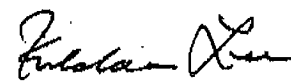


THIS IS EXHIBIT "K" TO
THE AFFIDAVIT OF W. JUDSON MARTIN
SWORN MARCH 30, 2012

A Commissioner, etc.


LEE HONG KIU KILDARIA
Solicitor, Hong Kong SAR

Execution Version

SINO-FOREST CORPORATION

and

LAW DEBENTURE TRUST COMPANY OF NEW YORK
as Trustee

and

The entities listed on Schedule I hereto
as Initial Subsidiary Guarantors

Indenture

Dated as of July 27, 2009

US\$212,330,000

10.25% Guaranteed Senior Notes
Due 2014

RECITALS

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 . <i>Definitions</i>	2
Section 1.02 . <i>Rules of Construction</i>	31

ARTICLE 2

ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

Section 2.01 . <i>Authentication And Delivery of Notes and Subsidiary Guarantees</i>	31
Section 2.02 . <i>Execution of Notes and Subsidiary Guarantees</i>	32
Section 2.03 . <i>Certificate of Authentication</i>	32
Section 2.04 . <i>Form, Denomination and Date of Notes; Payments</i>	33
Section 2.05 . <i>Registration, Transfer and Exchange</i>	36
Section 2.06 . <i>Book-entry Provisions For Global Notes</i>	38
Section 2.07 . <i>Special Transfer Provisions</i>	39
Section 2.08 . <i>Mutilated, Defaced, Destroyed, Stolen and Lost Notes</i>	43
Section 2.09 . <i>Further Issues</i>	44
Section 2.10 . <i>Cancellation of Notes; Disposition Thereof</i>	44
Section 2.11 . <i>CUSIP Numbers</i>	44

ARTICLE 3

REDEMPTION

Section 3.01 . <i>Taxation Redemption</i>	45
Section 3.02 . <i>Optional Redemption</i>	46
Section 3.03 . <i>Method and Effect of Redemption</i>	46

ARTICLE 4

COVENANTS

Section 4.01 . <i>Payment of Notes</i>	47
SECTION 4.02 . <i>Maintenance of Office or Agency</i>	49
Section 4.03 . <i>Governmental Approvals and Licenses; Compliance with Law</i>	50
Section 4.04 . <i>Payment of Taxes and other Claims</i>	50
Section 4.05 . <i>Maintenance of Properties and Insurance</i>	51
Section 4.06 . <i>Limitation On Indebtedness And Disqualified Or Preferred Stock</i>	51
Section 4.07 . <i>Limitation on Restricted Payments</i>	54
Section 4.08 . <i>Limitation on Liens</i>	57

Section 4.09 . <i>Limitation on Sale and Leaseback Transactions.</i>	58
Section 4.10 . <i>Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries.</i>	58
Section 4.11 . <i>Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries.</i>	59
Section 4.12 . <i>Limitation on Issuances of Guarantees by Restricted Subsidiaries.</i>	60
Section 4.13 . <i>Repurchase of Notes Upon a Change of Control Triggering Event.</i>	60
Section 4.14 . <i>Limitation on Asset Sales.</i>	61
Section 4.15 . <i>Limitation on Transactions with Shareholders and Affiliates.</i> ...	63
Section 4.16 . <i>Limitation on the Company's Business Activities.</i>	64
Section 4.17 . <i>Designation of Restricted and Unrestricted Subsidiaries.</i>	64
Section 4.18 . <i>Provision of Financial Statements, Reports and Compliance Certificate.</i>	66
Section 4.19 . <i>Additional Amounts.</i>	67
Section 4.20 . <i>Permitted Pari Passu Secured Indebtedness. Permitted Pari Passu Secured Indebtedness).</i>	69

ARTICLE 5

CONSOLIDATION, MERGER AND SALE OF ASSETS

Section 5.01 . <i>Consolidation, Merger and Sale of Assets.</i>	70
---	----

ARTICLE 6

DEFAULT AND REMEDIES

Section 6.01 . <i>Events of Default.</i>	72
Section 6.02 . <i>Acceleration.</i>	74
Section 6.03 . <i>Other Remedies.</i>	75
Section 6.04 . <i>Waiver of Past Defaults.</i>	75
Section 6.05 . <i>Control by Majority.</i>	76
Section 6.06 . <i>Limitation on Suits.</i>	76
Section 6.07 . <i>Rights of Holders to Receive Payment.</i>	76
Section 6.08 . <i>Collection Suit by Trustee.</i>	76
Section 6.09 . <i>Trustee May File Proofs of Claim.</i>	77
Section 6.10 . <i>Priorities.</i>	77
Section 6.11 . <i>Restoration of Rights and Remedies.</i>	78
Section 6.12 . <i>Undertaking for Costs.</i>	78
Section 6.13 . <i>Rights and Remedies Cumulative.</i>	78
Section 6.14 . <i>Delay or Omission Not Waiver.</i>	78
Section 6.15 . <i>Waiver of Stay, Extension or Usury Laws.</i>	78
Section 6.16 . <i>Compliance Certificate.</i>	79

ARTICLE 7
THE TRUSTEE

Section 7.01 . <i>General.</i>	79
Section 7.02 . <i>Certain Rights of Trustee.</i>	79
Section 7.03 . <i>Individual Rights of Trustee.</i>	81
Section 7.04 . <i>Trustee's Disclaimer.</i>	81
Section 7.05 . <i>Notice of Default.</i>	81
Section 7.06 . [Intentionally left blank].	81
Section 7.07 . <i>Compensation And Indemnity.</i>	82
Section 7.08 . <i>Replacement of Trustee.</i>	82
Section 7.09 . <i>Successor Trustee by Consolidation, Merger, Conversion or Transfer.</i>	83
Section 7.10 . <i>Money Held in Trust.</i>	83

ARTICLE 8
DEFEASANCE AND DISCHARGE

Section 8.01 . <i>Defeasance and Discharge of Indenture.</i>	84
Section 8.02 . <i>Covenant Defeasance.</i>	85
Section 8.03 . <i>Application of Trust Money.</i>	86
Section 8.04 . <i>Repayment to Company.</i>	86
Section 8.05 . <i>Reinstatement.</i>	86

ARTICLE 9
AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 9.01 . <i>Amendments Without Consent of Holders.</i>	86
Section 9.02 . <i>Amendments With Consent of Holders.</i>	87
Section 9.03 . <i>Effect of Consent.</i>	89
Section 9.04 . <i>Trustee's Rights and Obligations.</i>	89
Section 9.05 . <i>Payments for Consents.</i>	90

ARTICLE 10
SECURITY

Section 10.01 . <i>Security; Security Documents.</i>	90
Section 10.02 . <i>Future Subsidiary Guarantor Pledgors.</i>	91
Section 10.03 . <i>Certificates of the Company and Each of the Subsidiary Guarantor Pledgors.</i>	91
Section 10.04 . <i>Authorization of Actions to be Taken by the Trustee Under the Security Documents.</i>	92
Section 10.05 . <i>Authorization of Receipt of Funds by the Security Trustee Under the Security Documents.</i>	93

Section 10.06 . <i>Release of the Collateral.</i>	93
---	----

ARTICLE 11
SUBSIDIARY GUARANTEES

Section 11.01 . <i>The Subsidiary Guarantees.</i>	94
Section 11.02 . <i>Guarantee Unconditional.</i>	94
Section 11.03 . <i>Discharge; Reinstatement.</i>	95
Section 11.04 . <i>Waiver by the Subsidiary Guarantors.</i>	95
Section 11.05 . <i>Subrogation and Contribution.</i>	95
Section 11.06 . <i>Stay of Acceleration.</i>	95
Section 11.07 . <i>Limitation on Amount of Subsidiary Guarantee.</i>	96
Section 11.08 . <i>Ranking of Subsidiary Guarantees.</i>	96
Section 11.09 . <i>Further Subsidiary Guarantors.</i>	96
Section 11.10 . <i>Execution and Delivery of Guarantee.</i>	97
Section 11.11 . <i>Release of the Subsidiary Guarantees.</i>	98

ARTICLE 12
MISCELLANEOUS

Section 12.01 . <i>Ranking.</i>	98
Section 12.02 . <i>Notices.</i>	99
Section 12.03 . <i>Certificate and Opinion as to Conditions Precedent.</i>	100
Section 12.04 . <i>Statements Required in Certificate or Opinion.</i>	100
Section 12.05 . <i>Payment Date Other Than a Business Day.</i>	101
Section 12.06 . <i>Governing Law, Consent to Jurisdiction; Waiver of Immunities.</i>	101
Section 12.07 . <i>No Adverse Interpretation of Other Agreements.</i>	102
Section 12.08 . <i>Successors.</i>	102
Section 12.09 . <i>Counterparts.</i>	103
Section 12.10 . <i>Separability.</i>	103
Section 12.11 . <i>Table of Contents and Headings.</i>	103
Section 12.12 . <i>No Personal Liability of Incorporators, Stockholders, Directors, Officers, Directors, or Employees.</i>	103
Section 12.13 . <i>Force Majeure.</i>	103
Section 12.14 . <i>U.S.A. Patriot Act.</i>	103

EXHIBITS

- EXHIBIT A *Form of Face of Certificated Note*
- EXHIBIT B *Transfer Notice*
- EXHIBIT C *Form of Restricted Global Note*
- EXHIBIT D *Form of Regulation S Global Note*
- EXHIBIT E-1 *Form of Authorization Certificate – Subsidiary Guarantors*
- EXHIBIT E-2 *Form of Authorization Certificate - Company*
- EXHIBIT F *Form of Transfer*
- EXHIBIT G *Form of Paying and Transfer Agent Appointment Letter*
- EXHIBIT H *[Reserved]*
- EXHIBIT I *Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S*
- EXHIBIT J *Form of Certificate to be Delivered in Connection with Transfers to QIBs*
- EXHIBIT K *Form of Supplemental Indenture*
- EXHIBIT L *Form of Pledge Agreement*
- EXHIBIT M *Form of Compliance Certificate under Section 10.03*
- EXHIBIT N *Form of Transfer Notice to Canadian Persons within the Canadian Restricted Period*
- EXHIBIT O *Trustee, Paying Agents, Transfer Agents and Registrar*
- EXHIBIT P *Form of Intercreditor Agreement*
- SCHEDULE I *Initial Subsidiary Guarantors*
- SCHEDULE II *Initial Subsidiary Guarantor Pledgors*

Execution Version

INDENTURE, dated as of July 27, 2009, among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation, as the Company, the Subsidiary Guarantors listed in Schedule I hereto, and Law Debenture Trust Company of New York, as Trustee.

RECITALS

WHEREAS, the Company has duly authorized the execution and delivery of the Indenture to provide for the issuance of up to US\$212,330,000 aggregate principal amount of the Company's 10.25% Guaranteed Senior Notes Due 2014 and, if and when issued, any Additional Notes as provided herein (the "Notes"). All things necessary to make the Indenture a valid agreement of the Company, in accordance with its terms, have been done, and the Company has done all things necessary to make the Notes (in the case of the Additional Notes, when duly authorized), when executed by the Company and authenticated and delivered by the Trustee and duly issued by the Company, the valid obligations of the Company as hereinafter provided.

WHEREAS, the Subsidiary Guarantors party hereto have duly authorized the execution and delivery of the Indenture as guarantors of the Notes. All things necessary to make the Indenture a valid agreement of each Subsidiary Guarantor, in accordance with its terms, have been done, and each Subsidiary Guarantor has done all things necessary to make the Subsidiary Guarantees, when the Notes are executed by the Company and authenticated and delivered by the Trustee and duly issued by the Company, the valid obligations of such Subsidiary Guarantor as hereinafter provided.

WHEREAS, pursuant to the Security Documents (as defined herein), the initial Subsidiary Guarantor Pledgors have agreed to grant a security interest in the Collateral (as defined herein) to the Trustee in order to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor Pledgor under the Subsidiary Guarantees.

THIS INDENTURE WITNESSETH

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. *Definitions.*

“**Acquired Indebtedness**” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary.

“**Additional Amounts**” has the meaning set forth in Section 4.19.

“**Additional Closing Date**” means the date on which the Additional Notes are issued pursuant to Section 2.09.

“**Additional Notes**” has the meaning set forth in Section 2.09.

“**Adjusted Treasury Rate**” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

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

“**Affiliate Transaction**” has the meaning set forth in Section 4.15.

“**Agent**” means any Registrar, Paying Agent, Transfer Agent or Authenticating Agent.

“**Agent Members**” means members of, or participants in, the Depository, including Euroclear and Clearstream.

“**Applicable Premium**” means with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount of such Note, plus all required remaining scheduled interest payments due

on such Note (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

“Asset Acquisition” means

(1) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries, or

(2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“Asset Disposition” means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of

(1) all or substantially all of the Capital Stock of any Restricted Subsidiary or

(2) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

“Asset Sale” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including Capital Stock of a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person other than the Company or any Wholly-Owned Restricted Subsidiary; *provided* that “Asset Sale” shall not include:

(1) sales or other dispositions of inventory, receivables and other current assets (including, but not limited to, wood chips, logs, lumber, and manufactured wood and wood panel products) or standing timber in the ordinary course of business,

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under Section 4.07,

(3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions,

(4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries,

(5) any, transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien, or

(6) a transaction covered by the covenant under Section 5.01.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Authenticating Agent” refers to a Person engaged to authenticate the Notes in the stead of the Trustee.

“Authorization Certificate” has the meaning set forth in Section 2.02.

“Authorized Officer” means, with respect to the Company or a Subsidiary Guarantor, any one officer or director, who, in each case, is authorized to represent the Company or a Subsidiary Guarantor, as the case may be.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York or in London (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Canadian Restricted Period” means the period commencing on the Original Issue Date and ending on the date which is four months and a day after the Original Issue Date.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding any debt securities convertible into such equity.

“Certificated Notes” means the Notes (with the Subsidiary Guarantees endorsed thereon), in certificated, registered form, executed and delivered by the Company (and the Subsidiary Guarantor) and authenticated by the Trustee in exchange for the Global Notes, (i) in the event that the Depositary is at any time unwilling or unable to act as depository for the Global Notes and a successor depository is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility or (ii) an Event of Default has occurred and is continuing with respect to the Notes.

“Change of Control” means the occurrence of one or more of the following events:

- (1) the merger, amalgamation, or consolidation of the Company with or into another Person or the merger or amalgamation of another Person with or into the Company, or the sale of all or substantially all the assets of the Company to another Person;
- (2) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company;
- (3) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election by the board of directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose election or nomination for election was previously so approved,

cease for any reason to constitute a majority of the board of directors of the Company then in office; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Company.

“**Change of Control Offer**” has the meaning set forth in Section 4.13.

“**Change of Control Triggering Event**” means the occurrence of both a Change of Control and a Rating Decline.

“**Clearstream**” means Clearstream Banking, *société anonyme*, Luxembourg.

“**Collateral**” means all collateral securing, or purported to be securing, directly or indirectly, the Notes, any Subsidiary Guarantee, Permitted *Pari Passu* Secured Indebtedness or any *Pari Passu* Subsidiary Guarantee pursuant to the Security Documents, and shall initially consist of all the Capital Stock of the Subsidiary Guarantors held by the Company or a Subsidiary Guarantor Pledgor, and may include any other Capital Stock of any Person owned by the Company or any Subsidiary Guarantor Pledgor that becomes a Restricted Subsidiary (other than those organized under the laws of the PRC, or a Foreign Subsidiary) as may be pledged by the Company or the Subsidiary Guarantor Pledgors from time to time pursuant to the provisions of Section 10.02.

“**Commodity Agreement**” means any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement.

“**Common Stock**” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

“**Company**” means the party named as such in the first paragraph of the Indenture or any successor obligor under the Indenture and the Notes pursuant to this Indenture.

“**Comparable Treasury Issue**” means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

“**Comparable Treasury Price**” means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities;” or

(2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

“**Consolidated Cash**” shall have the meaning in Section 11.09(c).

“**Consolidated EBITDA**” means, for any period, Consolidated Net Income for such period *plus*, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense,
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets),
- (3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than depletion of timber holdings or non-cash items in a period which reflect cash expenses paid or to be paid in another period), *less* all non-cash items increasing Consolidated Net Income,

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP, *provided* that if any Restricted Subsidiary is not a Wholly-Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries.

“**Consolidated Fixed Charges**” means, for any period, the sum (without duplication) of (i) Consolidated Interest Expense for such period and (ii) all cash

and non cash dividends, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary.

“**Consolidated Interest Expense**” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, *plus*, to the extent not included in such gross interest expense, and to the extent incurred or paid during such period by the Company and its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capitalized Lease Obligations, (ii) amortization of debt issuance costs and original issue discount expense and non cash interest payments in respect of any Indebtedness, (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (v) the interest equivalent costs associated with Interest Rate Agreements, (vi) interest actually paid by the Company or any Restricted Subsidiary on Indebtedness of any other Person that is Guaranteed by the Company or any Restricted Subsidiary and (vii) any capitalized interest, *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“**Consolidated Net Income**” means, with respect to any specified Person for any period, the aggregate of the net income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except to the extent of the amount of dividends or similar distributions actually paid in cash to the specified Person or a Restricted Subsidiary of the Person during such period;
- (2) the net income (and loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;
- (3) the net income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such

Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles will be excluded;

(5) any net after tax gains (or losses) realized on the sale or other disposition of (A) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (B) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and

(7) any net after-tax extraordinary or non-recurring gains (or losses).

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available quarterly or annual consolidated balance sheet of the Company and its Restricted Subsidiaries, *plus*, to the extent not included, any Preferred Stock of the Company, *less* any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

“Corporate Trust Office” means the office of the Trustee at which the corporate trust business of the Trustee is principally administered, which at the date of the Indenture is located at 400 Madison Avenue, 4th Floor, New York, NY 10017.

“Currency Agreement” means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement.

“Custodian” means a custodian of the Global Notes for DTC under a custody agreement or any similar successor agreement.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“**Depository**” means the depository of each Global Note, which will initially be DTC.

“**Disqualified Stock**” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in Section 4.13 and Section 4.14 and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such Notes as are required to be repurchased pursuant to Section 4.13 and Section 4.14.

“**Dollar Equivalent**” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“**DTC**” means The Depository Trust Company, a New York corporation, and its successors.

“**Equity Offering**” means any primary private or public offering of Common Stock of the Company after the Original Issue Date; *provided* that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US\$25.0 million (or the Dollar Equivalent thereof).

“**Euroclear**” means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

“**Event of Default**” has the meaning assigned to such term in Section 6.01.

“**Excess Proceeds**” has the meaning assigned to such term in Section 4.14.

“**Exchange Act**” means the Securities Exchange Act of 1934.

“**Exchange Offer Memorandum**” means the confidential exchange offer memorandum of the Company, dated June 24, 2009 and supplemented on July 9, 2009, in connection with its offer to exchange the Notes for the Company’s any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes due 2011.

“**Fair Market Value**” means the price that would be paid in an arm’s length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution; *provided*, however, that for purposes of clause (a)(4)(i) of Section 4.14, such determination may instead be made by the Company’s Chief Executive Officer or Chief Financial Officer.

