustee may amend the Indenture or the Notes in certain circumstances as provided in the Indenture.

13. SUCCESSOR ENTITY

When a successor corporation assumes all the obligations of its predecessor under the Notes and the Indenture in accordance with the terms and conditions of the Indenture, the predecessor corporation (except in certain circumstances specified in the Indenture) shall be released from those obligations.

14. DEFAULTS AND REMEDIES

If an Event of Default (as defined in the Indenture, but other than an Event of Default specified in clause (viii) or (ix) of Section 8.01(a) of the Indenture) occurs and is continuing with respect to the Company, the Trustee may, by notice to the Company, and shall upon the written direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding may, by notice to the Company and the Trustee, declare the principal amount and accrued and unpaid interest, if any, through the date of declaration on all the Notes to be immediately due and payable. Upon such a declaration, such principal amount and such accrued and unpaid interest, if any, shall be due and payable immediately. If an Event of Default specified in clause (viii) or (ix) of Section 8.01(a) of the Indenture occurs in respect of the Company and is continuing, the principal amount and accrued but unpaid interest, if any, on all the Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders of Notes. After a declaration of acceleration with respect to the Notes, but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Notes then outstanding may rescind and annul such declaration subject to the conditions set forth in, and in accordance with, the Indenture.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Notes then outstanding may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default (except a Default in payment of principal or interest) if and so long as it determines that withholding notice is in their interests. The Company is required to file periodic certificates with the Trustee as to the Company's compliance with the Indenture and knowledge or status of any Default.

15. TRUSTEE DEALINGS WITH THE COMPANY

The Bank of New York Mellon, the initial Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Company or an Affiliate of the Company, and may otherwise deal with the Company or an Affiliate of the Company, as if it were not the Trustee.

16. NO PERSONAL LIABILITY

No recourse for the payment of the principal of, or interest on, any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees.

17. AUTHENTICATION

This Note (with the Subsidiary Guarantee endorsed thereon) shall not be valid until the Trustee or an authenticating agent manually signs the certificate of authentication on the other side of this Note.

18. ABBREVIATIONS AND DEFINITIONS

Customary abbreviations may be used in the name of the Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and UGMA (= Uniform Gifts to Minors Act).

All terms defined in the Indenture and used in this Note but not specifically defined herein are defined in the Indenture and are used herein as so defined.

19. INDENTURE TO CONTROL; GOVERNING LAW

In the case of any conflict between the provisions of this Note and the Indenture, the provisions of the Indenture shall control.

This Note and the Indenture, and any claim, controversy or dispute arising under or related to the Notes or the Indenture, shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder, upon written request and without charge, a copy of the Indenture. Requests may be made to: Sino-Forest Corporation, 3815-29, 38th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, SAR, Attention: Emilia Sin, Legal Affairs Manager (Facsimile: (852) 2877-0062).

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him or her.

Your Signature

Date: _____

(Sign exactly as your name appears on
the other side of this Note)

*Signature guaranteed by:

By: _____

* The signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

CONVERSION NOTICE

TO: SINO-FOREST CORPORATION
 3815-29, 38th Floor, Sun Hung Kai Centre
 30 Harbour Road
 Wanchai, Hong Kong SAR

[THE BANK OF NEW YORK MELLON
 101 Barclay Street, 4 East
 New York, NY 10286
 U.S.A.
 Facsimile No.: (212) 815-5802 or (212) 815-5803
 Attention: Global Corporate Trust]³

[THE BANK OF NEW YORK MELLON
 4 King Street West Suite 1101
 Toronto, Ontario M5H 1B6
 Canada
 Facsimile No.: (415) 360-1711 or (416) 360-1727
 Attention: Global Corporate Trust]⁴

[THE BANK OF NEW YORK MELLON
 12/F Three Pacific Place
 1 Queen's Road East
 Hong Kong
 Facsimile No.: (852) 2295-3283
 Attention: Global Corporate Trust]⁵

The undersigned registered owner of this Note hereby irrevocably exercises the option to convert this Note, or the portion thereof (which is US\$1,000 or a multiple thereof) below designated, into Common Shares of Sino-Forest Corporation, cash or a combination of cash and Common Shares in accordance with the terms of the Indenture referred to in this Note, and directs that the shares and/or cash issuable and deliverable upon such conversion, together with any check in payment for fractional shares and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. If shares or any portion of this Note not converted are to be issued in the name of a person other than the undersigned, the undersigned will provide the appropriate information below and pay all transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of Interest accompanies this Note.