“**First Priority Lien**” means the first priority Liens on the Collateral (subject to any Permitted Liens) granted to the Trustee for the benefit of the holders of the Notes pursuant to the Security Documents.

“**Fixed Charge Coverage Ratio**” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee (the “**Four Quarter Period**”) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(A) *pro forma* effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the “**Reference Period**”) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period;

(B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(C) *pro forma* effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(D) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(E) *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (D) or (E) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such *pro forma* calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“**Foreign Subsidiary**” means any Restricted Subsidiary of the Company organized under the laws of a jurisdiction that prohibits such Subsidiary from guaranteeing payments under the Notes.

“**Further Issue**” has the meaning set forth in Section 2.09.

“**GAAP**” means generally accepted accounting principles in Canada as set out in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

“**Global Notes**” has the meaning set forth in Section 2.04(c).

“**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.

“**Guaranteed Indebtedness**” has the meaning set forth in Section 4.12.

“**Holder**” means the Person in whose name a Note is registered in the Note register.

“**Incur**” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms “Incurrence”, “Incurred” and “Incurring” have meanings correlative with the foregoing.

“**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;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such

Person; *provided* that the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;

(7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person; and

(8) to the extent not otherwise included in this definition, obligations under Commodity Agreements, Currency Agreements and Interest Rate Agreements.

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*

(A) that 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,

(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, and

(C) that the amount of Indebtedness with respect to any Commodity Agreements, Currency Agreements and Interest Rate Agreements shall be equal to the net amount payable if such agreements terminated at that time due to default by such Person.

“**Indenture**” means this indenture, as amended or supplemented from time to time.

“**Initial Non-Guarantor Subsidiaries**” shall have the meaning set forth in Section 11.09(b).

“**Initial Subsidiary Guarantor**” means each of the Subsidiary Guarantors named in Schedule I herein.

“**Initial Subsidiary Guarantor Pledgor**” means each of the Subsidiary Guarantor Pledgors named in Schedule II herein.

“**Intercreditor Agreement**” is an agreement that the Trustee will enter into with the Company, the Subsidiary Guarantor Pledgors and the holders of any Permitted Pari Passu Secured Indebtedness prior to the first Incurrence of such

Permitted Pari Passu Secured Indebtedness. The Intercreditor Agreement will provide, among other things, that (i) the parties thereto shall share equal priority and *pro rata* entitlement in and to the Collateral, (ii) the conditions under which the parties thereto will consent to the release of or granting of any Lien on any Collateral and (iii) the conditions under which the parties thereto will enforce their rights with respect to the Collateral and the Indebtedness secured thereby. The Intercreditor Agreement shall initially be substantially in the form set forth as Exhibit P hereto.

“**Interest Payment Date**” means each January 26 and July 26 of each year, commencing January 26, 2010, and the Maturity Date.

“**Interest Rate Agreement**” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

“**Interest Record Date**” has the meaning specified in the Form of Note attached hereto as Exhibit A.

“**Investment**” means:

(1) any direct or indirect advance, loan or other extension of credit (other than Trade Payables that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Company or its Restricted Subsidiaries) to another Person,

(2) capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others),

(3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person, or

(4) any Guarantee of any obligation of another Person;

provided that an acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists of common equity securities of the Company shall not be deemed to be an Investment.

For the purposes of Section 4.17, the Company will be deemed to have made an investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the assets (net of liabilities owed to any Person other than the

Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation. For purposes of Section 4.07, any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“Investment Grade” means a rating of “AAA”, “AA”, “A” or “BBB”, as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns or a rating of “Aaa”, or “Aa”, “A” or “Baa”, as modified by a “1”, “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Moody’s or both, as the case may be.

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

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“Maturity Date” means July 28, 2014.

“Moody’s” means Moody’s Investors Service and its affiliates.

“Net Cash Proceeds” means:

(1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of

(A) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(B) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale

without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

(C) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

(D) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorney's fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“**Non-consolidated Cash**” shall have the meaning in Section 11.09(c).

“**Non-U.S. Person**” means a Person that is not a U.S. person, as defined in Regulation S.

“**Notes**” has the meaning assigned to such term in the Recitals.

“**Offer to Purchase**” means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder at its last address appearing in the Note register stating:

(1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “**Offer to Purchase Payment Date**”);

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$2,000 or integral multiples of US\$1,000.

On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent pursuant to the procedures described in Section 4.01 money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officer’s Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$2,000 or integral multiples of US\$1,000. The Company will publicly announce the

results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“**Officer**” means one of the executive officers of the Company.

“**Officer’s Certificate**” means (i) a certificate signed by two Officers or (ii) in the event the relevant entity has one appointed Officer only, a certificate signed by such Officer or (iii) in the event the relevant entity has no appointed Officer, a certificate signed by either its sole director or two directors if such entity has more than one director.

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

“**Original Issue Date**” means the date on which the Notes are originally issued under the Indenture.

“**Outstanding**” when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under the Indenture, except:

(i) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Notes, *provided* that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor reasonably satisfactory to the Trustee has been made; and

(iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture.

A Note does not cease to be Outstanding because the Company or any Affiliate of the Company holds the Note, *provided* that in determining whether the Holders of the requisite amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Trustee actually knows are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right to act with respect to such Notes and that the pledgee is not the Company or an Affiliate of the Company.

"Pari Passu Subsidiary Guarantee" means a guarantee by any Subsidiary Guarantor of Indebtedness of the Company (including Additional Notes); *provided* that (i) the Company or such Subsidiary Guarantor was permitted to Incur such Indebtedness under Section 4.06 and (ii) such guarantee ranks *pari passu* with any outstanding Subsidiary Guarantee of such Subsidiary Guarantor.

"Paying Agent" means any paying agent and transfer agent with respect to the Notes appointed pursuant to a Paying and Transfer Agent Appointment Letter in the form of Exhibit G.

"Payment Date" shall have the meaning set forth in Section 4.01

"Permitted Businesses" means the Permitted Forestry Plantation Business and the manufacturing of wood and wood-based products and related businesses and activities incidental to such activities.

"Permitted Forestry Plantation Business" means the operation of forestry plantations and production and processing facilities, the processing, sale, distribution, transportation, cultivation and development of wood fibers and logs, and other similar wood and wood-based products, including bio-fuels, the operation of plantation nurseries, and the sale and distribution of seeds and saplings, inputs and similar products, or intermediate products and by-products used or produced in connection with such activities, the planting of saplings and trees in city greening and urban landscaping projects, including the design and implementation of such projects, the import and export of logs, lumber and other wood and wood-based products, trading agency activities related to the foregoing, and related businesses and activities incidental to any of the foregoing activities.

“**Permitted Indebtedness**” has the meaning set forth in Section 4.06(b).

“**Permitted Investment**” means:

- (1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Forestry Plantation Business;
- (2) Temporary Cash Investments;
- (3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (4) stock, obligations or securities received in satisfaction of judgments;
- (5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (6) Commodity Agreements, Interest Rate Agreements and Currency Agreements designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (8) any securities, non-cash consideration or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with Section 4.14;
- (9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under Section 4.08;
- (10) loans or advances to employees made in the ordinary course of business and consistent with past practices of the Company or past

practices of a Restricted Subsidiary, as the case may be, in an aggregate amount outstanding not to exceed at any one time US\$500,000 (or the Dollar Equivalent thereof); and

(11) loans to employees, directors and officers not exceeding the amount required to exercise an option to purchase the Company's Capital Stock held by such individual, *provided* that the Capital Stock issued upon exercise of such option is pledged to the Company as security for such loan.

“Permitted Liens” means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

(6) any interest or title of a lessor in the property subject to any operating lease;

(7) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired;

(8) Liens in favor of the Company or any Wholly-Owned Restricted Subsidiary;

(9) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;

(10) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(11) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(12) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Commodity Agreements, Interest Rate Agreements and Currency Agreements designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities;

(13) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business in accordance with the past practices of the Company and its Restricted Subsidiaries prior to the Original Issue Date;

(14) Liens existing on the Original Issue Date;

(15) Liens on real property, trees or current assets securing Indebtedness which is permitted to be Incurred under clause (5) or (8) of Section 4.06(b);

(16) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under Section 4.06(b)(6); *provided* that such Liens do not extend to or cover any property or

assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(17) Liens under the Security Documents; and

(18) Liens securing any Permitted Pari Passu Secured Indebtedness that complies with each of the requirements set forth under Section 4.20.

“**Permitted Pari Passu Secured Indebtedness**” has the meaning set forth in Section 4.20.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Pledge Agreements**” means the Pledge Agreements to be entered into in accordance with Section 10.01 substantially in the form as set forth in Exhibit L hereto, by and among the Company, the Subsidiary Guarantor Pledgors as of the Original Issue Date, and the Security Trustee on behalf of the Trustee and the Holders, as such agreements may be amended, modified or supplemented from time to time in accordance with the terms thereof.

“**Preferred Stock**” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“**PRC**” means the People’s Republic of China.

“**principal**” of any Indebtedness means the principal amount of such Indebtedness, (or if such Indebtedness was issued with original issue discount, the face amount of such Indebtedness *less* the remaining unamortized portion of the original issue discount of such Indebtedness), together with, unless the context otherwise indicates, any premium then payable on such Indebtedness.

“**QIB**” has the meaning set forth in Section 2.04(c).

“**Rating Agencies**” means (i) S&P and (ii) Moody’s and (iii) if S&P or Moody’s or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody’s or both, as the case may be.

“Rating Category” means (i) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (+ and – for S&P; 1, 2 and 3 for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB– to B+, will constitute a decrease of one gradation).

“Rating Date” means (i) in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control, or (ii) in connection with actions contemplated under Section 5.01, that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

“Rating Decline” means (i) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (ii) in connection with actions contemplated under Section 5.01, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (1) in the event the Notes are rated by both Moody’s and S&P on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;
- (2) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or
- (3) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Reference Treasury Dealer” means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

“Register” has the meaning assigned to such term in Section 2.05.

“Registrar” has the meaning assigned to such term in Section 2.05.

“Regular Record Date” for the interest payable on any Interest Payment Date means February 2 or August 2 (whether or not a Business Day) next preceding such Interest Payment Date.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Global Note” has the meaning set forth in Section 2.04(c).

“Relevant Jurisdiction” has the meaning set forth in Section 4.19

“Replacement Assets” means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business and shall include Capital Stock of any Person holding such property or assets, which is primarily engaged in a Permitted Business and will upon the acquisition by the Company or any of its Restricted Subsidiaries of such Capital Stock, become a Restricted Subsidiary.

“Responsible Officer,” when used with respect to the Trustee, means any officer 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 of the Trustee to whom such matter is referred because of his knowledge and familiarity with the particular subject.

“Restricted Certificated Note” has the meaning set forth in Section 2.04(c).

“Restricted Global Note” has the meaning set forth in Section 2.04(c).

“Restricted Payment” has the meaning assigned to such term in Section 4.07.

“**Restricted Subsidiary**” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“**Rule 144A**” means Rule 144A under the Securities Act.

“**S&P**” shall mean Standard & Poor’s Ratings Group and its affiliates.

“**Sale and Leaseback Transaction**” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Securities Act Legend**” has the meaning set forth in Section 2.04(d).

“**Security Documents**” means, collectively, the Pledge Agreements, the Intercreditor Agreement and any other agreements or instruments that may evidence or create any security in favor of the Security Trustee, the Trustee and/or any Holders in any or all of the Collateral.

“**Security Trustee**” means Law Debenture Trust Company of New York.

“**Senior Indebtedness**” of the Company or a Subsidiary Guarantor, as the case may be, means all Indebtedness of the Company or the Subsidiary Guarantor, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be not senior in right of payment to the Notes or, in respect of such Subsidiary Guarantor, its Subsidiary Guarantee; *provided that* Senior Indebtedness does not include (i) any obligation to the Company or any Restricted Subsidiary, (ii) trade payables or (iii) Indebtedness Incurred in violation of the Indenture.

“**Stated Maturity**” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“**Subordinated Indebtedness**” means any Indebtedness of the Company which is subordinated or junior in right of payment to the Notes pursuant to a written agreement to such effect.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

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

“Subsidiary Guarantor” means each of the Initial Subsidiary Guarantors and any other Restricted Subsidiary which is required to guarantee the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

“Subsidiary Guarantor Pledgor” means each of the Initial Subsidiary Guarantor Pledgors and any other Subsidiary Guarantor which is required to pledge Collateral to secure the obligations of the Company under the Notes and the Indenture, and of such Subsidiary Guarantor under its Subsidiary Guarantee; *provided* that a Subsidiary Guarantor Pledgor will not include any person whose pledge under the Security Documents has been released in accordance with the Security Documents, the Indenture and the Notes.

“Surviving Person” shall have the meaning as set forth in Section 5.01.

“Syndicated Term Loan” means the term loan pursuant to the facility agreement dated February 24, 2006 for the Company arranged by Barclays Capital, Bayerische Hypo- und Vereinsbank AG, Hong Kong Branch, CITIC Ka Wah Bank Limited, Export Development Canada, Hang Seng Bank Limited as Mandated Lead Arrangers with Barclays Bank PLC acting as Agent.

“Tax Redemption Date” shall have the meaning as set forth in Section 3.01

“Temporary Cash Investment” means any of the following:

(1) direct obligations of the United States of America or any agency thereof or obligations fully and unconditionally Guaranteed by the United States of America or any agency thereof, in each case maturing within 24 months;

(2) time deposit accounts, certificates of deposit and money market deposits maturing within 24 months of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, Hong Kong, Singapore or Canada, and has outstanding debt which is rated “A” (or

such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof, Canada or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-3” (or higher) according to Moody’s or “A-3” (or higher) according to S&P;

(5) securities with maturities of 24 months or less from the date of acquisition issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s;

(6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) time deposit accounts, certificates of deposit and money market deposits with (i) Bank of China, Industrial Commercial Bank of China, Construction Bank of China, Shanghai Pudong Development Bank, Bank of Shanghai or (ii) any other bank or trust company organized under the laws of the PRC whose long term debt is rated as high or higher than any of those banks or (iii) any other bank organized under the laws of the PRC, *provided* that, in the case of clause (iii), such deposits do not exceed US\$5.0 million (or the Dollar Equivalent thereof) with any single bank or US\$75.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination.

“**Total Assets**” means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP, other than for reports prepared for financial periods commencing on or after January 1, 2011, which will be prepared in accordance with international financial reporting standards as such standards may be applicable to the Company, as of the last day of the most recent fiscal quarter for which consolidated financial

statements of the Company are available; *provided*, that Total Assets shall be calculated after giving effect to include the cumulative value of all real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefore or budgeted cost provided in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institution lender providing such Indebtedness.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“Transaction Date” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“Trustee” means the party named as such in the first paragraph of the Indenture or any successor trustee under the Indenture pursuant to Article 7.

“Unrestricted Subsidiary” means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided herein; and (2) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Obligations” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“U.S. Person” has the meaning as defined in Regulation S.

“**Voting Stock**” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“**Wholly-Owned**” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person.

Section 1.02. *Rules of Construction.* Unless the context otherwise requires or except as otherwise expressly provided,

- (1) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (2) “herein,” “hereof” and other words of similar import refer to the Indenture as a whole and not to any particular Section, Article or other subdivision;
- (3) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to the Indenture unless otherwise indicated; and
- (4) references to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations, as amended from time to time (or to successor statutes and regulations).

ARTICLE 2

ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

Section 2.01. *Authentication And Delivery of Notes and Subsidiary Guarantees.* Upon the execution and delivery of this Indenture, or from time to time thereafter, Notes may be executed and delivered by the Company, with the Subsidiary Guarantees endorsed thereon by the Subsidiary Guarantors, in an aggregate principal amount Outstanding of not more than US\$212,330,000 (other than Notes issued pursuant to Section 2.08 and Section 2.09) to the Trustee for authentication, accompanied by an Officer’s Certificate of the Company directing such authentication and specifying the amount of Notes (with the Subsidiary Guarantees endorsed thereon) to be authenticated, the applicable rate at which interest will accrue on such Notes, the date on which the original issuance of such Notes (with the Subsidiary Guarantees endorsed thereon) is to be authenticated,

the date from which interest will begin to accrue, the date or dates on which interest on such Notes will be payable and the date on which the principal of such Notes will be payable and other terms relating to such Notes and Subsidiary Guarantees. The Trustee shall thereupon authenticate and deliver said Notes (with the Subsidiary Guarantees endorsed thereon) to or upon the written order of the Company (as set forth in such Officer's Certificate) signed by two Authorized Officers.

Section 2.02. *Execution of Notes and Subsidiary Guarantees.* (a) The Notes shall be executed by or on behalf of the Company by the signature of an Authorized Officer of the Company. Each of the Subsidiary Guarantors shall execute the Subsidiary Guarantees by the signature of an Authorized Officer of such Subsidiary Guarantor. Such signatures may be the manual or facsimile signature of the present or any future Authorized Officers. With the delivery of this Indenture, the Company and each of the Subsidiary Guarantors is furnishing, and from time to time thereafter may furnish, a certificate substantially in the form of Exhibit E (an "**Authorization Certificate**") identifying and certifying the incumbency and specimen (or facsimile) signatures of the Authorized Officers. Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last Authorization Certificate delivered to it for purposes of determining the Authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

(b) In case Authorized Officers who shall have signed any of the Notes or any of the Subsidiary Guarantees thereon, as applicable, shall cease to be such Authorized Officers before the Note (with the Subsidiary Guarantees endorsed thereon) shall be authenticated and delivered by the Trustee or disposed of by or on behalf of the Company, such Note (with the Subsidiary Guarantees endorsed thereon) nevertheless may be authenticated and delivered or disposed of as though the Persons who signed such Note and the Subsidiary Guarantees had not ceased to be such Authorized Officers; and any Note may be signed on behalf of the Company and any Subsidiary Guarantee may be signed on behalf of the Subsidiary Guarantors by such Persons as, at the actual date of the execution of such Note and Subsidiary Guarantee, shall be Authorized Officers, although at the date of the execution and delivery of this Indenture any such Persons were not Authorized Officers.

Section 2.03. *Certificate of Authentication.* Only such Notes (with the Subsidiary Guarantees endorsed thereon) as shall bear thereon a certification of authentication substantially as set forth in the forms of the Notes and Subsidiary Guarantee in Exhibits A, C and D hereto, executed by the Trustee by manual signature of one of its authorized signatories, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certification by the

Trustee upon any Note executed by or on behalf of the Company and any Subsidiary Guarantee executed by or on behalf of the Subsidiary Guarantors shall be conclusive evidence that the Note (with the Subsidiary Guarantees endorsed thereon) so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

Section 2.04. *Form, Denomination and Date of Notes; Payments.* (a) The Notes, the Subsidiary Guarantees and the Trustee's certificates of authentication shall be substantially in the form set forth in Exhibits A, C and D hereof. On the Original Issue Date, the Notes shall be issued in the form provided in Section 2.04(c). The Notes shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plans as the officers of the Company executing the same may determine with the approval of the Trustee.

The Notes (with the Subsidiary Guarantees endorsed thereon) may be issued with appropriate insertions, omissions, substitutions and variations, and may have imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, with the rules of any securities market in which the Notes are admitted to trading, or to conform to general usage.

(b) Each Note (with the Subsidiary Guarantees endorsed thereon) shall be dated the date of their authentication. Each Note shall bear interest from the date of issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for and shall be payable on the dates specified on the face of the form of Note set forth as Exhibit A hereto. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. For purposes of the *Interest Act* (Canada), the yearly rate of interest in any calendar year to which the rate of interest payable under each Note is equivalent is the rate quoted multiplied by the number of days in that calendar year and divided by 360.

(c) On the Original Issue Date, an appropriate Authorized Officer will execute and deliver to the Trustee (i) for Notes sold within the United States to “**qualified institutional buyers**” as defined in and pursuant to Rule 144A under the Securities Act (each, a “**QIB**”), one or more restricted global Notes (each, a “**Restricted Global Note**”), with the Subsidiary Guarantees endorsed thereon, in definitive, fully registered form without interest coupons, in a denomination of US\$2,000 or any amount in excess thereof which is an integral multiple of US\$1,000, substantially in the form of Exhibit C hereto; and (ii) for Notes sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act, one or more Regulation S global Notes (each, a “**Regulation S Global Note**” and, together with the Restricted Global Note, “**Global Notes**”), with the Subsidiary Guarantees endorsed thereon, in definitive,

fully registered form without interest coupons, in a denomination of US\$2,000 or any amount in excess thereof which is an integral multiple of US\$1,000, substantially in the form of Exhibit D hereto; all such Notes so executed and delivered to the Trustee pursuant to clauses (i) and (ii) of this subsection (c) shall be in an aggregate principal amount that shall equal the aggregate principal amount of the Notes that are to be issued on the Original Issue Date. The aggregate principal amount of the Restricted Global Notes and the Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Custodian for the Depository or its nominee, as hereinafter provided.

(d) Each Restricted Global Note, each restricted Certificated Note issued in exchange for interests in the Restricted Global Note (“**Restricted Certificated Note**”) and each Regulation S Global Note (and each Certificated Note issued in exchange for interests in the Regulation S Global Note during such period) shall bear the following legend (the “**Securities Act Legend**”), unless such Note has been sold pursuant to a registration statement that has been declared effective under the Securities Act and such legend included on the Regulation S Global Note (and each Certificated Note issued in exchange therefor) shall have no effect and may be removed by the Trustee upon direction of the Company, the Subsidiary Guarantors or a Holder of any interest in the Regulation S Global Note:

“THE NOTES (THE “SECURITIES”) EVIDENCED HEREBY AND THE SUBSIDIARY GUARANTEES ATTACHED THERETO HAVE NOT BEEN, AND ARE NOT EXPECTED TO 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 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, (2) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144

THEREUNDER (IF AVAILABLE), 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 NOTE OR AN INTEREST IN THE SECURITIES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS AND THAT NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE NOTES.

FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS NOTE MAY HAVE ORIGINAL ISSUE DISCOUNT.

If the Note has OID, the Company will provide, upon request, the following information in respect of the Notes evidenced hereby: (i) the issue price, (ii) the amount of OID, (iii) the issue date, and (iv) the yield to maturity. A U.S. Holder may request such information by contacting David Horsley at Sino-Forest Corporation, Suite 1208, 90 Burnhamthorpe Road West, Mississauga, Ontario, Canada L5B 3C3, telephone: +1 (416) 644-1198.

LEGEND APPLICABLE TO CANADIAN HOLDERS:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 28, 2009.”

Each Global Note (i) shall be delivered by the Trustee to DTC acting as the Depository or, pursuant to DTC’s instructions, shall be delivered by the Trustee on behalf of DTC to and deposited with the Custodian, and in either case shall be registered in the name of Cede & Co., or such other name as DTC shall specify, and (ii) shall also bear a legend 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 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.”

Global Notes may be deposited with such other Depositary that is a clearing agency registered under the Exchange Act as the Company may from time to time designate in writing to the Trustee, and shall bear such legend as may be appropriate.

(e) If at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Notes or if at any time the Depositary shall no longer be a clearing agency registered under the Exchange Act, the Company shall appoint a successor Depositary with respect to such Global Notes. If (i) a successor Depositary for such Global Notes is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, or (ii) an Event of Default has occurred and is continuing with respect to the Notes, the Company will execute, and the Trustee, upon receipt of an Officer’s Certificate of the Company directing the authentication and delivery thereof, will authenticate and deliver, Certificated Notes in any authorized denominations in an aggregate principal amount equal to the principal amount of such Global Notes in exchange for such Global Notes.

(f) Global Notes shall in all respects be entitled to the same benefits under this Indenture as Certificated Notes authenticated and delivered hereunder.

(g) The Person in whose name any Note is registered at the close of business on any Interest Record Date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Note subsequent to the Interest Record Date and prior to such interest payment date.

Section 2.05. *Registration, Transfer and Exchange.* The Notes are issuable only in registered form. The Company will keep at the office or agency

to be maintained for the purpose as provided in Section 4.02 (the “**Registrar**”), a register (the “**Register**”) in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Notes as in this Article provided. The name and address of the registered holder of each Note and the amount of each Note will be recorded in the Register. Such Register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. Such Register shall be open for inspection by the Trustee at all reasonable times.

Upon due presentation for registration of transfer of any Note, the Company shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Note or Notes in authorized denominations for a like aggregate principal amount.

A Holder may register the transfer of a Note only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such registration of transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee and any agent of any of them shall treat the Person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book entry system maintained by the Holder of such Global Note (or its agent) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book entry. At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination and of a like aggregate principal amount, upon surrender of the Notes to be exchanged to the Registrar. When Notes are presented to the Registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if the requirements for such transactions set forth herein are met. To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar’s request.

Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the Holder thereof or his attorney duly authorized in writing in a form satisfactory to the Company and the Registrar.

The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Notes (other than any such transfer taxes or other similar governmental charge payable upon exchanges). No service charge to any Holder shall be made for any such transaction.

The Company shall not be required to exchange or register a transfer of (a) any Notes for a period of 15 days next preceding the first mailing of notice of redemption of Notes to be redeemed or (b) any Notes called or being called for redemption.

All Notes 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.

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

Section 2.06. *Book-entry Provisions For Global Notes.* (a) Each Restricted Global Note initially shall (i) be registered in the name of a nominee of the Depository, (ii) be delivered to the Custodian on behalf of the Depository and (iii) bear the Securities Act Legend. Each Regulation S Global Note initially shall be registered in the name of a nominee for the Depository and be delivered to the Custodian on behalf of 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 the Custodian, or under the Global Notes, and the Depository may be treated by the Company, the Trustee and any agent of any of them as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of any of them, from giving effect to any written certification, proxy or other authorization furnished by the Depository or 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 Global Note.

(b) Except as provided in Section 2.07, transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in a Global Note may be transferred, and transfers increasing or decreasing the aggregate principal amount of Global Notes may be conducted only in accordance with the rules and procedures of the Depository and, to the extent relevant, the provisions of Section 2.07. In addition, Certificated Notes

shall be transferred to all beneficial owners in exchange for their beneficial interests in any Restricted Global Note or Regulation S Global Note, respectively, under the circumstances set forth in Section 2.04(e).

(c) Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(d) In connection with the transfer of an entire Restricted Global Note or Regulation S Global Note to beneficial owners pursuant to paragraph (b) of this Section, the Restricted Global Note or Regulation S Global Note, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in exchange for its beneficial interest in such Restricted Global Note or Regulation S Global Note, as the case may be, an equal aggregate principal amount of Certificated Notes of authorized denominations.

(e) Any Certificated Note delivered in exchange for an interest in a Restricted Global Note pursuant to paragraph (b) or (d) of this Section shall, except as otherwise provided by paragraph (e) of Section 2.07, bear the Securities Act Legend in accordance with Section 2.07(e).

(f) The registered holder of a Global Note 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.

Section 2.07. *Special Transfer Provisions.* Unless and until the Securities Act Legend is removed from a Certificated Note or Global Note pursuant to paragraph (e) below, 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 Registrar or the Depository, any beneficial interest in a Global Note:

(a) *Transfers to Qualified Institutional Buyers.* 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:

(i) The Registrar shall register the transfer of any Certificated Note containing the Securities Act Legend if (x) the requested transfer is after the time period referred to in Rule 144 under the Securities Act as in

effect with respect to such transfer or (y) 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 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 Securities Act Legend and the proposed transferee is an Agent Member holding such interest on behalf of a QIB, upon receipt by the Registrar of (x) the documents referred to in paragraph (i) above (if such transfer is pursuant to clause (y) of paragraph (i) above) and (y) instructions given in accordance with the Depository's 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 the Restricted Global Note in an amount equal to the principal amount of the Certificated Note to be transferred and the Trustee shall cancel the Certificated Note so transferred.

(iii) Subject to the DTC procedures, if the proposed interest to be transferred is an interest in the Restricted 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 Securities Act Legend and (y) the transferee is required to hold such interest through an Agent Member.

(iv) Subject to the DTC procedures, transfers of interests in the Regulation S Global Note to a QIB transferee shall be permitted, although interests therein shall be required to be held through Agent Members.

(b) *Transfers of Interests in a Regulation S Global Note to Other U.S. Persons.* Subject to the DTC procedures, transfers of interests in the Regulation S Global Note to any U.S. Person (as such term is defined in Regulation S, a "**U.S. Person**") shall be permitted, although interests therein shall be required to be held through Agent Members.

(c) *Transfers to Non-U.S. Persons.* The following provisions shall apply with respect to registration of transfers of a Note (or interest in a Global Note) to a person that is not a U.S. Person (a "**Non-U.S. Person**"):

(i) The Registrar shall register the transfer of any Certificated Note containing the Securities Act 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 the Restricted Global Note, upon receipt by the Registrar of (x) a certificate by the transferor in substantially the form of Exhibit I and (y) instructions in accordance with the Depositary's 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 the Restricted Global Note in an amount equal to the principal amount of the beneficial interest in the Restricted Global Note to be transferred, and shall increase the Regulation S Global Note in a like amount.

(iii) If the proposed transferor is a holder of a Certificated Note and the proposed transferee is an Agent Member, upon receipt by the Registrar of the documents required by paragraph (i) above and instructions given in accordance with the Depositary's 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 the Regulation S Global Note, as the case may be, in an amount equal to the principal amount of the Certificated Note to be transferred, and the Trustee shall cancel the Certificated Note so transferred.

(iv) Subject to the DTC procedures, interests in the Regulation S Global Note shall be required to be held through Agent Members.

(d) *Transfers to Canadian Persons.* The following provisions shall apply with respect to registration of transfers of a Note (or interest in a Global Note) to a person that is resident in, or subject to, the securities legislation of any province or territory in Canada (a "**Canadian Person**") if the transfer of a Note is effected at any time prior to the expiry of the Canadian Restricted Period:

(i) The Registrar shall register the transfer of any Certificated Note to a Canadian 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 N and shall issue to the transferee a Certificated Note in a like amount containing the following form of legend:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 28, 2009."

(ii) If the proposed transferor is holding a beneficial interest in a Global Note, the transferor may not transfer such interest to a Canadian Person within the Canadian Restricted Period unless the transferor provides evidence which is reasonably satisfactory to the Company that such transfer 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 of such beneficial interest.

(e) *Securities Act Legend.* Upon the registration of transfer, exchange or replacement of Notes bearing the Securities Act Legend, the Registrar shall deliver only Notes that bear the Securities Act Legend unless the requested transfer, exchange or replacement (i) is after the time period referred to in Rule 144 under the Securities Act as in effect with respect to such transfer, exchange or replacement, (ii) is made in connection with a transfer under sub-clause (i) of Section 2.07(c) above or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. Upon the registration of transfer, exchange or replacement of Notes not bearing the Securities Act Legend, the Registrar shall deliver Notes that do not bear the Securities Act Legend.

(f) *General.* By its acceptance of any Note bearing the Securities Act Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Securities Act Legend and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; *provided* that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.06 or this Section 2.07 in accordance with its customary procedures. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

(g) 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 Depositary participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are 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 2.08. *Mutilated, Defaced, Destroyed, Stolen and Lost Notes.* (a) The Company shall execute and deliver to the Trustee Certificated Notes in such amounts and at such times as to enable the Trustee to fulfill its responsibilities under this Indenture and the Notes.

(b) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, upon the request of the registered holder thereof, the Company in its discretion may execute, and, upon the written request of Authorized Officers of the Company, the Trustee shall authenticate and deliver, a new Note (with the Subsidiary Guarantee endorsed thereon), bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Company, the Subsidiary Guarantors and the Trustee and any agent of the Company, the Subsidiary Guarantors or the Trustee such security or indemnity as may be required by each of them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, such Holder, if so requested by the Company or the Subsidiary Guarantors, will pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected with the preparation and issuance of the substitute Note. The Trustee is hereby authorized, in accordance with and subject to the foregoing conditions in this clause (b), to authenticate and deliver from time to time, Notes (with the Subsidiary Guarantee endorsed thereon) in exchange for or in lieu of Notes (with the Subsidiary Guarantee endorsed thereon), respectively, which become mutilated, defaced, destroyed, stolen or lost. Each Note delivered in exchange for or in lieu of any Note shall carry all the rights to interest (including rights to accrued and unpaid interest and Additional Amounts) which were carried by such Note.

(c) All Notes surrendered for payment or exchange shall be delivered to the Trustee. The Trustee shall cancel and destroy all such Notes surrendered for payment or exchange, in accordance with its Note destruction policy, and shall deliver a certificate of destruction to the Company and the Subsidiary Guarantors.

(d) In the event any such mutilated, defaced, destroyed, lost or stolen certificate has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new certificate, pay such Notes.

Section 2.09. *Further Issues.* The Company may, from time to time, without the consent of the Holders of the Notes, create and issue further debt securities (“**Additional Notes**”) having the same terms and conditions as the Notes (including the benefit of the Subsidiary Guarantees) in all respects (or in all respects except for issue date, issue price, and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a “**Further Issue**”) so that such subsequently issued debt securities may be consolidated and form a single series with the previously outstanding Notes; *provided* that the issuance of Additional Notes shall then be permitted under Section 4.06, *provided further* that both the Notes and any Additional Notes are issued with no more than a *de minimis* amount of original issue discount or the Notes are part of a qualified reopening for U.S. federal income tax purposes. Additional Notes issued in this manner will be consolidated and form a single series with the previously outstanding Notes in accordance with the requirements of the Depository. In connection with any such issuance of Additional Notes, the Company shall deliver an Officer’s Certificate to the Trustee directing the Trustee to authenticate and deliver Additional Notes on the Additional Closing Date specified therein in an aggregate principal amount specified therein and the Trustee, in accordance with such Officer’s Certificate, shall authenticate and deliver such Additional Notes. The Additional Notes will be (i) represented by an increase in the aggregate principal amount of the Global Notes or (ii) issued in the form of Certificated Notes if the Notes are no longer represented by Global Notes.

Section 2.10. *Cancellation of Notes; Disposition Thereof.* All Notes surrendered for payment, redemption, registration of transfer or exchange, if surrendered to the Company or any agent of the Company or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be canceled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of canceled Notes held by it in accordance with its customary procedures, and deliver a certificate of disposition to the Company. If the Company shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

Section 2.11. *CUSIP Numbers.* The Company in issuing the Notes may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use for the Notes “CUSIP” numbers in notices of redemption 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 redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption 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” numbers.

ARTICLE 3
REDEMPTION

Section 3.01. *Taxation Redemption.* (a) The Notes may be redeemed, at the option of the Company or Surviving Person, as a whole but not in part, at any time, upon giving not less than 30 nor more than 60 days notice to the Holders (which notice shall be irrevocable) and upon reasonable notice in advance of such notice to Holders to the Trustee and the Paying Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption (the “**Tax Redemption Date**”) if, as a result of:

- (i) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or
- (ii) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment, or order by a court of competent jurisdiction),

which change, amendment, application or interpretation (x) in the case of the Company, Surviving Person and any initial Subsidiary Guarantor becomes effective on or after the Original Issue Date and (y) in the case of any successor to a Subsidiary Guarantor or a future Subsidiary Guarantor becomes effective after such Subsidiary Guarantor assumes the obligations under the Indenture or becomes a Subsidiary Guarantor, with respect to any payment due or to become due under the Notes or the Indenture, the Company, Surviving Person or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to withhold or deduct any tax, duty, assessment or other governmental charge imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction and to pay Additional Amounts, and in each case, such requirement to withhold or deduct cannot be avoided by the taking of reasonable measures by the Company, Surviving Person or a Subsidiary Guarantor; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, Surviving Person or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

(b) Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or Surviving Person will deliver to the Trustee (x) a certificate signed by a duly authorized officer stating that the Company or Surviving Person is entitled to effect the redemption under this

Indenture and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred and (y) an Opinion of Counsel or tax consultant of recognized standing to the effect that based on such statement of facts the circumstances referred to in the prior paragraph exist. The Trustee shall accept such opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

(c) Any Notes that are redeemed pursuant to this Section 3.01 will be cancelled.

Section 3.02. *Optional Redemption.* (a) At any time prior to the Maturity Date, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the redemption date.

(b) At any time prior to January 26, 2011, the Company may redeem up to 35% of the principal amount of the Notes with the Net Cash Proceeds of one or more sales of its Common Stock in an Equity Offering at a redemption price of 110.25% of the principal amount of the Notes, *plus* accrued and unpaid interest, if any, to the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of Capital Stock.

(c) The Company will give not less than 30 days' nor more than 60 days' notice of any such redemption to Holders, to the Trustee and the Paying Agent. If less than all of the Notes are to be redeemed, selection of the Notes for redemption will be made by the Trustee by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate. However, no Note of US\$1,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note.

Section 3.03. *Method and Effect of Redemption.* (a) The notice of redemption will identify the Notes to be redeemed and will include or state the following:

- (1) the redemption date;
- (2) the redemption price, including the portion thereof representing any accrued interest;

(3) the place or places where Notes are to be surrendered for redemption;

(4) Notes called for redemption must be so surrendered in order to collect the redemption price;

(5) on the redemption date the redemption price will become due and payable on Notes called for redemption, and interest on Notes called for redemption will cease to accrue on and after the redemption date; and

(6) if any Note contains a CUSIP, ISIN or Common Code number, no representation is being made as to the correctness of the CUSIP, ISIN or Common Code number either as printed on the Notes or as contained in the notice of redemption and that the Holder should rely only on the other identification numbers printed on the Notes.

(b) Once notice of redemption is sent to the Holders, Notes called for redemption become due and payable at the redemption price on the redemption date, and upon surrender of the Notes called for redemption, the Company shall redeem such Notes at the redemption price. Commencing on the redemption date, Notes redeemed will cease to accrue interest.