³ Include for conversion notices presented inside the United States.

⁴ Include for conversion notices presented outside the United States, as appropriate.

⁵ Include for conversion notices presented outside the United States, as appropriate.

Dated: _____

 Signature(s)

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the U.S. Securities Exchange Act of 1934, as amended.

 Signature Guarantee

If you want the stock certificate made out and registered in another person’s name, fill in the form below:

 (Insert assignee’s soc. sec. or tax I.D. no.)

 (Print or type assignee’s name, address and zip code)

1. I/We hereby certify that

[Check One]

I am/We are [a] “qualified institutional buyer[s]” as defined in Rule 144A under the Securities Act (a “QIB”) and I am/ we are (x) converting the Note for my/our own account, or for the accounts of one or more QIBs with respect to which account or accounts I/we exercise[s] sole investment discretion and (y) acknowledge that the delivery of the Common Shares, if any, upon conversion of the Note is being made in reliance on Section 4(2) of the Securities Act.

I am/We are not [a] U.S. person[s] (as defined in Regulation S under the Securities Act) and the delivery of the Common Shares, if any, upon conversion of the Note is being made

outside the United States in an offshore transaction (as defined in Regulation S under the Securities Act) in accordance with Rule 903 of Regulation S.

2. Total principal amount and serial or identification numbers of Notes to be converted:

Total principal amount of Notes: _____

[Serial or identifying number of Notes: _____
(not required for Notes represented by the Global Note)

CUSIP number of Notes: _____

N.B. If necessary, the serial or identifying numbers of Notes can be attached separately.

3. Name and address of the person in whose name Common Shares required to be delivered on conversion are to be registered:

Name: _____

Address: _____

Note: If the Holder of the Note wishes to make the Common Shares eligible to settle subsequent trades on the Toronto Stock Exchange, the stock certificate will need to be registered in the name of a participant in CDS Depository and Clearing Services Inc. ("CDS") or in the name of the depository as "CDS & Co." as advised by your broker. **Please consult your broker as to the appropriate registration and complete the information above with the registration details provided by your broker.**

4. I/We hereby request that the certificate for the Common Shares (together with any cash) required to be delivered upon conversion be dispatched (at my/our own risk and expense) to the local agent whose name and address is given below and in the manner specified below, or if the conditions specify that delivery of the Common Shares is to be made in book-based form, the Common Shares be credited to the securities account specified below:

Name: _____

Address: _____

Contact Person: _____

Telephone No.: _____

Fax No.: _____

Manner of Dispatch: _____

Securities House: _____

Securities Account Number: _____

5. I/We hereby declare that any applicable condition to conversion of the Securities, if any, has been complied with by me/us.
6. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Shares of any other property or cash have been paid.
7. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Shares or any other property or cash have been paid.

FUNDAMENTAL CHANGE PURCHASE NOTICE

TO: SINO-FOREST CORPORATION
 3815-29, 38th Floor, Sun Hung Kai Centre
 30 Harbour Road
 Wanchai, Hong Kong SAR

THE BANK OF NEW YORK MELLON
 101 Barclay Street, 4 East
 New York, NY 10286
 U.S.A.
 Facsimile No.: (212) 815-5802 or (212) 815-5803
 Attention: Global Corporate Trust

With a copy to:

THE BANK OF NEW YORK MELLON
 12/F Three Pacific Place
 1 Queen's Road East
 Hong Kong
 Facsimile No.: (852) 2295-3283
 Attention: Global Corporate Trust