ARTICLE 4 COVENANTS

Section 4.01. *Payment of Notes.* (a) The Company agrees to pay the principal of and interest, and Additional Amounts, if any, on the Notes on the dates and in the manner provided in the Notes and the Indenture. Not later than 9:00 A.M. (New York City time) one Business Day prior to the Interest Payment Date, the due date of any principal on any Notes, the Tax Redemption Date pursuant to Section 3.01, the redemption date pursuant to Section 3.02 or the Offer to Purchase Payment Date (each a “**Payment Date**”), the Company agrees to pay or cause to be paid to the account of the Trustee at the Corporate Trust Office (or principal Paying Agent), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, in immediately available funds, an amount which shall be sufficient to pay the aggregate amount of interest or principal or both, as the case may be, becoming due in respect of the Notes on such Payment Date; *provided* that if the Company or any Affiliate of the Company is acting as Paying Agent, it will, on or before each due date, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such amounts until paid to such Holders or otherwise disposed of as provided in the Indenture. In each case the Company will promptly notify the Trustee and the Paying Agent of its compliance with this paragraph. The Company shall procure that, before

9:00 A.M. (New York City time) on the third Business Day before each Payment Date, the bank effecting payment for it confirms by tested telex or authenticated SWIFT message to the principal Paying Agent the payment instructions relating to such payment. No Paying Agent shall be bound to make any payment until it is satisfied that the principal Paying Agent has received the full amount due to be paid to it pursuant to this Section 4.01.

(b) An installment of principal or interest will be considered paid on the date due if the Trustee (or the principal Paying Agent, other than the Company or any Affiliate of the Company) holds on that date money designated for and sufficient to pay the installment. If the Company or any Affiliate of the Company acts as Paying Agent, an installment of principal or interest will be considered paid on the due date only if paid to the Holders.

(c) The Trustee (or the Paying Agent, which will include the Company or any Affiliate of the Company if it is acting as Paying Agent) will make payments in respect of the Notes represented by the Global Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Global Notes. With respect to Certificated Notes, the Trustee (or Paying Agent) will make all payments by wire transfer of immediately available funds to the accounts specified by the Holders thereof or, if no such account is specified, by mailing a check to each Holder's registered address; *provided* that if the Company or any Affiliate of the Company is acting as Paying Agent, it will make such payment to the Holders as specified above.

(d) At least three Business Days prior to the first Payment Date and, if there has been any change with respect to the matters set forth in the below mentioned certificate, at least three Business Days prior to each Payment Date thereafter, the Company shall furnish the Trustee with an Officer's Certificate instructing the Trustee as to any circumstances in which payments of principal of, or interest on, the Notes due on such date shall be subject to deduction or withholding for, or on account of, any Taxes described in Section 4.19 and the rate of any such deduction or withholding. If any such deduction or withholding shall be required and if the Company therefore becomes liable to pay Additional Amounts, if any, pursuant to Section 4.19 then at least three Business Days prior to each Payment Date, the Company will furnish the Trustee with a certificate which specifies the amount required to be withheld on such payment to Holders of the Notes, and the Additional Amounts, if any, due to the Holders of the Notes, and at least one Business Day prior to such Payment Date, will pay to the Trustee such Additional Amounts, if any, as shall be required to be paid to such Holders.

(e) Whenever the Company shall appoint a Paying Agent other than the Trustee for the purpose of paying amounts due in respect of the Notes, it will cause such Paying Agent to execute and deliver to the Trustee an instrument substantially in the form of Exhibit G hereto in which such agent shall agree with

the Company, among other things, to be bound by and observe the provisions of this Indenture (including the Notes). The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee,

(i) that it will hold all sums received by it as such Paying Agent for the payment of the principal of, or interest on, the Notes (whether such sums have been paid to it by or on behalf of the Company or by any other obligor on the Notes or the Subsidiary Guarantee) in trust for the benefit of the holders of the Notes or of the Trustee;

(ii) that it will give the Trustee written notice of any failure by the Company (or by any other obligor on the Notes or the Subsidiary Guarantee) to make any payment of the principal, or interest on, the Notes and any other payments to be made by or on behalf of the Company under this Indenture, when the same shall be due and payable; and

(iii) that it will pay any such sums so held in trust by it to the Trustee upon the Trustee's written request at any time during the continuance of a failure referred to in clause (ii) above.

Anything in this Section 4.01 to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Company or any Paying Agent hereunder, as required by this Section 4.01 and such sums shall be held by the Trustee upon the trusts herein contained. If the Paying Agent shall pay all sums held in trust to the Trustee as required under this Section 4.01, the Paying Agent shall have no further liability for the money so paid over to the Trustee.

Anything in this Section 4.01 to the contrary notwithstanding, the agreements to hold sums in trust as provided in this Section 4.01 are subject to the provisions of Section 8.04.

Section 4.02. *Maintenance of Office or Agency.* The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and the Indenture may be served. The Company hereby initially designates the Corporate Trust Office of the Trustee as such office of the Company. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served to the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be surrendered or presented for any of 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 in each place where principal of, and interest on, any Notes are payable. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

So long as the Notes are listed on the Singapore Stock Exchange and the Singapore Stock Exchange so requires, there will be a Paying and Transfer Agent in Singapore. The Company will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Company has initially appointed the Paying Agent, Transfer Agent and Registrar listed in Exhibit O.

So long as any of the Notes remain Outstanding, the Subsidiary Guarantors will maintain in The City of New York and each other place where principal of, and interest on, any Notes is payable an office or agency where notices and demands to or upon the Subsidiary Guarantors in respect of the Notes, the Subsidiary Guarantee or this Indenture may be served. The Subsidiary Guarantors hereby initially designates the Corporate Trust Office as the office or agency for each such purpose. In case the Subsidiary Guarantors shall fail to maintain any such office or agency or shall fail to give notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

Section 4.03. *Governmental Approvals and Licenses; Compliance with Law.* The Company will, and will cause each Restricted Subsidiary to, (i) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, (ii) preserve and maintain good and valid title to its properties and assets (including land use rights) free and clear of any Liens other than Permitted Liens and (iii) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (A) the business, results of operations or prospects of the Company and its Restricted Subsidiaries taken as a whole or (B) the ability of the Company or any Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee or the Indenture.

Section 4.04. *Payment of Taxes and other Claims.* The Company will pay or discharge, and cause each of its Subsidiaries to pay or discharge before the same become delinquent (i) all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or its income or

profits or property, and (ii) all material lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien upon the property of the Company or any Subsidiary, other than any such tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

Section 4.05. *Maintenance of Properties and Insurance.* The Company will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Company may be necessary so that the business of the Company and its Restricted Subsidiaries may be properly and advantageously conducted at all times; *provided* that nothing in this Section prevents the Company or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Company, desirable in the conduct of the business of the Company and its Restricted Subsidiaries taken as a whole.

Section 4.06. *Limitation On Indebtedness And Disqualified Or Preferred Stock.*

(a) The Company

(i) will not Incur any Indebtedness or Disqualified Stock, *provided*, that the Company may Incur Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Fixed Charge Coverage Ratio would be not less than 2.5 to 1.0; and

(ii) will not permit any Restricted Subsidiary to Incur any Indebtedness (including Acquired Indebtedness), Disqualified Stock or Preferred Stock (other than Disqualified Stock or Preferred Stock of Restricted Subsidiaries held by the Company or a Subsidiary Guarantor, so long as it is so held).

(b) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following (“**Permitted Indebtedness**”):

- (1) Indebtedness under the Notes (excluding any Additional Notes and any Permitted Pari Passu Secured Indebtedness of the Company) and each Subsidiary Guarantee;
- (2) any Pari Passu Subsidiary Guarantees by Subsidiary Guarantors;

- (3) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clauses (4) and (5);
- (4) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Wholly-Owned Restricted Subsidiary; *provided* that (x) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Wholly-Owned Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (4) and (y) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes, in the case of the Company, or the Subsidiary Guarantee of such Subsidiary Guarantor, in the case of a Subsidiary Guarantor;
- (5) Indebtedness of the Company or any Restricted Subsidiary the aggregate principal amount of which at any time outstanding does not exceed an amount equal to 10.0% of Total Assets of the Company, but in any case not in excess of US\$400.0 million, less any amount of such Indebtedness permanently repaid as provided in Section 4.14;
- (6) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under Section 4.06(a) or clauses (1) or (2) of this covenant and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (*plus* premiums, accrued interest, fees and expenses); *provided* that (A) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee shall only be permitted under this clause (6) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new

Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, (B) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (C) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this Clause by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor;

- (7) the Incurrence by the Company or any Restricted Subsidiaries of Indebtedness under Commodity Agreements, Interest Rate Agreements and Currency Agreements entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (8) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 90 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement; and
- (9) (i) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this Section 4.06, or (ii) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (5), (7) or (8) above.

(c) For purposes of determining compliance with this Section 4.06, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under Section 4.06(a), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness in any manner that complies with this Section 4.06 and such item of Indebtedness will be treated as having been incurred pursuant to only one of such classes or pursuant to Section 4.06(a).

(d) The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is subordinate in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also subordinate in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Section 4.07. *Limitation on Restricted Payments.* (a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments and other actions described in the clauses (i) through (iv) below being collectively referred to as “**Restricted Payments**”):

(i) declare or pay any dividend or make any distribution on or with respect to the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable solely in shares of the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary;

(ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock, but excluding any Indebtedness of the Company or any Restricted Subsidiary that is not subordinated in right of payment to the Notes or any Subsidiary Guarantee that is convertible into Capital Stock of the Company) held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary;

(iii) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of the Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly-Owned Restricted Subsidiaries); or

(iv) make any Investment, other than a Permitted Investment, in any Person;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(1) a Default shall have occurred and be continuing,

(2) the Company could not Incur at least \$1.00 of Indebtedness under Section 4.06(a), or

(3) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Original Issue Date shall exceed the sum of

(A) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately following the Original Issue Date and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*

(B) 100% of the aggregate Net Cash Proceeds received by the Company after the Original Issue Date as a capital contribution or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary of the Company, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Restricted Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; *plus*

(C) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (i) payments of interest on Indebtedness, dividends or repayments of loans or advances, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), or (ii) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed,

in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person; *plus*

(D) US\$350.0 million (or the Dollar Equivalent thereof).

(b) The foregoing shall not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with paragraph (a);

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any of the Subsidiary Guarantors that is subordinated in right of payment to the Notes or to any Subsidiary Guarantee with the Net Cash Proceeds of, or in exchange for, Indebtedness Incurred under clause (6)(y) of Section 4.06(b);

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a capital contribution or a substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of paragraph (a);

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any of the Subsidiary Guarantors that is subordinated in right of payment to the Notes or to any Subsidiary Guarantee in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent offering of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of paragraph (a);

(5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis to all

holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly, through Restricted Subsidiaries by the Company; or

(6) payments or distributions to holders of any class or series of Disqualified Stock outstanding on the Original Issue Date in accordance with the terms of such class or series on the Original Issue Date;

provided that, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

(c) Each Restricted Payment permitted pursuant to clauses (1), (5) and (6) of paragraph (b) shall be included in calculating whether the conditions of clause (3) of paragraph (a) have been met with respect to any subsequent Restricted Payments.

(d) The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of international standing if the Fair Market Value exceeds US\$10.0 million (or the Dollar Equivalent thereof).

(e) Not later than the date of making any Restricted Payment in an amount in excess of US\$10.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officer's Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Section 4.08. *Limitation on Liens.* (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien on the Collateral (other than Permitted Liens).

(b) The Company will not, and will not permit any of its Restricted Subsidiaries to create, incur, assume or suffer to exist any Lien on any of its assets or properties of any kind (other than the Collateral), now owned or hereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Section 4.09. *Limitation on Sale and Leaseback Transactions.* The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company may enter into a Sale and Leaseback Transaction if :

(a) the Company could have (x) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under Section 4.06(a) and (y) incurred a Lien to secure such Indebtedness under Section 4.08;

(b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with Section 4.14.

Section 4.10. *Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries.* (a) Except as provided in paragraph (b), the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to

(1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary,

(2) pay any Indebtedness owed to the Company or any other Restricted Subsidiary,

(3) make loans or advances to the Company or any other Restricted Subsidiary or

(4) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary.

(b) The provisions of paragraph (a) shall not restrict any encumbrances or restrictions

(1) existing in agreements as in effect on the Original Issue Date, in the Notes, the Subsidiary Guarantees, the Indenture, the Security Documents, or under any Permitted Pari Passu Secured Indebtedness of the Company or any Subsidiary Guarantor Pledgor or Pari Passu Subsidiary Guarantee of any Subsidiary Guarantor, and any extensions, refinancings, renewals, supplements, amendments or replacements of any

of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no less favorable in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(2) existing under or by reason of applicable law;

(3) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no less favorable in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(4) in the case of clause (4) of paragraph (a), that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset, or (ii) exist by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) arise or are agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary; or

(5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Section 4.06, Section 4.11 and Section 4.14.

Section 4.11. *Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries.* The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly-Owned Restricted Subsidiary;
- (2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly-Owned Restricted Subsidiary; and
- (3) the sale of shares of all the Capital Stock of a Restricted Subsidiary if permitted under, and in accordance with Section 4.14; and
- (4) the issuance and sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); provided that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with Section 4.14.

Section 4.12. *Limitation on Issuances of Guarantees by Restricted Subsidiaries.* (a) The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness (“**Guaranteed Indebtedness**”) of the Company or any other Restricted Subsidiary, unless (i) (x) such Restricted Subsidiary, simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (y) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full or (ii) such Guaranteed Indebtedness is permitted by clauses (3), (4), (5) or (9)(ii) (other than, in the case of (9)(ii), a Guarantee by a Restricted Subsidiary organized under the laws of the PRC of the Indebtedness of a non-PRC Restricted Subsidiary) under Section 4.06(b).

(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 the Subsidiary Guarantee.

Section 4.13. *Repurchase of Notes Upon a Change of Control Triggering Event.* The Company must commence, within 30 days of the occurrence of a Change of Control Triggering Event, and consummate an Offer to Purchase for all Notes then Outstanding (a “**Change of Control Offer**”), at a purchase price equal

to 101% of their principal amount plus accrued and unpaid interest, if any, to the Payment Date.

Section 4.14. *Limitation on Asset Sales.* (a) The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sales, *unless*:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;

(3) in the case of an Asset Sale that constitutes an Asset Disposition, the Company could Incur at least US\$1.00 of Indebtedness under Section 4.06(a) after giving *pro forma* effect to such Asset Disposition; and

(4) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided that* in case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets (i) the Company delivers to the Trustee an Officer's Certificate stating that (a) the Company's chief executive officer or chief financial officer has approved such Asset Sale, (b) such Asset Sale is on fair and reasonable terms on an arm's length basis, and (c) the Fair Market Value of the Replacement Assets, together with any cash consideration is no less than the Fair Market Value of the assets subject to such Asset Sale, and (ii) with respect to any such Asset Sale involving an aggregate consideration with a Fair Market Value in excess of US\$25.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing. For purposes of this clause (4), each of the following will be deemed to be cash:

(i) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary, assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and

(ii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are contemporaneously, subject to ordinary settlement periods, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

(b) Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

(1) permanently repay Senior Indebtedness of the Company or any Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or

(2) make an Investment in Replacement Assets.

(c) Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by the Indenture.

(d) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in paragraph (b) will constitute "Excess Proceeds." Excess proceeds of less than US\$15.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When the aggregate amount of Excess Proceeds exceeds US\$15.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase to all Holders (and, with respect to Indebtedness of the Company, that ranks equally with the Notes, containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets, to the holders of such Indebtedness, including any Permitted *Pari Passu* Indebtedness) to purchase the maximum principal amount of Notes (and any such other *pari passu* Indebtedness) that may be purchased out of the Excess Proceeds. The offer price in any Offer to Purchase will be equal to 100% of the principal amount *plus* accrued and unpaid interest to the date of purchase, and will be payable in cash.

(e) If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other *pari passu* Indebtedness) to be purchased on a pro rata basis. Upon

completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

(f) Notwithstanding the foregoing, the Company will not, and will not permit any Restricted Subsidiary to sell, transfer or otherwise dispose of any shares of Capital Stock of Sino-Forest (China) Investments Limited or of any Restricted Subsidiary that owns directly or indirectly any shares of Capital Stock of Sino-Forest (China) Investments Limited.

Section 4.15. *Limitation on Transactions with Shareholders and Affiliates.* (a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company or any Restricted Subsidiary (each an “**Affiliate Transaction**”), *unless*:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the Trustee:

(i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer’s Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing.

(b) The foregoing paragraph does not apply to

- (1) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company;
- (2) transactions between or among the Company and any of its Wholly-Owned Restricted Subsidiaries or between or among Wholly-Owned Restricted Subsidiaries;
- (3) issuances or sales of Capital Stock (other than Disqualified Stock) of the Company or options, warrants or other rights to acquire such Capital Stock;
- (4) transactions or payments pursuant to any employee, officer or director compensation or benefit plans or similar arrangements (including consultancy agreements pursuant to which officers and directors are compensated) entered into in the ordinary course; or
- (5) any Restricted Payment of the type in clauses (i), (ii) or (iii) under Section 4.07(a) if permitted by Section 4.07.

In addition, the requirements of clause (2) of paragraph (a) shall not apply to (i) transactions between or among the Company and any of its Restricted Subsidiaries that is not a Wholly-Owned Restricted Subsidiary to the extent entered into in the ordinary course of business, (ii) Investments (other than Permitted Investments) not prohibited under Section 4.07, (iii) transactions pursuant to agreements in effect on the Original Issue Date and described in the Exchange Offer Memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date; *provided that*, in the case of (iii), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners of or such Restricted Subsidiary is a Person described in clauses (x) or (y) of the first paragraph of this Section (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary).

Section 4.16. *Limitation on the Company's Business Activities.* The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided, however,* that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited by Section 4.07.

Section 4.17. *Designation of Restricted and Unrestricted Subsidiaries.*
 (a) The Board of Directors may designate any Restricted Subsidiary to be an

Unrestricted Subsidiary, unless a Subsidiary of such Restricted Subsidiary is a Restricted Subsidiary (and is not concurrently being designated as an Unrestricted Subsidiary); *provided* that

- (1) Sino-Forest (China) Investments Limited shall always be a Restricted Subsidiary,
- (2) such designation would not cause a Default,
- (3) a Restricted Subsidiary cannot be a Subsidiary of an Unrestricted Subsidiary and
- (4) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary would be permitted to be made under Section 4.07.

(b) The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that:

- (1) such designation shall not cause a Default,
- (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred under Section 4.06;
- (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred under Section 4.08;
- (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary);
- (5) if such Restricted Subsidiary is not organized under the laws of the PRC or is not a Foreign Subsidiary, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture in the form of Exhibit K by which such Restricted Subsidiary shall become a Subsidiary Guarantor, and
- (6) if such Restricted Subsidiary is not organized under the laws of the PRC or any other jurisdiction that prohibits the Capital Stock of such Restricted Subsidiary from being pledged to secure the obligations of the Company or a Subsidiary Guarantor, all Capital Stock of such

Restricted Subsidiary owned by the Company or any other Restricted Subsidiary shall be pledged as required under Article 10.

(c) Any designation by the Board of Directors of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary will be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to the designation and an Officer's Certificate certifying that the designation complied with the foregoing provisions.

Section 4.18. *Provision of Financial Statements, Reports and Compliance Certificate.* (a) The Company will file with the Trustee and provide the holders of the Notes with the documents required to be sent to the Company's 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, it will continue to provide the Trustee and the holders of the Notes,

(1) within 90 days after the end of each fiscal year, copies of its annual audited report and annual consolidated financial statements,

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim unaudited consolidated financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports under the applicable securities laws of the Province of Ontario, Canada, and

(3) an Officer's Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation.

In addition, the Company will provide the Trustee and the Holders of the Notes (i) within 120 days after the end of each fiscal year, copies of annual non-consolidated financial statements of each Initial Non-Guarantor Subsidiary and (ii) within 60 days after the end of each of the first three quarters of each fiscal year, interim non-consolidated financial statements of such Initial Non-Guarantor Subsidiary.

Each of the foregoing reports or financial statements will be prepared in accordance with Canadian generally accepted accounting principles other than for reports prepared for financial periods commencing on or after January 1, 2011,

which will be prepared in accordance with international financial reporting standards as such standards may be applicable to the Company or an Initial Non-Guarantor Subsidiary, as the case may be.

The foregoing reporting obligations shall terminate with respect to any Initial Non-Guarantor Subsidiary that becomes a Subsidiary Guarantor pursuant to the terms hereunder.

(b) For as long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Company or such Subsidiary Guarantor is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company or such Subsidiary Guarantor, as the case may be, shall supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act.

(c) The Company will deliver to the Trustee, as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officer’s Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

(d) Delivery of these reports and information to the Trustee is for informational purposes only and the Trustee’s receipt of them will not constitute constructive notice of any information contained therein or determinable from information contained therein (other than information contained in Officer’s Certificates delivered under Section 4.18(c)), including the Company’s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer’s Certificates).

Section 4.19. *Additional Amounts.* (a) All payments of, or in respect of, principal of, and premium (if any) and interest in respect of the Notes or the Subsidiary Guarantees 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, a Surviving Person or the applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each a “**Relevant 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, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Holder of each Note or

the Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

- (1) for or on account of:
 - (A) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
 - (i) the existence of any present or former connection between the Holder of such Note or Subsidiary Guarantee and the Relevant Jurisdiction other than merely holding such Note or Subsidiary Guarantee, including such Holder being or having been a national, domiciliary or resident of or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein; (ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30 day period; (iii) the failure of the Holder, despite being required by law, to comply with a timely request of the Company addressed to the Holder or beneficial owner to provide information concerning such Holder's nationality, residence, identity or connection with Canada or any political subdivision or authority thereof, or other Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any taxes as to which Additional Amounts would have otherwise been payable to such Holder; or (iv) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
 - (B) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (C) any withholding or deduction that is imposed or levied on a payment to an individual and is required to be made

pursuant to European Council Directive 2004/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives; or

- (D) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (A), (B) and (C);
- (2) with respect to any payment of the principal of, or any premium, if any, or interest on, such Note to such Holder if such Holder, together with any persons related to such Holder, owns greater than 50% of the voting securities of the Company or such Holder otherwise has de facto control of the Company; or
- (3) with respect to any payment of the principal of, or any premium, if any, or interest on, such Note or any payment under any Subsidiary Guarantee to the Holder, if such Holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor, with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, person or beneficial owner been the registered Holder thereof.

(b) Whenever in this Indenture or in the Notes there is mentioned, in any context, the payment of principal, any premium or interest, in respect of any Note or Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 4.20. *Permitted Pari Passu Secured Indebtedness.* The Company and each Subsidiary Guarantor Pledgor may create Liens on the Collateral *pari passu* with the Lien for the benefit of the Holders to secure Indebtedness of the Company (including Additional Notes) and any Pari Passu Subsidiary Guarantee of a Subsidiary Guarantor Pledgor with respect to such Indebtedness (such Indebtedness of the Company and any such Pari Passu Subsidiary Guarantee, “**Permitted Pari Passu Secured Indebtedness**”); *provided* that (i) the Company or such Subsidiary Guarantor Pledgor was permitted to Incur such Indebtedness under Section 4.06, (ii) the holders of such Indebtedness (or their representative) become party to the Intercreditor Agreement, (iii) the agreement in respect of

such Indebtedness contains provisions with respect to releases of Collateral and such *Pari Passu* Subsidiary Guarantee substantially similar to and no more restrictive on the Company and the Subsidiary Guarantor Pledgors than the provisions of the Indenture and the Security Documents and (iv) the Company and such Subsidiary Guarantor Pledgor deliver to the Security Trustee an Opinion of Counsel and Officer's Certificates with respect to corporate and collateral matters in connection with the Security Documents, stating that either (i) all necessary actions have been taken with respect to the recording, registering and filing of the Security Documents, financing statements or other instruments necessary to make effective the Liens intended to be created by the Security Documents, and reciting the details of such action, (ii) no such action is necessary to make such Liens effective or (iii) otherwise in the form and substance as set forth in the Security Documents. The Trustee is permitted and authorized, without the consent of any Holder, to enter into any amendments to the Security Documents or this Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted *Pari Passu* Secured Indebtedness in accordance with this paragraph (including, without limitation, the appointment of any collateral agent under the Intercreditor Agreement to hold the Collateral on behalf of the Holders and the holders of Permitted *Pari Passu* Secured Indebtedness).

Except for certain Permitted Liens and the Permitted *Pari Passu* Secured Indebtedness as described in this Indenture, the Company and its Restricted Subsidiaries will not be permitted to issue or Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder of the Exchange Notes then outstanding.

ARTICLE 5 CONSOLIDATION, MERGER AND SALE OF ASSETS

Section 5.01. *Consolidation, Merger and Sale of Assets.* (a) The Company will not consolidate with, 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 its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

- (1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "**Surviving Person**") shall be a corporation organized and validly existing under the laws of Canada and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Security Documents, as the case may be, and

the Indenture, the Notes and the Security Documents, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a *pro forma* basis the Company or the Surviving Person, as the case may be, could incur at least US\$1.00 of Indebtedness under Section 4.06(a);

(5) the Company delivers to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with;

(6) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this Section 5.01(a), shall execute and deliver a supplemental indenture confirming that its Subsidiary Guarantee (as endorsed on the Notes) shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and

(7) no Rating Decline shall have occurred.

(b) No Subsidiary Guarantor will consolidate with, 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 its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless:

(1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company,

another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant under Section 4.06(a);

(5) the Company delivers to the Trustee (x) an Officer's Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph (b) shall not apply to any sale or other disposition that complies with the Section 4.14 or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with Section 11.11.

ARTICLE 6 DEFAULT AND REMEDIES

Section 6.01. *Events of Default.* The following events will be defined as "Events of Default" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(3) default in the performance or breach of the provisions of the covenants described under Sections 4.06, 4.07, 4.08 or 5.01, the failure by the Company to make or consummate an Offer to Purchase in the manner described under Section 4.13 or Section 4.14, or the failure by the Company to create, or cause its Restricted Subsidiaries to create, a First Priority Lien on the Collateral (subject to any Permitted Lien) in accordance or otherwise comply with the covenant described under Article 10;

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$10.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (ii) the failure to make a principal payment when due;

(6) any final judgment or order for the payment of money in excess of US\$10.0 million (or the Dollar Equivalent thereof) in the aggregate for all such final judgments or orders shall be rendered against the Company or any Restricted Subsidiary and shall not be paid or discharged for a period of 60 days during which a stay of enforcement of such final judgment or order shall not be in effect;

(7) a court having jurisdiction in the premises enters a decree or order for (i) relief in respect of the Company or any Restricted Subsidiary in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (including any proceeding under any corporate law seeking an arrangement of, or stay of proceedings to enforce, some or all of its debts), (ii) appointment of a receiver, liquidator, assignee, custodian, monitor, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (iii) the winding up or liquidation of the affairs of the Company or any Restricted Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

(8) the Company or any Restricted Subsidiary (i) commences a voluntary case or proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case or proceeding under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, monitor, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (iii) effects any general assignment for the benefit of creditors;

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

(10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Security Documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect;

(11) the Company or any Subsidiary Guarantor Pledgor repudiates its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Trustee ceases to have a first priority security interest in the Collateral (subject to any Permitted Liens); or

(12) (A) the occurrence and continuation of an “Event of Default” (as such term is defined in the Syndicated Term Loan) under the Syndicated Term Loan that has caused the Finance Parties (as defined in the Syndicated Term Loan) to declare Indebtedness under the Syndicated Term Loan to be due and payable prior to its Stated Maturity and/or (B) any of the Finance Parties, or any agents acting on behalf of such Finance Parties, take any enforcement action in respect of the Collateral.

Section 6.02. *Acceleration.* (a) If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then Outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and

payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (5) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (5) shall be remedied or cured by the Company or the relevant Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the declaration of acceleration with respect thereto.

(b) If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if (x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Section 6.03. *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. 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. In addition, if an Event of Default occurs and is continuing, the Trustee may, and shall upon request of Holders of at least 25% in aggregate principal amount of outstanding Notes, instruct the Security Trustee to foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Trustee deems appropriate.

Section 6.04. *Waiver of Past Defaults.* Except as otherwise provided in Sections 6.02, 6.07 and 9.02, the Holders of at least a majority in principal amount of the outstanding Notes may, by notice to the Company and the Trustee, waive all past Defaults and rescind and annul a declaration of the acceleration and its consequences. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. *Control by Majority.* The Holders of at least a majority in aggregate principal amount of the outstanding Notes 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 the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders of Notes not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from Holders of Notes.

Section 6.06. *Limitation on Suits.* A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given to the Trustee written notice of a continuing Event of Default;

(2) Holders of at least 25% in aggregate principal amount of Outstanding Notes have made written request to the Trustee to institute proceedings in respect of the Event of Default in its own name as Trustee under the Indenture;

(3) Holders have offered to the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liabilities or expenses to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the Outstanding Notes have not given the Trustee a direction that is inconsistent with such written request.

Section 6.07. *Rights of Holders to Receive Payment.* Notwithstanding anything to the contrary, the right of a Holder of a Note to receive payment of principal of or interest on its Note, or to bring suit for the enforcement of any such payment on or after the due date expressed in the Notes, shall not be impaired or affected without the consent of that Holder.

Section 6.08. *Collection Suit by Trustee.* If an Event of Default in payment of principal or interest specified in clause (1) or (2) of Section 6.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust for the whole amount of principal and accrued

interest remaining unpaid, together with interest on overdue principal and, to the extent lawful, overdue installments of interest, in each case at the rate specified in the Notes, and such further amount as is sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee hereunder.

Section 6.09. *Trustee May File Proofs of Claim.* The Trustee may file 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 compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder) and the Holders allowed in any judicial proceedings relating to the Company or any Subsidiary Guarantor or their respective creditors or property, and is entitled and empowered to collect, receive and distribute any money, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims. Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, if the Trustee consents 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 agent and counsel, and any other amounts due the Trustee hereunder. Nothing in the Indenture will be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, 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 6.10. *Priorities.* If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee for all amounts due hereunder;

Second: to Holders for amounts then due and unpaid for principal of and interest on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest; and

Third: to the Company or as a court of competent jurisdiction may direct.

The Trustee, upon written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section.

Section 6.11. *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted a proceeding to enforce any right or remedy under the Indenture and the proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to the Holder, then, subject to any determination in the proceeding, the Company, any Subsidiary Guarantors, the Trustee and the Holders will be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Company, any Subsidiary Guarantors, the Trustee and the Holders will continue as though no such proceeding had been instituted.

Section 6.12. *Undertaking for Costs.* In any suit for the enforcement of any right or remedy under the Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit (other than the Trustee) to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorneys fees and expenses, against any party litigant (other than the Trustee) in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit instituted by the Trustee or by a Holder to enforce payment of principal of or interest on any Note on the respective due dates, or a suit instituted by Holders of more than 10% in principal amount of the Outstanding Notes.

Section 6.13. *Rights and Remedies Cumulative.* No right or remedy conferred or reserved to the Trustee or to the Holders under this Indenture is intended to be exclusive of any other right or remedy, and all such rights and remedies are, to the extent permitted by law, cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or exercise of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or exercise of any other right or remedy.

Section 6.14. *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 6.15. *Waiver of Stay, Extension or Usury Laws.* The Company and each Subsidiary Guarantor covenants, to the extent that it may lawfully do so, that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company or the Subsidiary Guarantor from paying all or any portion of the principal of, or interest on the

Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of the Indenture. The Company and each Subsidiary Guarantor hereby expressly waives, to the extent that it may lawfully do so, all benefit or advantage of any such law and covenants that it will not 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 6.16. *Compliance Certificate.* Officers of the Company must certify, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under this Indenture and that the Company has fulfilled all obligations hereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee of any default or defaults in the performance of any covenants or agreements under this Indenture.

ARTICLE 7 THE TRUSTEE

Section 7.01. *General.* (a) The duties and responsibilities of the Trustee are as set forth herein. Whether or not expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to this Article.

(b) Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct or bad faith.

Section 7.02. *Certain Rights of Trustee.* Subject to Section 7.01:

(1) In the absence of bad faith on its part, the Trustee may rely, and will be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of

indebtedness or other paper or document (whether in original or facsimile form) 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, but, in the case of any document which is specifically required to be furnished to the Trustee pursuant to any provision hereof, the Trustee shall examine the document to determine whether it conforms to the requirements of the Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein). The Trustee, in its discretion, may make further inquiry or investigation into such facts or matters as it sees fit.

(2) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel conforming to Sections 12.03 and 12.04 and the Trustee will not be liable for any action it takes or omits to take in good faith in reliance on the certificate or opinion.

(3) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder.

(4) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(5) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the direction of the Holders in accordance with Section 6.05 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture.

(6) The Trustee may consult with counsel or other professional advisors of its selection, and the written advice of such counsel or advisors or any Opinion of Counsel will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(7) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of its rights or

powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

(8) In no event shall the Trustee be responsible or liable for special, indirect, punitive 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.

(9) The Trustee shall not be deemed to have notice of any Default or Event of Default 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 the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(10) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

Section 7.03. *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 its Affiliates with the same rights it would have if it were not the Trustee. Any Agent may do the same with like rights.

Section 7.04. *Trustee's Disclaimer.* The Trustee (i) makes no representation as to the validity or adequacy of the Indenture or the Notes, (ii) is not accountable for the Company's use or application of the proceeds from the Notes and (iii) is not responsible for any statement in the Notes other than its certificate of authentication.

Section 7.05. *Notice of Default.* If any Default occurs and is continuing and is known to the Trustee, the Trustee will send notice of the Default to each Holder within 90 days after it occurs, or, if later, within 15 days after it is known to the Trustee unless the Default has been cured; *provided* that, except in the case of a default in the payment of the principal of or interest on any Note, the Trustee may withhold the notice if and so long as the board of directors, the executive committee or a trust committee of directors of the Trustee in good faith determines that withholding the notice is in the interest of the Holders.

Section 7.06. [Intentionally left blank].

Section 7.07. *Compensation And Indemnity.* (a) The Company will pay the Trustee compensation as agreed upon in writing for its services. The compensation of the Trustee is not limited by any law on compensation of a Trustee of an express trust. The Company will reimburse the Trustee upon request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee, including the reasonable compensation and expenses of the Trustee's agents and counsel.

(b) The Company will indemnify the Trustee or any predecessor Trustee and their agents for, and hold it harmless against, any loss or liability or expense incurred by it without negligence, willful misconduct or bad faith on its part arising out of or in connection with the acceptance or administration of the Indenture and its duties under the Indenture and the Notes, including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under the Indenture and the Notes.

(c) To secure the Company's payment obligations in this Section, the Trustee will have a lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except money or property held in trust to pay principal of, and interest on particular Notes.

(d) Notwithstanding the satisfaction or discharge of this Indenture, the obligations of the Company to the Trustee under this Section 7.07 and, if money shall have been deposited with the Trustee pursuant to subclause (1) of Section 8.01(a) and subclause (1) of Section 8.02, the obligations of the Trustee under Sections 8.03 and 8.04 shall survive.

Section 7.08. *Replacement of Trustee.* (a) (1) The Trustee may resign at any time by written notice to the Company.

(2) The Holders of a majority in principal amount of the Outstanding Notes may remove the Trustee by written notice to the Trustee.

(3) The Company may remove the Trustee if: (i) he Trustee is adjudged a bankrupt or an insolvent; (ii) a receiver or other public officer takes charge of the Trustee or its property; or (iii) the Trustee becomes incapable of acting.

A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

(b) If the Trustee has been removed by the Holders, Holders of a majority in principal amount of the Notes may appoint a successor Trustee with the consent of the Company. Otherwise, if the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. If the successor Trustee does not deliver its written acceptance within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in principal amount of the Outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) Upon delivery by the successor Trustee of a written acceptance of its appointment to the retiring Trustee and to the Company, (i) the retiring Trustee will transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07, (ii) the resignation or removal of the retiring Trustee will become effective, and (iii) the successor Trustee will have all the rights, powers and duties of the Trustee under the Indenture. Upon request of any successor Trustee, the Company will execute any and all instruments for fully and vesting in and confirming to the successor Trustee all such rights, powers and trusts. The Company will give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders, and include in the notice the name of the successor Trustee and the address of its Corporate Trust Office.

(d) Notwithstanding replacement of the Trustee pursuant to this Section, the Company's obligations under Section 7.07 will continue for the benefit of the retiring Trustee.

Section 7.09. *Successor Trustee by Consolidation, Merger, Conversion or Transfer.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets (including the administration of the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee in the Indenture.

Section 7.10. *Money Held in Trust.* The Trustee will not be liable for interest on any money received by it except as it may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law and except for money held in trust under Article 8.

ARTICLE 8
DEFEASANCE AND DISCHARGE

Section 8.01. *Defeasance and Discharge of Indenture.* (a) The Company shall be deemed to have paid and shall be discharged from any and all obligations in respect of the Notes on the 365th day after the deposit referred to in clause (1) of this Section 8.01, and the provisions of this Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(1) the Company has deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient (in the case of U.S. Government Obligations, in the opinion of a reputable firm of certified public accountants) to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of this Indenture and the Notes,

(2) the Company has delivered to the Trustee (A) either (x) an Opinion of Counsel to the effect that, as a result of a change occurring after the Original Issue Date in applicable U.S. federal income tax law, Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of the Company's exercise of its option under this Section 8.01 and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (B) an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 365 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law, and

(3) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 365th day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or

any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

(b) In the case of either discharge or defeasance of the Notes pursuant to this Section 8.01, the Subsidiary Guarantees shall terminate.

Section 8.02. *Covenant Defeasance.* (a) The Company may omit to comply with any term, provision or condition set forth in, and this Indenture shall no longer be in effect with respect to, (A) clauses (3), (4), (5)(x) and (7) of Section 5.01(a); (B) clauses (3), (4), (5)(x) and (6) of Section 5.01(b); and (C) all the covenants in Article 4; and

(b) the following shall not be deemed Events of Default: (A) clause (3) of Section 6.01 with respect to such clauses (3), (4), (5)(x) and (7) of Section 5.01(a); (B) clauses (3), (4), (5)(x) and (6) of Section 5.01(b); (C) clause (4) of Section 6.01 with respect to such other covenants; and (D) clauses (5), (6), (9), (10) and (11);

provided the following conditions have been satisfied:

(1) the Company has deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient (in the case of U.S. Government Obligations, in the opinion of a reputable firm of certified public accountants) to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of this Indenture and the Notes,

(2) the Company has delivered to the Trustee an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 365 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law, and

(3) the Company has delivered to the Trustee of an Opinion of Counsel to the effect that, among other things, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Except as specifically stated above, none of the Company's obligations under the Indenture will be discharged.