The undersigned registered owner of this Note hereby irrevocably acknowledges receipt of a notice and offer from Sino-Forest Corporation (the "**Company**") as to the occurrence of a Fundamental Change with respect to the Company and hereby accepts such offer, and requests and instructs the Company to purchase the entire principal amount of this Note, or the portion thereof (which is US\$1,000 or an integral multiple thereof) below designated, in accordance with the terms of the Note and the Indenture referred to in the Note at the Fundamental Change Purchase Price to the registered Holder hereof.

Date: _____

 Signature (s)

Signature(s) must be guaranteed by a qualified guarantor institution with membership in an approved signature guarantee program pursuant to Rule 17Ad-15 under the U.S. Securities Exchange Act of 1934.

 Signature Guaranty

Certificate No. of Note
 _____ Principal amount
 to be redeemed (in an integral
 multiple of US\$1,000, if less than

all):

NOTICE: The signature to the foregoing Election must correspond to the Name as written upon the face of this Note in every particular, without any alteration or change whatsoever.

SCHEDULE A³

The initial principal amount of this Global Note is US\$[].
 Changes in principal amount of this Global Note are set forth below:

<u>Principal Amount of this Global Note Following Such Decrease Date of Exchange (or Increase)</u>	<u>Authorized Signatory of Notes Custodian</u>	<u>Amount of Decrease in Principal Amount of this Global Note</u>	<u>Amount of Increase in Principal Amount of this Global Note</u>
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³ This schedule should be included only if the Note is a Global Note.

**CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF
TRANSFER OF RESTRICTED SECURITY**

Re: 4.25% Convertible Senior Notes Due 2016 (the “Notes”) of Sino-Forest Corporation

This certificate relates to US\$ _____ principal amount of Notes owned in (check applicable box)

book-entry or definitive form by _____ (the “Transferor”).

The Transferor has requested a Registrar or the Trustee to exchange or register the transfer of such Notes.

In connection with such request and in respect of each such Note, the Transferor does hereby certify that the Transferor is familiar with transfer restrictions relating to the Notes as provided in Section 2.12 of the Indenture dated as of December 17, 2009 between Sino-Forest Corporation, the Subsidiary Guarantors named in Schedule I thereto, and The Bank of New York Mellon, as trustee (the “**Indenture**”), and the transfer or exchange, as the case may be, of such Note does not require registration under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) because (check applicable box):

- Such Note is being acquired for the Transferor’s own account, without transfer.
- Such Note is being transferred to the Company or a Subsidiary (as defined in the Indenture) of the Company.
- Such Note is being transferred to a person the Transferor reasonably believes is a “qualified institutional buyer” (as defined in Rule 144A or any successor provision thereto (“**Rule 144A**”) under the Securities Act) that is purchasing for its own account or for the account of a “qualified institutional buyer”, in each case to whom notice has been given that the transfer is being made in reliance on such Rule 144A, and in each case in reliance on Rule 144A.
- Such Note is being transferred pursuant to and in accordance with Regulation S or any successor provision thereto (“**Regulation S**”) under the Securities Act and
- (i) the offer of this Note was not made to a Person in the United States and
 - (ii) either (A) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States; and
 - (iii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

- (iv) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

The Transferor acknowledges and agrees that, if the transferee will hold any such Notes in the form of beneficial interests in a Restricted Global Note, then such transfer can only be made pursuant to (i) Rule 144A under the Securities Act and such transferee must be a “qualified institutional buyer” (as defined in Rule 144A) or (ii) Regulation S and such transferee must not be a U.S. person (as defined in Regulation S).

Date: _____
(Insert Name of Transferor)

NOTICE OF ELECTION UPON TAX REDEMPTION

Certificate No. of Note _____

If you elect not to have this Note redeemed by the Company pursuant to Section 3.08 of the Indenture, check the box: []

If you elect to have only part of this Note redeemed by the company pursuant to Section 3.08 of the Indenture, state the principal amount:

US\$ _____
(must be in an integral multiple of US\$1,000)

Date: _____

Signature: _____
(Sign exactly as your name(s) appear(s)
on the other side of this Note)

Signature(s) guaranteed by:

(All signatures must be guaranteed by a
guarantor institution participating in the
Securities Transfer Agents Medallion
Program or in such other program
acceptable to the Trustee.)

EXHIBIT B

TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

Please print or typewrite name and address including zip code of assignee

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

In connection with any transfer of this Note:

[Check One]

- (a) this Note is being transferred to the Company or a Subsidiary (as defined in the Indenture) of the Company;
- (b) this Note is being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and, accordingly, the undersigned does hereby further certify that this Note is being transferred to a Person that the undersigned reasonably believes is purchasing this Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States;
- (c) this Note is being transferred pursuant to and in accordance with Regulation S and:
- (A) the offer of this Note was not made to a Person in the United States; and
- (B) either:
- (i) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or
- (ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any Person acting on its behalf knows that the transaction was

prearranged with a buyer in the United States; and

- (C) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
 - (D) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (d) the undersigned did not purchase this Note as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption (other than (a) through (c) above) from the registration requirements under the Securities Act and the undersigned has delivered to the Trustee, the Transfer Agent or the Registrar such additional evidence that the Company, any Subsidiary Guarantor, the Trustee, the Transfer Agent or the Registrar may require as to compliance with such available exemption.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer or registration set forth herein and in Section 2.06 of the Indenture shall have been satisfied.

Date: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

TO BE COMPLETED BY PURCHASER IF (b) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: _____

NOTICE: To be executed by an executive officer

In addition to the foregoing, in connection with any transfer of this Note prior to April 18, 2010 by any holder who is resident in, or subject to the laws of, any Province of Canada shall bear a legend in substantially the following form:

(a) this Note is being transferred to a person resident in, or subject to the securities legislation of, any province or territory in Canada; and

(b) the transfer of this Note is being effected pursuant to and in accordance with exemptions from the prospectus and dealer registration requirements contained in the Canadian securities legislation applicable to the purchaser and the undersigned has delivered to the Trustee such additional evidence that the Company, the Guarantor or the Trustee may require as to compliance with such available exemptions.

TO BE COMPLETED BY PURCHASER

The undersigned acknowledges that the certificate representing the Note to be issued to the undersigned upon completion of the above transfer shall contain the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 18, 2010.

Dated: _____

Name of Purchaser

Signature of Purchaser

EXHIBIT C

**FORM OF CERTIFICATE TO BE DELIVERED
IN CONNECTION WITH TRANSFERS TO QIBs THAT ARE U.S. PERSONS**

[Date]

The Bank of New York Mellon,
as Registrar and Transfer Agent

Sino-Forest Corporation,
as Company

and

The Subsidiary Guarantors (as defined below)

Re: Sino-Forest Corporation (the “**Company**”)
4.25% Convertible Senior Notes Due 2016 (the “**Notes**”)

Dear Sirs:

Reference is hereby made to the Indenture (the “**Indenture**”) dated as of December 17, 2009 among Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “**Company**”), the entities listed on Schedule I thereto (the “**Subsidiary Guarantors**”) and The Bank of New York Mellon, as trustee (the “**Trustee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to US\$[] million principal amount of Notes which are evidenced by one or more Regulation S Global Notes (CUSIP No. [], Common Code []) and held with the Depository through [Euroclear] [Clearstream] in the name of [insert name of transferor] (the “**Transferor**”). The Transferor has requested that a transfer of such beneficial interest in the Notes to a Person who will take delivery thereof (the “**Transferee**”) in the form of an equal principal amount of Notes evidenced by one or more Rule 144A Global Notes (CUSIP No. 82934H AD3, Common Code 047429960).