Section 8.03. *Application of Trust Money.* Subject to Section 8.04, the Trustee shall hold in trust the money or U.S. Government Obligations deposited with it pursuant to Sections 8.01 or 8.02, and apply the deposited money and the proceeds from deposited U.S. Government Obligations to the payment of principal of and interest on the Notes in accordance with the Notes and this Indenture. Such money and U.S. Government Obligations shall be segregated from other funds.

Section 8.04. *Repayment to Company.* Subject to Sections 7.07, 8.01 and 8.02, the Trustee shall promptly pay to the Company upon request any excess money held by the Trustee at any time and thereupon be relieved from all liability with respect to such money. The Trustee shall pay to the Company upon request any money held for payment with respect to the Notes that remains unclaimed for six years. After payment to the Company, Holders entitled to such money must look solely to the Company for payment, unless applicable law designates another Person, and all liability of the Trustee with respect to such money shall cease.

Section 8.05. *Reinstatement.* If and for so long as the Trustee is unable to apply any money or U.S. Government Obligations held in trust pursuant to Sections 8.01 or 8.02 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, the Company's obligations under the Indenture and the Notes shall be reinstated as though no such deposit in trust had been made. If the Company makes any payment of principal of or interest on any Notes because of the reinstatement of its obligations, it shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held in trust.

ARTICLE 9 AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 9.01. *Amendments Without Consent of Holders.* (a) The Company and the Trustee may amend or supplement the Indenture or any Security Documents without notice to or the consent of any Holder, to:

- (1) cure any ambiguity, defect or inconsistency in the Indenture, the Notes or any Security Document;
- (2) comply with Section 5.01;

- (3) evidence and provide for the acceptance of an appointment hereunder by a successor Trustee;
- (4) add any Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;
- (5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;
- (6) add any Subsidiary Guarantor Pledgor or release any Subsidiary Guarantor Pledgor as provided or permitted by the terms of the Indenture;
- (7) add additional Collateral to secure the Notes or any Subsidiary Guarantee;
- (8) effect any change to this Indenture in a manner necessary to comply with the procedures of DTC;
- (9) permit Permitted Pari Passu Secured Indebtedness (including, without limitation, permitting the Trustee to enter into any amendments to the Security Documents or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness, in accordance with the Indenture); or
- (10) make any other change that does not materially and adversely affect the rights of any Holder.

Section 9.02. *Amendments With Consent of Holders.* (a) Except as otherwise provided in Sections 6.02, 6.04, 6.07, 9.01(a) or paragraph (b) below, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture, the Notes or any Security Documents with the written consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, and the Holders of a majority in principal amount of the Outstanding Notes by written notice to the Trustee may waive future compliance by the Company with any provision of the Indenture or the Notes.

(b) Notwithstanding the provisions of paragraph (a), without the consent of each Holder affected thereby, an amendment or waiver may not

- (1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

- (2) reduce the principal amount of, or premium, if any, or interest on, any Note;
- (3) change the currency of payment of principal of, or premium, if any, or interest on, any Note;
- (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note;
- (5) reduce the above stated percentage of Outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;
- (6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;
- (7) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the Indenture;
- (8) release any Collateral, except as provided in the Indenture and the Security Documents;
- (9) reduce the percentage or aggregate principal amount of Outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;
- (10) amend, change or modify any Subsidiary Guarantee in a manner that adversely affects the Holders;
- (11) amend, change or modify any provision of any Security Document, or any provision of the Indenture relating to the Collateral, in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture;
- (12) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale must be made or by which the Notes may be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale;
- (13) change the optional redemption date or the redemption price of the Notes from that stated under Sections 3.01 or 3.02;

(14) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts; or

(15) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or any Subsidiary Guarantee in a manner which adversely affects the Holders.

(c) It is not necessary for Holders to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

(d) An amendment, supplement or waiver under this Section will become effective on receipt by the Trustee of written consents from the Holders of the requisite percentage in principal amount of the Outstanding Notes. After an amendment, supplement or waiver under this Section becomes effective, the Company will send to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. The Company will send supplemental indentures to Holders upon request. Any failure of the Company to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

Section 9.03. *Effect of Consent.* (a) After an amendment, supplement or waiver becomes effective, it will bind every Holder unless it is of the type requiring the consent of each Holder affected. If the amendment, supplement or waiver is of the type requiring the consent of each Holder affected, the amendment, supplement or waiver will bind each Holder that has consented to it and every subsequent Holder of a Note that evidences the same debt as the Note of the consenting Holder.

(b) If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver it to the Trustee so that the Trustee may place an appropriate notation of the changed terms on the Note and return it to the Holder, or exchange it for a new Note that reflects the changed terms. The Trustee may also place an appropriate notation on any Note thereafter authenticated. However, the effectiveness of the amendment, supplement or waiver is not affected by any failure to annotate or exchange Notes in this fashion.

Section 9.04. *Trustee's Rights and Obligations.* The Trustee is entitled to receive, and will be fully protected in relying upon, an Opinion of Counsel stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article is authorized or permitted by the Indenture. If the Trustee has received such an Opinion of Counsel, it shall sign the amendment, supplement or waiver so long as the same does not adversely affect the rights of the Trustee. The Trustee may, but is not obligated to, execute any amendment, supplement or

waiver that affects the Trustee's own rights, duties or immunities under the Indenture.

Section 9.05. *Payments for Consents.* Neither the Company nor any of its Subsidiaries or Affiliates may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or agreed to be paid to all Holders of the Notes that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to the consent, waiver or amendment.

ARTICLE 10 SECURITY

Section 10.01. *Security; Security Documents.* (a) The Company hereby agrees, for the benefit of the Holders of the Notes, to pledge, or cause the initial Subsidiary Guarantor Pledgors to pledge, as the case may be, the Capital Stock of the Initial Subsidiary Guarantors (the “Collateral”) on a first priority basis (subject to Permitted Liens) on the Original Issue Date in order to secure the obligations of the Company under the Notes and the Indenture and of such Initial Subsidiary Guarantor Pledgors under their respective Subsidiary Guarantee.

(b) So long as no Default has occurred and is continuing, and subject to the terms of the Security Documents, the Company and the Subsidiary Guarantor Pledgors, as the case may be, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of Capital Stock constituting Collateral.

(c) Each Holder of the Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and directs the Trustee to perform their respective obligations and exercise their respective rights thereunder in accordance therewith.

(d) The Trustee and each Holder, by accepting the Notes and the Subsidiary Guarantees, acknowledges that the Collateral as now or hereafter constituted shall be held for the benefit of all the Holders under the Security Documents, and that the Lien of this Indenture and the Security Documents in respect of the Security Trustee, the Trustee and the Holders is subject to and

qualified and limited in all respects by the Security Documents and actions that may be taken thereunder.

(e) Notwithstanding (i) anything to the contrary contained in this Indenture, the Security Documents, Notes, Subsidiary Guarantees or any other instrument governing, evidencing or relating to any Indebtedness, (ii) the time, order or method of attachment of any Liens, (iii) the time or order of filing or recording of financing statements or other documents filed or recorded to perfect any Lien upon any Collateral, (iv) the time of taking possession or control over any Collateral or (v) the rules for determining priority under the Uniform Commercial Code or any other law of any relevant jurisdiction governing relative priorities of secured creditors:

(1) the Liens will rank at least equally and ratably with all valid, enforceable and perfected Liens, whenever granted upon any present or future Collateral, but only to the extent such Liens are permitted under this Indenture to exist and to rank equally and ratably with the Notes and the Subsidiary Guarantees; and

(2) all proceeds of the Collateral applied under the Security Documents shall be allocated and distributed as set forth in the Security Documents.

Section 10.02. *Future Subsidiary Guarantor Pledgors.* (a) The Company hereby agrees, for the benefit of the Holders of the Notes, to pledge, or cause each Subsidiary Guarantor, including each Initial Non-Guarantor Subsidiary that becomes a Subsidiary Guarantor, to pledge, the Capital Stock owned by the Company or such Subsidiary Guarantor of any Person that is a Restricted Subsidiary or becomes a Restricted Subsidiary (other than Persons organized under the laws of the PRC or any other jurisdiction that prohibits the Capital Stock of such Restricted Subsidiaries from being pledged to secure the obligations of the Company or such Subsidiary Guarantor) after the Original Issue Date, promptly upon such Person becoming a Restricted Subsidiary, to secure the obligations of the Company under the Notes and the Indenture, and of such Subsidiary Guarantor under its Subsidiary Guarantee, in the manner described in Section 10.01, except that with respect to clause (i) thereof, such Security Document may be different than the form attached as Exhibit L hereto, to the extent that the laws of the jurisdiction of incorporation of such Subsidiary Guarantors may so require in order to create a First Priority Lien.

Section 10.03. *Certificates of the Company and Each of the Subsidiary Guarantor Pledgors.*

(1) On or prior to each anniversary of the Original Issue Date, the Company shall furnish to the Trustee and the Security Trustee a Compliance Certificate in the form of Exhibit M hereto; and

(2) The Company shall furnish to the Trustee and the Security Trustee, within three months after each anniversary of Original Issue Date, an Opinion of Counsel, dated as of such date, stating either that (i) in the opinion of such counsel, all action has been taken with respect to the recording, registering, filing, re-recording, re-registering and re-filing of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the Liens to the extent required by the Security Documents and reciting the details of such action or (ii) in the opinion of such counsel, no such action is necessary to maintain such Liens.

(3) The Company shall furnish to the Trustee and the Security Trustee on or prior to any proposed release of Collateral by the Company or any Subsidiary Guarantor an Officer's Certificate certifying that such release will comply with the terms of this Indenture and the relevant Security Documents.

Section 10.04. *Authorization of Actions to be Taken by the Trustee Under the Security Documents.* (a) The Security Trustee shall be the representative on behalf of the Holders of the Notes and shall act upon the written direction of the Holders of the Notes with regard to all voting, consent and other rights granted to the Holders of the Notes under the Security Documents, *provided* that the Trustee and the Security Trustee will be under no obligation to act upon the written direction of the Holders of the Notes should the Company fail to pledge, or fail to cause each initial Subsidiary Guarantor Pledgor to pledge the Collateral in accordance with the terms of Section 10.01(a), unless such Holders have offered to the Trustee and Security Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such direction.

(b) Subject to the terms of the Security Documents, the Security Trustee may, in its sole discretion and without the consent of the Holders of the Notes, on behalf of the Holders of the Notes, take all actions it deems necessary or appropriate in order to (x) enforce any of its rights or any of the rights of the Holders of the Notes under the Security Documents and (y) receive any and all amounts payable from the Collateral in respect of the obligations of the Company and the Subsidiary Guarantors hereunder.

(c) Subject to the terms of the Security Documents, each of the Trustee and the Security Trustee shall have the power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the

Collateral by any acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings as it may deem expedient to preserve or protect its interest and the interests of the Holders of the Notes in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of the Notes or the Trustee or the Security Trustee, as the case may be). The Security Trustee is hereby irrevocably authorized by each Holder of the Notes to effect any release of Liens or Collateral contemplated by Section 10.06 hereof or by the terms of the Security Documents.

Section 10.05. *Authorization of Receipt of Funds by the Security Trustee Under the Security Documents.* The Security Trustee is authorized to receive and distribute any funds for the benefit of the Holders of the Notes under the Security Documents, and to make further distributions of such funds to the Holders of the Notes according to the provisions of this Indenture and the Security Documents.

Section 10.06. *Release of the Collateral.* (a) The security interest in respect of the Collateral granted hereby shall be fully released, upon (i) the repayment in full of the Notes or (ii) upon defeasance or discharge of the Notes as provided under Section 8.01 and 8.02; and may be partially or fully released, as the case may be, (iii) upon certain dispositions of Collateral in compliance with Sections 4.11, 4.14 or 5.01; or (iv) with respect to security granted by a Subsidiary Guarantor Pledgor, upon the release of the Subsidiary Guarantee of such Subsidiary Guarantor Pledgor in accordance with the terms of the Indenture.

(b) Upon request of the Company or any Subsidiary Guarantor, in connection with any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition of assets or property permitted by this Indenture (including, without limitation, Sections 4.11, 4.14 and 5.01 hereof), the Security Trustee shall (without notice to, or vote or consent of, any Holder) take such actions as shall be required to release its security interest in any Collateral being disposed in such disposition, to the extent necessary to permit consummation of such disposition in accordance with this Indenture and the Security Documents and the Security Trustee shall receive full payment therefor from the Company for any costs incurred thereby.

(c) Any release of Collateral made in compliance with this Section 10.06 shall not be deemed to impair the Lien under the Security Documents or the Collateral thereunder in contravention of the provisions of this Indenture or the Security Documents.

(d) No purchaser or grantee of any property or rights purporting to be released herefrom shall be bound to ascertain the authority of the Trustee to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Indenture to be sold or otherwise disposed of by the Company and the Subsidiary Guarantors be under any obligation to ascertain or inquire into the authority of the Company or any Subsidiary Guarantor to make such sale or other disposition.

ARTICLE 11 SUBSIDIARY GUARANTEES

Section 11.01. *The Subsidiary Guarantees.* Subject to the provisions of this Article, 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, premium, if any, and interest on, and all other amounts payable under, the Notes.

Section 11.02. *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

(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.

Section 11.03. *Discharge; Reinstatement.* Each Subsidiary Guarantor's obligations hereunder will remain in full force and effect until the principal of, premium, if any, and interest on the Notes and all other amounts payable by the Company under the Indenture have been paid in full. If at any time any payment of the principal of, premium, if any, or interest on any Note or any other amount payable by the Company under the 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 U.S. dollars.

Section 11.04. *Waiver by the Subsidiary Guarantors.* 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 its Subsidiary Guarantee.

Section 11.05. *Subrogation and Contribution.* Upon making any payment with respect to any obligation of the Company under this Article, 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 11.06. *Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Company under the 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 the Indenture are nonetheless payable by the Subsidiary Guarantors hereunder forthwith on demand by the Trustee or the Holders.

Section 11.07. *Limitation on Amount of Subsidiary Guarantee.* Notwithstanding anything to the contrary in this Article, 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 insolvency, fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally or the ability of related parties to provide guarantees.

Section 11.08. *Ranking of Subsidiary Guarantees.* The Subsidiary Guarantee of each Subsidiary Guarantor: (i) is a general obligation of such Subsidiary Guarantor; (ii) is effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the assets serving as security therefor; (iii) is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to the Subsidiary Guarantee; and (iv) 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).

In addition, the Subsidiary Guarantee of each Subsidiary Guarantor Pledgor, subject to the limitations described in Article 10 and this Section 11.08 and in the Security Documents: (i) will be entitled to a first ranking security interest in the Collateral (subject to any Permitted Liens) pledged by such Subsidiary Guarantor Pledgor, as set forth in Section 10.01 and (ii) will rank effectively senior in right of payment to the unsecured obligations of such Subsidiary Guarantor Pledgor with respect to the value of the Collateral securing such Subsidiary Guarantee (subject to priority rights of such unsecured obligations pursuant to applicable law).

Section 11.09. *Further Subsidiary Guarantors.* (a) The Company will, for the benefit of the Holders of the Notes, cause each of its future Restricted Subsidiaries (other than Subsidiaries organized under the laws of the People's Republic of China or Foreign Subsidiaries) 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 Restricted Subsidiary will Guarantee the payment of the Notes.

(b) If either of Sino-Capital Global Inc. (BVI) and Dynamic Profit Holdings Limited (BVI) (the “**Initial Non-Guarantor Subsidiaries**”), 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 such 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 the Indenture, the Company will promptly cause such Initial Non-Guarantor Subsidiary to execute and deliver to the Trustee a supplemental indenture to this Indenture, pursuant to which such Initial Non-Guarantor Subsidiary will Guarantee the payment of the Notes.

(c) If the Non-consolidated Cash of both Initial Non-Guarantor Subsidiaries that are not, at the relevant time, Subsidiary Guarantors accounts for more than 10% of the Consolidated Cash of the Company, based on the most recently available non-consolidated financial statements of such Initial Non-Guarantor Subsidiaries 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 the Indenture, the Company will, 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 one or more of such Initial Non-Guarantor Subsidiaries that are not, at the relevant time, Subsidiary Guarantors to execute and deliver to the Trustee a supplemental indenture to the Indenture, pursuant to which such Initial Non-Guarantor Subsidiary or Initial Non-Guarantor Subsidiaries will Guarantee the payment of the Notes, to ensure that after giving effect to such new Subsidiary Guarantees, the foregoing condition with respect to the Consolidated Cash of the Company will cease to exist.

For the purposes of this clause (c) of Section 11.09, “**Non-consolidated Cash**” of an 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. “**Consolidated Cash**” of the Company means cash and cash equivalents of the Company on a consolidated basis.

(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 11.10. *Execution and Delivery of Guarantee.* The execution by each Subsidiary Guarantor of the Indenture (or a supplemental indenture in the form of Exhibit K) 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 the Indenture on behalf of each Subsidiary Guarantor.

Section 11.11. *Release of the Subsidiary Guarantees.* (a) A Subsidiary Guarantee given by a Subsidiary Guarantor will be released upon,

- (1) repayment in full of the Notes;
- (2) a defeasance as provided in Section 8.01 and Section 8.02;
- (3) the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with terms of the Indenture;
or
- (4) the sale of a Subsidiary Guarantor in compliance with the terms of the Indenture (including Sections 4.11, 4.14 and 5.01) resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (i) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (ii) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

(b) No release and discharge of the Subsidiary Guarantee will be effective against the Trustee, any Agent 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 and discharge until such time as such Default or Event of Default is cured or waived and (ii) until the Company shall have delivered to the Trustee an Officer's Certificate stating that all conditions precedent provided for in this Indenture and the Security Documents relating to such release and discharge have been complied with and that such release and discharge is authorized and permitted under this Indenture and the Security Documents. At the request of the Company, the Trustee will execute and deliver an instrument evidencing such release and discharge.

ARTICLE 12 MISCELLANEOUS

Section 12.01. *Ranking.* The Notes are (i) general obligations of the Company, (ii) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations set forth in Article 11, (iii) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of

payment to the Notes; (iv) 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); and (v) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. In addition, on the Original Issue Date, subject to the limitations described in Article 10 and in the Security Documents, the Notes will be secured by a pledge of the Collateral and (i) be entitled to a first priority lien on the Collateral (subject to any Permitted Lien) and (ii) rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

Section 12.02. *Notices.* (a) All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing (including facsimile) and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails (if intended for the Company or any Subsidiary Guarantor or the Trustee) addressed to the Company, such Subsidiary Guarantor or Subsidiary Guarantor Pledgor, as the case may be, at Sino-Forest Corporation, 3129-40, 31/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, S.A.R., Facsimile No.: +852-2877-0062; (if intended for the Company or any Subsidiary Guarantor or the Trustee) addressed to the Trustee at the corporate trust office of the Trustee at Law Debenture Trust Company of New York, 400 Madison Avenue – 4th floor, New York, NY 10017, United States of America, Facsimile No.:+212-750-1361; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register. Any notice to the Trustee will be effective only upon receipt.