[CHECK ONE]

- In connection with such request and in respect of such Notes, the Transferee does hereby certify that (i) it is a “qualified institutional buyer” (“**QIB**”) as defined in and pursuant to Rule 144A (“**Rule 144A**”) under the Securities Act, purchasing the Notes for its own account (or for the account of one or more QIBs over which account it exercises sole investment discretion) and (ii) the transfer was made in a transaction meeting the requirements of Rule 144A.

- The Transferor did not purchase such Notes as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption from the registration requirements of the Securities Act and the Transferor has delivered to the Trustee, the Transfer Agent or the Registrar such additional evidence the Company, the Subsidiary Guarantor, the Trustee, the Transfer Agent or the Registrar may require as to compliance with such available exemption.

You, the Company and the Subsidiary Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferee or Transferor]

[Name of DTC participant holding such
position on behalf of beneficial owner]

By: _____
Authorized Signature

EXHIBIT D

**FORM OF CERTIFICATE TO BE DELIVERED
IN CONNECTION WITH TRANSFERS
PURSUANT TO REGULATION S**

[Date]

The Bank of New York Mellon,
as Registrar and Transfer Agent

Sino-Forest Corporation,
as Company

and

The Subsidiary Guarantors (as defined below)

Re: Sino-Forest Corporation (the “**Company**”)
4.25% Convertible Senior Notes Due 2016 (the “**Notes**”)

Dear Sirs:

Reference is hereby made to the Indenture (the “**Indenture**”) dated as of December 17, 2009 among Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “**Company**”), the entities listed on Schedule I thereto (the “**Subsidiary Guarantors**”) and The Bank of New York Mellon, as trustee (the “**Trustee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to US\$[] million principal amount of Notes which are evidenced by one or more Rule 144A Global Notes (CUSIP No. [], Common Code []) and held with the Depository in the name of [insert name of transferor] (the “**Transferor**”). The Transferor has requested a transfer of such beneficial interest in the Notes to a Person who will take delivery thereof (the “**Transferee**”) in the form of an equal principal amount of Notes evidenced by one or more Regulation S Global Notes (CUSIP No. C83912 AD4, Common Code 047430488).

In connection with such request and in respect of such Securities, we hereby certify that such sale has been effected pursuant to and in accordance with either Rule 903 or Rule 904 of Regulation S and accordingly we hereby further certify that:

- (A) the offer of the Notes was not made to a person in the United States; and
- (B) either:
 - (i) at the time the buy order was originated, the Transferee was outside the United States or we and any person acting on our

behalf reasonably believed that the Transferee was outside the United States, or

- (ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States; and
- (C) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (D) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

You, the Company and the Subsidiary Guarantors are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferor]

[Name of DTC participant holding such
position on behalf of beneficial owner]

By: _____
Authorized Signature

EXHIBIT E

SUPPLEMENTAL INDENTURE

dated as of _____, _____

among

SINO-FOREST CORPORATION
as the Company

and

The entities listed on Schedule I hereto
as Subsidiary Guarantors

and

THE BANK OF NEW YORK MELLON
as Trustee

4.25% Senior Convertible Notes Due 2016

THIS SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), entered into as of _____, _____, among Sino-Forest Corporation, a Canada Business Corporations Act corporation (the “**Company**”), the initial Subsidiary Guarantors listed in Schedule I hereto (the “**Subsidiary Guarantors**”) and [insert each new Guarantor executing this Supplemental Indenture and its jurisdiction of incorporation] (each an “**Undersigned**”), and The Bank of New York Mellon, as trustee (the “**Trustee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

RECITALS

WHEREAS, the Company, the Subsidiary Guarantors party thereto and the Trustee, entered into the Indenture, dated as of December 17, 2009 (the “**Indenture**”), relating to the Company’s 4.25% Guaranteed Senior Convertible Notes Due 2016 (the “**Notes**”);

WHEREAS, pursuant to Sections 5.09 and 5.10 of the Indenture each new Subsidiary Guarantor is required to enter into a supplemental indenture which supplemental indenture may be entered into without the consent of the Holders pursuant to Section 11.01(a)(vi)

WHEREAS, as a condition to the Trustee entering into the Indenture and the purchase of the Notes by the Holders, the Company agreed pursuant to the Indenture to cause any future Subsidiaries (other than those organized under the laws of the People’s Republic of China, or any other jurisdiction that prohibits such Subsidiaries from guaranteeing payments under the Notes) and, subject to certain terms and conditions, the Initial Non-Guarantor Subsidiary, to provide Subsidiary Guarantees.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties to this Supplemental Indenture hereby agree as follows:

Section 1. Capitalized terms used herein and not otherwise defined herein are used as defined in the Indenture.

Section 2. Each Undersigned, by its execution of this Supplemental Indenture, agrees to be a Subsidiary Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Subsidiary Guarantors, including, but not limited to, Article 5 thereof.

Section 3. **This Supplemental Indenture, and any claim, controversy or dispute arising under or related to this Supplemental Indenture, shall be governed by and construed in accordance with the laws of the State of New York.**

Section 4. This Supplemental Indenture may be signed in various counterparts which together will constitute one and the same instrument.

Section 5. This Supplemental Indenture is an amendment supplemental to the Indenture and the Indenture and this Supplemental Indenture will henceforth be read together.

Section 6. The recitals contained herein shall be taken as the statements of the Company, the Subsidiary Guarantors and the Undersigned, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

Section 7. Notwithstanding anything contained herein, nothing in this Supplemental Indenture shall relieve the Company, the Subsidiary Guarantors or the Trustee of any of their obligations under the Indenture, as amended and supplemented by this Supplemental Indenture, and the Notes.

Section. 8. All of the provisions of the Indenture shall remain in full force and effect as set forth therein.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

SINO-FOREST CORPORATION,
for itself and on behalf of all the
Subsidiary Guarantors⁶

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Name:
Title:

[New Guarantor]

By: _____
Name:
Title:

⁶ Pursuant to a power of attorney granting attorney-in-fact to execute the instruments contemplated.

SCHEDULE I**List of Subsidiary Guarantors**

Set out below is a list of all of the Subsidiary Guarantors:

1. Sino-Panel Holdings Limited
2. Sino-Panel (Asia) Inc.
3. Sino-Panel (Gaoyao) Ltd.
4. SFR (China) Inc.
5. Sino-Wood Partners, Limited
6. Sino-Forest Resources Inc.
7. Suri-Wood Inc.
8. Sino-Plantation Limited
9. Sino-Wood (Guangxi) Limited
10. Sino-Wood (Jiangxi) Limited
11. Sino-Wood (Guangdong) Limited
12. Sino-Wood (Fujian) Limited
13. Sino-Global Holdings Inc.
14. Sino-Panel (North East China) Limited
15. Sinowin Investments Limited
16. Sino-Panel [Hunan] Limited
17. Sino-Panel [Xiangxi] Limited
18. Sino-Forest Bio-Science Limited
19. Sino-Panel (Guangzhou) Limited
20. Sino-Panel [Suzhou] Limited
21. Sino-Panel (Yunnan) Limited
22. Sino-Panel (Guangxi) Limited

23. Sino-Panel (Guizhou) Limited
24. Sino-Panel (Qinzhou) Limited
25. Sino-Panel (Shaoyang) Limited
26. Sino-Panel (Yongzhou) Limited
27. Sino-Panel (Fujian) Limited
28. Grandeur Winway Ltd.
29. Sinowood Limited (Cayman Islands)
30. Sino-Forest Investments Limited
31. Sino-Panel (North Sea) Limited
32. Sino-Panel (Huaihua) Limited
33. Amplemax Worldwide Limited
34. Ace Supreme International Limited
35. Express Point Holdings Limited
36. Glory Billion International Limited
37. Smart Sure Enterprises Limited
38. Expert Bonus Investment Limited
39. Dynamic Profit Holdings Limited