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

(b) Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of the Depository. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the Depository or if by mail, when so sent or deposited.

(c) Where the Indenture provides for notice, the notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and the waiver will be the equivalent of the notice. Waivers of notice by Holders must be filed with the Trustee, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waivers.

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 the Indenture, the Company will furnish to the Trustee:

(1) an Officer's Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in the Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that all such conditions precedent have been complied with.

(b) In any case where several matters are required to be certified by, or covered by an Opinion of Counsel of, any specified Person, it is not necessary that all such matters be certified by, or covered by the Opinion of Counsel of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an Opinion of Counsel with respect to some matters and one or more such Persons as to other matters, and any such Person may certify or give an Opinion of Counsel as to such matters in one or several documents.

(c) Any certificate of an Officer of the Company or any Subsidiary Guarantor may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows, or in the exercise of reasonable care should know, that such Opinion of Counsel with respect to the matters upon which his certificate is based are erroneous. Any Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to factual matters, upon a certificate of, or representations by, an officer or officers of the Company or a Subsidiary Guarantor stating that the information with respect to such factual matters is in the possession of the Company or such Subsidiary Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

(d) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 12.04. *Statements Required in Certificate or Opinion.* Each certificate or opinion with respect to compliance with a condition or covenant provided for in the Indenture must include:

(1) a statement that each person signing the certificate or opinion has read the covenant or condition and the related definitions;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in the certificate or opinion is based;

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

(4) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with, *provided* that an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials with respect to matters of fact.

Section 12.05. *Payment Date Other Than a Business Day.* If any payment with respect to a payment of any principal of, premium, if any, or interest on any Note (including any payment to be made on any date fixed for redemption or purchase of any Note) is due on a day which is not a Business Day, then the payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on such date, and no interest will accrue for the intervening period.

Section 12.06. *Governing Law, Consent to Jurisdiction; Waiver of Immunities.* (a) Each of the Notes, the Subsidiary Guarantees and the Indenture shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

(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 or any Subsidiary Guarantee. 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 appoint 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 400 Madison 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 12.07. *No Adverse Interpretation of Other Agreements.* The Indenture may not be used to interpret another indenture or loan or debt agreement of the Company or any Subsidiary of the Company, and no such indenture or loan or debt agreement may be used to interpret the Indenture.

Section 12.08. *Successors.* All agreements of the Company or any Subsidiary Guarantor in the Indenture and the Notes will bind its successors. All agreements of the Trustee in the Indenture will bind its successor.

Section 12.09. *Counterparts*. The parties may sign the Indenture in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

Section 12.10. *Separability*. In case any provision in the Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

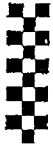
Section 12.11. *Table of Contents and Headings*. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of the Indenture have been inserted for convenience of reference only, are not to be considered a part of the Indenture and in no way modify or restrict any of the terms and provisions of the Indenture.

Section 12.12. *No Personal Liability of Incorporators, Stockholders, Directors, Officers, Directors, or Employees*. No recourse for the payment of the principal of, premium, if any, 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, stockholder, 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 12.13. *Force Majeure*. In no event shall the Trustee or any Agent be responsible or liable for any failure or delay in the performance of its obligations under the Indenture 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 12.14. *U.S.A. Patriot Act*. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee

with such information upon its reasonable request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.



STINWOOD

SIGNATURES

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

SINO-FOREST CORPORATION

By: [Signature]
Name:
Title:

LAW DEBENTURE TRUST
COMPANY OF NEW YORK
as Trustee

By: _____
Name:
Title:

SINO-PANEL HOLDINGS LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-GLOBAL HOLDINGS INC. (BVI)

By: [Signature]
Name:
Title:

SIGNATURES

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

SINO-FOREST CORPORATION

By: _____
Name:
Title:

LAW DEBENTURE TRUST
COMPANY OF NEW YORK
as Trustee

By: 
Name: REMO J. REALE
Title: ASSISTANT VICE PRESIDENT

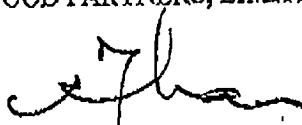
SINO-PANEL HOLDINGS LIMITED
(BVI)

By: _____
Name:
Title:

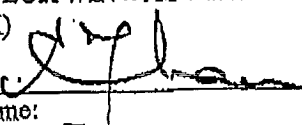
SINO-GLOBAL HOLDINGS INC. (BVI)

By: _____
Name:
Title:

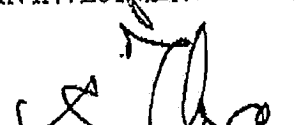
SINO-WOOD PARTNERS, LIMITED
(HK)

By: 
Name:
Title:


GRANDEUR WINWAY LIMITED
(BVI)

By: 
Name:
Title:

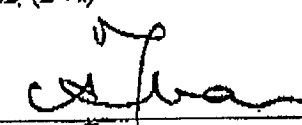
SINOWIN INVESTMENTS LIMITED
(BVI)

By: 
Name:
Title:

SINOWOOD LIMITED (CAYMAN
ISLANDS)

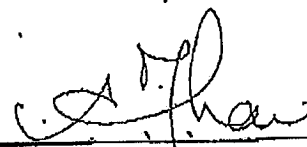
By: 
Name:
Title:

SINO-FOREST BIO-SCIENCE
LIMITED (BVI)

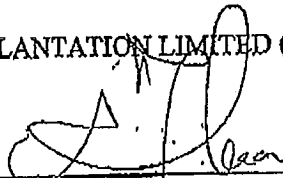
By: 
Name:
Title:

SINOWOOD

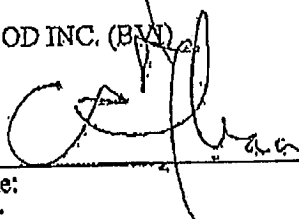
SINO-FOREST RESOURCES INC.
(BVI)

By: 
Name:
Title:

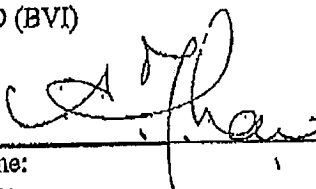
SINO-PLANTATION LIMITED (HK)

By: 
Name:
Title:

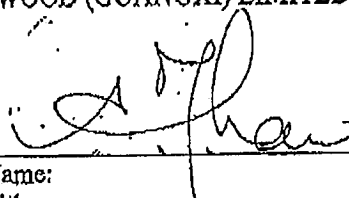
SURL-WOOD INC. (BVI)

By: 
Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED (BVI)

By: 
Name:
Title:

SINO-WOOD (GUANGXI) LIMITED
(HK)

By: 
Name:
Title:

SINOWOOD

SINO-WOOD (JIANGXI) LIMITED
(HK)

By: [Signature]
Name:
Title:

SINO-WOOD (GUANGDONG)
LIMITED (HK)

By: [Signature]
Name:
Title:

SINO-WOOD (FUJIAN) LIMITED (HK)

By: [Signature]
Name:
Title:

SINO-PANEL (ASIA) INC. (BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (YUNNAN) LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (NORTH EAST CHINA)
LIMITED (BVI)

By: [Signature]
Name:
Title:

SINO-PANEL [XIANGXI] LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL [HUNAN] LIMITED
(BVI)

By: [Signature]
Name:
Title:

SFR (CHINA) INC (BVI)

By: [Signature]
Name:
Title:

SINO-PANEL [SUZHOU] LIMITED
(BVI)

By: [Signature]
Name: - .
Title:

SINO-PANEL (GAGYAO) LTD. (BVI)

By: [Signature]
Name: - .
Title:

SINO-PANEL (GUANGZHOU)
LIMITED (BVI)

By: [Signature]
Name: - .
Title:

SINO-PANEL (NORTH SEA) LIMITED
(BVI)

By: [Signature]
Name: - .
Title:

SINO-PANEL (GUIZHOU) LIMITED
(BVI)

By: [Signature]
Name: - .
Title:

SINOWOOD

SINO-PANEL (HUAIHUA) LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (QINZHOU) LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (YONGZHOU) LIMITED
(BVI)

By: [Signature]
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED
(BVI)

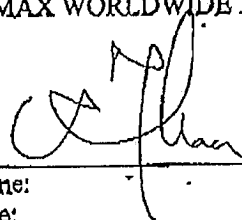
By: [Signature]
Name:
Title:

SINO-PANEL (SHAORYANG) LIMITED
(BVI)

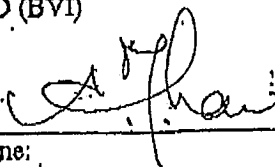
By: [Signature]
Name:
Title:

SINOWOOD

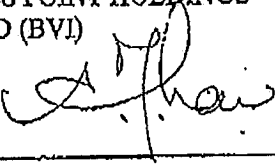
AMPLEMAX WORLDWIDE LIMITED
(BVI)

By: 
Name:
Title:

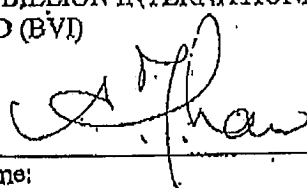
ACE SUPREME INTERNATIONAL
LIMITED (BVI)

By: 
Name:
Title:

EXPRESS POINT HOLDINGS
LIMITED (BVI)

By: 
Name:
Title:

GLORY BILLION INTERNATIONAL
LIMITED (BVI)

By: 
Name:
Title:

SINOWOOD

SMART SURE ENTERPRISES
LIMITED (BVI)

By: 

Name:

Title:

EXPERT BONUS INVESTMENT
LIMITED (BVI)

By: 

Name:

Title:

EXHIBIT A

[FORM OF FACE OF CERTIFICATED NOTE]

SINO-FOREST CORPORATION

THE NOTES (THE "SECURITIES") EVIDENCED HEREBY AND THE SUBSIDIARY GUARANTEES ATTACHED THERETO HAVE NOT BEEN, AND ARE NOT EXPECTED TO 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 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, (2) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), 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 NOTE OR AN INTEREST IN THE SECURITIES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS AND THAT NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE NOTES.

FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS NOTE MAY HAVE ORIGINAL ISSUE DISCOUNT.

If the Note has OID, the Company will provide, upon request, the following information in respect of the Notes evidenced hereby: (i) the issue price, (ii) the amount of OID, (iii) the issue date, and (iv) the yield to maturity. A U.S. Holder may request such information by contacting David Horsley at Sino-Forest Corporation, Suite 1208, 90 Burnhamthorpe Road West, Mississauga, Ontario, Canada L5B 3C3, telephone: +1 (416) 644-1198.

A-1

LEGEND APPLICABLE TO CANADIAN HOLDERS:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 28, 2009.

No.

U.S. \$

SINO-FOREST CORPORATION

10.25% GUARANTEED SENIOR NOTES DUE 2014

Certificated Note

Unconditionally Guaranteed by

the Signatories listed to the Subsidiary Guarantee hereto

SINO-FOREST CORPORATION, a Canada Business Corporations Act corporation (the “Company”), for value received, hereby promises to pay to _____ or registered assigns, upon surrender hereof the principal sum of _____ UNITED STATES DOLLARS (U.S. \$ _____) on July 28, 2014, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof.

Interest Rate: 10.25% per annum

Interest Payment Dates: January 26 and July 26, commencing January 26, 2010, and July 28, 2014.

Regular Record Dates: January 12 and July 12.

Reference is hereby made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Trustee acting under the Indenture.

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

Date:

SINO-FOREST CORPORATION

By: _____
Name:
Title:

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, premium, if any, 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, premium, if any, thereof 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, premium, if any, thereof and interest on the Notes and all such 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 premium (if any) 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 11 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Subsidiary Guarantee.

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
(BVI)

By: _____
Name:
Title:

SINO-GLOBAL HOLDINGS INC. (BVI)

By: _____
Name:
Title:

SINO-WOOD PARTNERS, LIMITED
(HK)

By: _____
Name:
Title:

GRANDEUR WINWAY LIMITED
(BVI)

By: _____
Name:
Title:

SINOWIN INVESTMENTS LIMITED
(BVI)

By: _____
Name:
Title:

SINOWOOD LIMITED (CAYMAN
ISLANDS)

By: _____
Name:
Title:

SINO-FOREST BIO-SCIENCE
LIMITED (BVI)

By: _____
Name:
Title:

SINO-FOREST RESOURCES INC.
(BVI)

By: _____
Name:
Title:

SINO-PLANTATION LIMITED (HK)

By: _____
Name:
Title:

SURI-WOOD INC. (BVI)

By: _____
Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED (BVI)

By: _____
Name:
Title:

SINO-WOOD (GUANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (JIANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (GUANGDONG)
LIMITED (HK)

By: _____
Name:
Title:

SINO-WOOD (FUJIAN) LIMITED (HK)

By: _____
Name:
Title:

SINO-PANEL (ASIA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YUNNAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH EAST CHINA)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL [XIANGXI] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL [HUNAN] LIMITED
(BVI)

By: _____
Name:
Title:

SFR (CHINA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL [SUZHOU] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GAOYAO) LTD. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGZHOU)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH SEA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GUIZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (HUAIHUA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (QINZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YONGZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (SHAOYANG) LIMITED
(BVI)

By: _____

Name:
Title:

AMPLEMAX WORLDWIDE LIMITED
(BVI)

By: _____
Name:
Title:

ACE SUPREME INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

EXPRESS POINT HOLDINGS
LIMITED (BVI)

By: _____
Name:
Title:

GLORY BILLION INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

SMART SURE ENTERPRISES
LIMITED (BVI)

By: _____
Name:
Title:

EXPERT BONUS INVESTMENT
LIMITED (BVI)

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 10.25% Guaranteed Senior Notes Due 2014 described in the Indenture referred to in this Note.

Law Debenture Trust Company of New York,
as Trustee

By: _____
Authorized Signatory

[FORM OF REVERSE OF CERTIFICATED NOTE]

SINO-FOREST CORPORATION
10.25% Guaranteed Senior Notes Due 2014

1. Principal and Interest.

The Company promises to pay the principal of this Note on July 28, 2014.

The Company promises to pay interest on the principal amount of this Note on each interest payment date, as set forth on the face of this Note, at the rate of 10.25% per annum.

Interest will be payable semiannually in arrears on January 26 and July 26 of each year prior to July 28, 2014 (and on July 28, 2014) (to the holders of record of the Notes at the close of business on January 12 or July 12 immediately preceding the interest payment date) on each interest payment date, commencing January 26, 2010.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next interest payment date, from such interest payment date) or, if no interest has been paid, from the Original Issue Date. Interest will be computed in the basis of a 360-day year of twelve 30-day months.

Interest not paid when due and any interest on principal, premium or interest not paid when due will be paid to the Persons that are Holders on a special record date, which will be the 15th day preceding the date fixed by the Company for the payment of such interest, whether or not such day is a Business Day. At least 15 days before a special record date, the Company will send to each Holder and to the Trustee a notice that sets forth the special record date, the payment date and the amount of interest to be paid.

For purposes of the *Interest Act* (Canada), the yearly rate of interest in any calendar year to which the rate of interest payable under this Note is equivalent is the rate quoted multiplied by the number of days in that calendar year and divided by 360.

2. Indenture; Subsidiary Guarantee; Collateral.

This is one of the Notes issued under an Indenture, dated as of [July 27], 2009, (as amended from time to time, the "Indenture") between Sino-Forest Corporation, a *Canada Business Corporations Act* corporation, as the Company, the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee. Capitalized

terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Company. The Indenture limits the original aggregate principal amount of the Notes to US\$300,000,000, but Additional Notes may be issued pursuant to the Indenture, and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class. This Note is guaranteed and is secured by a pledge on the Capital Stock of the initial Subsidiary Guarantors, as set forth in the Indenture.

3. Redemption and Repurchase; Discharge Prior to Redemption or Maturity.

This Note is subject to optional redemption, and may be the subject of an Offer to Purchase, as further described in the Indenture. There is no sinking fund or mandatory redemption applicable to this Note.

If the Company deposits with the Trustee money or U.S. Government Obligations sufficient to pay the then Outstanding principal of, premium, if any, and accrued interest on the Notes to redemption or maturity, the Company may in certain circumstances be discharged from the Indenture and the Notes or may be discharged from certain of its obligations under certain provisions of the Indenture.

4. Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of US\$2,000 principal amount and any multiple of US\$1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

5. Defaults and Remedies.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become due and payable. 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 principal amount of the Notes then Outstanding may direct the Trustee in its exercise of remedies.

6. Amendment and Waiver.

Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not materially and adversely affect the rights of any Holder.

7. Authentication.

This Note is not valid until the Trustee (or Authenticating Agent) signs the certificate of authentication on the other side of this Note.

8. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

9. Abbreviations.

Customary abbreviations may be used in the name of a 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 U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge.

TRUSTEE, PAYING AGENTS, TRANSFER AGENTS AND REGISTRAR

Trustee

Law Debenture Trust Company of New York
400 Madison Avenue – 4th floor
New York, NY 10017

Attention: Corporate Trust

Principal Paying Agent, Transfer Agent and Registrar

Citibank, N.A., London Branch
21st Floor,
Citigroup Centre
Canada Square
Canary Wharf
London E14SLB
United Kingdom
Attn: Agency & Trust

Paying Agent (Singapore)

Citibank, N.A., Singapore Branch
3 Changi Business Park Crescent
#06-00
Singapore 486026

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box:

If you wish to have a portion of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount (in original principal amount) below:

US\$ _____.

Date: _____

Your Signature: _____

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

Signature Guarantee¹: _____

¹Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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
- (b) this Note is being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933 (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;
- (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;
- (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;

or

- (d) this Note is being transferred in a transaction permitted by Rule 144;
- (e) 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 (d) above) from the registration requirements under the Securities Act 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 exemption.

If none of the foregoing boxes are 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 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 of 1933, as amended, 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.

Dated: _____
NOTICE: To be executed by an executive officer

EXHIBIT C

[FORM OF RESTRICTED GLOBAL NOTE]

SINO-FOREST CORPORATION

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.

THE NOTES (THE "SECURITIES") EVIDENCED HEREBY AND THE SUBSIDIARY GUARANTEES ATTACHED THERETO HAVE NOT BEEN, AND ARE NOT EXPECTED TO 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 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, (2) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), 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 NOTE OR AN INTEREST IN THE SECURITIES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS AND THAT NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES.

FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS NOTE MAY HAVE ORIGINAL ISSUE DISCOUNT.

If the Note has OID, the Company will provide, upon request, the following information in respect of the Notes evidenced hereby: (i) the issue price, (ii) the amount of OID, (iii) the issue date, and (iv) the yield to maturity. A U.S. Holder may request such information by contacting David Horsley at Sino-Forest Corporation, Suite 1208, 90 Burnhamthorpe Road West, Mississauga, Ontario, Canada L5B 3C3, telephone: +1 (416) 644-1198.

LEGEND APPLICABLE TO CANADIAN HOLDERS:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 28, 2009.

U.S. \$

SINO-FOREST CORPORATION

10.25% GUARANTEED SENIOR NOTES DUE 2014

Restricted Global Note

Unconditionally Guaranteed by

the Signatories listed to the Subsidiary Guarantee hereto

No. _____

CUSIP No. 82934H AC5

ISIN No. US82934HAC51

SINO-FOREST CORPORATION, a Canada Business Corporations Act corporation (the “Company”), for value received, hereby promises to pay to Cede & Co., or registered assigns, upon surrender hereof the principal sum of _____ UNITED STATES DOLLARS (U.S. \$ _____) on July 28, 2014, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof.

Interest Rate: 10.25% per annum

Interest Payment Dates: January 26 and July 26, commencing January 26, 2010, and July 28, 2014.

Regular Record Dates: January 12 and July 12.

Reference is hereby made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Trustee acting under the Indenture.

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

Date:

SINO-FOREST CORPORATION

By: _____
Name:
Title:

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, premium, if any, 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, premium, if any, thereof 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, premium, if any, thereof and interest on the Notes and all such 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 premium (if any) 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 11 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Subsidiary Guarantee.

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
(BVI)

By: _____
Name:
Title:

SINO-GLOBAL HOLDINGS INC. (BVI)

By: _____
Name:
Title:

SINO-WOOD PARTNERS, LIMITED
(HK)

By: _____
Name:
Title:

GRANDEUR WINWAY LIMITED
(BVI)

By: _____
Name:
Title:

SINOWIN INVESTMENTS LIMITED
(BVI)

By: _____
Name:
Title:

SINOWOOD LIMITED (CAYMAN
ISLANDS)

By: _____
Name:
Title:

SINO-FOREST BIO-SCIENCE
LIMITED (BVI)

By: _____
Name:
Title:

SINO-FOREST RESOURCES INC.
(BVI)

By: _____
Name:
Title:

SINO-PLANTATION LIMITED (HK)

By: _____
Name:
Title:

SURI-WOOD INC. (BVI)

By: _____
Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED (BVI)

By: _____
Name:
Title:

SINO-WOOD (GUANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (JIANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (GUANGDONG)
LIMITED (HK)

By: _____
Name:
Title:

SINO-WOOD (FUJIAN) LIMITED (HK)

By: _____
Name:
Title:

SINO-PANEL (ASIA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YUNNAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH EAST CHINA)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL [XIANGXI] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL [HUNAN] LIMITED
(BVI)

By: _____
Name:
Title:

SFR (CHINA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL [SUZHOU] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GAOYAO) LTD. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGZHOU)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH SEA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GUIZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (HUAIHUA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (QINZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YONGZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (SHAOYANG) LIMITED
(BVI)

By: _____

Name:
Title:

AMPLEMAX WORLDWIDE LIMITED
(BVI)

By: _____
Name:
Title:

ACE SUPREME INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

EXPRESS POINT HOLDINGS
LIMITED (BVI)

By: _____
Name:
Title:

GLORY BILLION INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

SMART SURE ENTERPRISES
LIMITED (BVI)

By: _____
Name:
Title:

EXPERT BONUS INVESTMENT
LIMITED (BVI)

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 10.25% Guaranteed Senior Notes Due 2014 described in the Indenture referred to in this Note.

Law Debenture Trust Company of New York,
as Trustee

By: _____
Authorized Signatory

[FORM OF REVERSE OF RESTRICTED GLOBAL NOTE]

SINO-FOREST CORPORATION
10.25% Guaranteed Senior Notes Due 2014

1. Principal and Interest.

The Company promises to pay the principal of this Note on July 28, 2014.

The Company promises to pay interest on the principal amount of this Note on each interest payment date, as set forth on the face of this Note, at the rate of 10.25% per annum.

Interest will be payable semiannually in arrears on January 26 and July 26 of each year prior to July 28, 2014 (and on July 28, 2014) (to the holders of record of the Notes at the close of business on January 12 and July 12 immediately preceding the interest payment date) on each interest payment date, commencing January 26, 2010.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next interest payment date, from such interest payment date) or, if no interest has been paid, from the Original Issue Date. Interest will be computed in the basis of a 360-day year of twelve 30-day months.

Interest not paid when due and any interest on principal, premium or interest not paid when due will be paid to the Persons that are Holders on a special record date, which will be the 15th day preceding the date fixed by the Company for the payment of such interest, whether or not such day is a Business Day. At least 15 days before a special record date, the Company will send to each Holder and to the Trustee a notice that sets forth the special record date, the payment date and the amount of interest to be paid.

For purposes of the *Interest Act* (Canada), the yearly rate of interest in any calendar year to which the rate of interest payable under this Note is equivalent is the rate quoted multiplied by the number of days in that calendar year and divided by 360.

2. Indenture; Subsidiary Guarantee; Collateral.

This is one of the Notes issued under an Indenture, dated as of [July 27, 2009], (as amended from time to time, the “Indenture”) between Sino-Forest Corporation, a *Canada Business Corporations Act* corporation, as the Company, the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee. Capitalized

C-16

terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Company. The Indenture limits the original aggregate principal amount of the Notes to US\$300,000,000, but Additional Notes may be issued pursuant to the Indenture, and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class. This Note is guaranteed and is secured by a pledge on the Capital Stock of the initial Subsidiary Guarantors, as set forth in the Indenture.

3. Redemption and Repurchase; Discharge Prior to Redemption or Maturity.

This Note is subject to optional redemption, and may be the subject of an Offer to Purchase, as further described in the Indenture. There is no sinking fund or mandatory redemption applicable to this Note.

If the Company deposits with the Trustee money or U.S. Government Obligations sufficient to pay the then Outstanding principal of, premium, if any, and accrued interest on the Notes to redemption or maturity, the Company may in certain circumstances be discharged from the Indenture and the Notes or may be discharged from certain of its obligations under certain provisions of the Indenture.

4. Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of US\$2,000 principal amount and any multiple of US\$1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

5. Defaults and Remedies.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become due and payable. 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 principal amount of the Notes then Outstanding may direct the Trustee in its exercise of remedies.

6. Amendment and Waiver.

Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not materially and adversely affect the rights of any Holder.

7. Authentication.

This Note is not valid until the Trustee (or Authenticating Agent) signs the certificate of authentication on the other side of this Note.

8. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

9. Abbreviations.

Customary abbreviations may be used in the name of a 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 U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge.

TRUSTEE, PAYING AGENTS, TRANSFER AGENTS AND REGISTRAR

Trustee

Law Debenture Trust Company of New York
400 Madison Avenue – 4th floor
New York, NY 10017

Attention: Corporate Trust

Principal Paying Agent, Transfer Agent and Registrar

Citibank, N.A., London Branch
21st Floor,
Citigroup Centre
Canada Square
Canary Wharf
London E14SLB
United Kingdom
Attn: Agency & Trust

Paying Agent (Singapore)

Citibank, N.A., Singapore Branch
3 Changi Business Park Crescent
#06-00
Singapore 486026

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box:

If you wish to have a portion of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount (in original principal amount) below:

US\$ _____.

Date: _____

Your Signature: _____

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

Signature Guarantee¹: _____

¹Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF NOTES

The following changes in the aggregate principal amount of Notes represented by this Global Note have been made:

<u>Date</u>	<u>Amount of decrease in aggregate principal amount of Notes</u>	<u>Amount of increase in aggregate principal amount of Notes</u>	<u>Outstanding Balance</u>	<u>Signature</u>
-------------	--	--	--------------------------------	------------------

EXHIBIT D**[FORM OF REGULATION S GLOBAL NOTE]****SINO-FOREST CORPORATION**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), 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 DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS 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 DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGEABLE IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS NOTE MAY HAVE ORIGINAL ISSUE DISCOUNT.

If the Note has OID, the Company will provide, upon request, the following information in respect of the Notes evidenced hereby: (i) the issue price, (ii) the amount of OID, (iii) the issue date, and (iv) the yield to maturity. A U.S. Holder may request such information by contacting David Horsley at Sino-Forest Corporation, Suite 1208, 90 Burnhamthorpe Road West, Mississauga, Ontario, Canada L5B 3C3, telephone: +1 (416) 644-1198.

LEGEND APPLICABLE TO CANADIAN HOLDERS:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 28, 2009.

U.S. \$

SINO-FOREST CORPORATION

10.25% GUARANTEED SENIOR NOTES DUE 2014

Regulation S Global Note

Unconditionally Guaranteed by

the Signatories listed to the Subsidiary Guarantee hereto

No. S-1

CUSIP No. C83912 AC6
Common Code 044090244
ISIN No. USC83912AC67

SINO-FOREST CORPORATION, a Canada Business Corporations Act corporation (the “Company”), for value received, hereby promises to pay to _____ or registered assigns, upon surrender hereof the principal sum of _____ UNITED STATES DOLLARS (U.S. \$ _____) on July 28, 2014, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof.

Interest Rate: 10.25% per annum

Interest Payment Dates: January 26 and July 26, commencing January 26, 2010, and July 28, 2014.

Regular Record Dates: January 12 and July 12.

Reference is hereby made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Trustee acting under the Indenture.

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

Date:

SINO-FOREST CORPORATION

By: _____
Name:
Title:

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, premium, if any, 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, premium, if any, thereof 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, premium, if any, thereof and interest on the Notes and all such 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 premium (if any) 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 11 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Subsidiary Guarantee.

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
(BVI)

By: _____
Name:
Title:

SINO-GLOBAL HOLDINGS INC. (BVI)

By: _____
Name:
Title:

SINO-WOOD PARTNERS, LIMITED
(HK)

By: _____
Name:
Title:

GRANDEUR WINWAY LIMITED
(BVI)

By: _____
Name:
Title:

SINOWIN INVESTMENTS LIMITED
(BVI)

By: _____
Name:
Title:

SINOWOOD LIMITED (CAYMAN
ISLANDS)

By: _____
Name:
Title:

SINO-FOREST BIO-SCIENCE
LIMITED (BVI)

By: _____
Name:
Title:

SINO-FOREST RESOURCES INC.
(BVI)

By: _____
Name:
Title:

SINO-PLANTATION LIMITED (HK)

By: _____
Name:
Title:

SURI-WOOD INC. (BVI)

By: _____
Name:
Title:

SINO-FOREST INVESTMENTS
LIMITED (BVI)

By: _____
Name:
Title:

SINO-WOOD (GUANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (JIANGXI) LIMITED
(HK)

By: _____
Name:
Title:

SINO-WOOD (GUANGDONG)
LIMITED (HK)

By: _____
Name:
Title:

SINO-WOOD (FUJIAN) LIMITED (HK)

By: _____
Name:
Title:

SINO-PANEL (ASIA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGXI) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YUNNAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH EAST CHINA)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL [XIANGXI] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL [HUNAN] LIMITED
(BVI)

By: _____
Name:
Title:

SFR (CHINA) INC. (BVI)

By: _____
Name:
Title:

SINO-PANEL [SUZHOU] LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GAOYAO) LTD. (BVI)

By: _____
Name:
Title:

SINO-PANEL (GUANGZHOU)
LIMITED (BVI)

By: _____
Name:
Title:

SINO-PANEL (NORTH SEA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (GUIZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (HUAIHUA) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (QINZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (YONGZHOU) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (FUJIAN) LIMITED
(BVI)

By: _____
Name:
Title:

SINO-PANEL (SHAOYANG) LIMITED
(BVI)

By: _____

Name:
Title:

AMPLEMAX WORLDWIDE LIMITED
(BVI)

By: _____
Name:
Title:

ACE SUPREME INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

EXPRESS POINT HOLDINGS
LIMITED (BVI)

By: _____
Name:
Title:

GLORY BILLION INTERNATIONAL
LIMITED (BVI)

By: _____
Name:
Title:

SMART SURE ENTERPRISES
LIMITED (BVI)

By: _____
Name:
Title:

EXPERT BONUS INVESTMENT
LIMITED (BVI)

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 10.25% Guaranteed Senior Notes Due 2014 described in the Indenture referred to in this Note.

Law Debenture Trust Company of New York,
as Trustee

By: _____
Authorized Signatory

[FORM OF REVERSE OF REGULATION S GLOBAL NOTE]

SINO-FOREST CORPORATION
10.25% Guaranteed Senior Notes Due 2014

1. Principal and Interest.

The Company promises to pay the principal of this Note on July 28, 2014.

The Company promises to pay interest on the principal amount of this Note on each interest payment date, as set forth on the face of this Note, at the rate of 10.25% per annum.

Interest will be payable semiannually in arrears on January 26 and July 26 of each year prior to July 28, 2014 (and on July 28, 2014) (to the holders of record of the Notes at the close of business on January 12 and July 12 immediately preceding the interest payment date) on each interest payment date, commencing January 26, 2010.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next interest payment date, from such interest payment date) or, if no interest has been paid, from the Original Issue Date. Interest will be computed in the basis of a 360-day year of twelve 30-day months.

Interest not paid when due and any interest on principal, premium or interest not paid when due will be paid to the Persons that are Holders on a special record date, which will be the 15th day preceding the date fixed by the Company for the payment of such interest, whether or not such day is a Business Day. At least 15 days before a special record date, the Company will send to each Holder and to the Trustee a notice that sets forth the special record date, the payment date and the amount of interest to be paid.

For purposes of the *Interest Act* (Canada), the yearly rate of interest in any calendar year to which the rate of interest payable under this Note is equivalent is the rate quoted multiplied by the number of days in that calendar year and divided by 360.

2. Indenture; Subsidiary Guarantee; Collateral.

This is one of the Notes issued under an Indenture, dated as of [July 27, 2009], (as amended from time to time, the “Indenture”) between Sino-Forest Corporation, a *Canada Business Corporations Act* corporation, as the Company, the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee. Capitalized

terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Company. The Indenture limits the original aggregate principal amount of the Notes to US\$300,000,000, but Additional Notes may be issued pursuant to the Indenture, and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class. This Note is guaranteed and is secured by a pledge on the Capital Stock of the initial Subsidiary Guarantors, as set forth in the Indenture.

3. Redemption and Repurchase; Discharge Prior to Redemption or Maturity.

This Note is subject to optional redemption, and may be the subject of an Offer to Purchase, as further described in the Indenture. There is no sinking fund or mandatory redemption applicable to this Note.

If the Company deposits with the Trustee money or U.S. Government Obligations sufficient to pay the then Outstanding principal of, premium, if any, and accrued interest on the Notes to redemption or maturity, the Company may in certain circumstances be discharged from the Indenture and the Notes or may be discharged from certain of its obligations under certain provisions of the Indenture.

4. Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of US\$2,000 principal amount and any multiple of US\$1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

5. Defaults and Remedies.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become due and payable. 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 principal amount of the Notes then Outstanding may direct the Trustee in its exercise of remedies.

6. Amendment and Waiver.

Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not materially and adversely affect the rights of any Holder.

7. Authentication.

This Note is not valid until the Trustee (or Authenticating Agent) signs the certificate of authentication on the other side of this Note.

8. Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

9. Abbreviations.

Customary abbreviations may be used in the name of a 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 U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge.

TRUSTEE, PAYING AGENTS, TRANSFER AGENTS AND REGISTRAR

Trustee

Law Debenture Trust Company of New York
400 Madison Avenue – 4th floor
New York, NY 10017

Attention: Corporate Trust

Principal Paying Agent, Transfer Agent and Registrar

Citibank, N.A., London Branch
21st Floor,
Citigroup Centre
Canada Square
Canary Wharf
London E14SLB
United Kingdom
Attn: Agency & Trust

Paying Agent (Singapore)

Citibank, N.A., Singapore Branch
3 Changi Business Park Crescent
#06-00
Singapore 486026

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box:

If you wish to have a portion of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount (in original principal amount) below:

US\$ _____.

Date: _____

Your Signature: _____

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

Signature Guarantee¹: _____

¹Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF NOTES

The following changes in the aggregate principal amount of Notes represented by this Global Note have been made:

<u>Date</u>	<u>Amount of decrease in aggregate principal amount of Notes</u>	<u>Amount of increase in aggregate principal amount of Notes</u>	<u>Outstanding Balance</u>	<u>Signature</u>
-------------	--	--	--------------------------------	------------------

EXHIBIT E-1

[FORM OF AUTHORIZATION CERTIFICATE – SUBSIDIARY GUARANTOR]

I, [Name], [Title], of [_____], acting on behalf of the Subsidiary Guarantors listed in Schedule I hereto (the “**Subsidiary Guarantors**”), hereby certify that:

(A) the persons listed below are (i) Authorized Officers for purposes of the Indenture dated as of [July 27, 2009] among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “Company”), the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Subsidiary Guarantee endorsed on the Notes by his manual or facsimile signature and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name;

(B) each signature appearing below is the person’s genuine signature; and

(C) attached hereto as Schedule II is a true, correct and complete specimen of the certificates representing the Notes.

Authorized Officers:

<u>Name</u>	<u>Company</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

IN WITNESS WHEREOF, I have hereunto signed my name.

Date:

SINO-FOREST CORPORATION

By: _____
Name:
Title:

**Schedule I
to Exhibit E-1****Subsidiary Guarantors**

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Global Holdings Inc. (BVI)
3. Sino-Wood Partners, Limited (HK)
4. Grandeur Winway Limited (BVI)
5. Sinowin Investments Limited (BVI)
6. Sinowood Limited (Cayman Islands)
7. Sino-Forest Bio-Science Limited (formerly known as: Sino-Two Limited) (BVI)
8. Sino-Forest Resources Inc. (BVI)
9. Sino-Plantation Limited (HK)
10. Suri-Wood Inc. (BVI)
11. Sino-Forest Investments Limited (BVI)
12. Sino-Wood (Guangxi) Limited (HK)
13. Sino-Wood (Jiangxi) Limited (HK)
14. Sino-Wood (Guangdong) Limited (HK)
15. Sino-Wood (Fujian) Limited (HK)
16. Sino-Panel (Asia) Inc. (BVI)
17. Sino-Panel (Guangxi) Limited (BVI)
18. Sino-Panel (Yunnan) Limited (BVI)
19. Sino-Panel (North East China) Limited (BVI)
20. Sino-Panel [Xiangxi] Limited (formerly known as: Rich Base Worldwide Limited) (BVI)
21. Sino-Panel [Hunan] Limited (formerly known as Comtech Universal Limited) (BVI)
22. SFR (China) Inc. (BVI)

23. Sino-Panel [Suzhou] Limited (formerly known as: Pacific Harvest Holdings Limited) (BVI)
24. Sino-Panel (Gaoyao) Ltd. (BVI)
25. Sino-Panel (Guangzhou) Limited (BVI)
26. Sino-Panel (North Sea) Limited (BVI)
27. Sino-Panel (Guizhou) Limited (BVI)
28. Sino-Panel (Huaihua) Limited (BVI)
29. Sino-Panel (Qinzhou) Limited (formerly known as Sino-Panel (Jiayu) Ltd.) (BVI)
30. Sino-Panel (Yongzhou) Limited (BVI)
31. Sino-Panel (Fujian) Limited (BVI)
32. Sino-Panel (Shaoyang) Limited (BVI)
33. Amplemax Worldwide Limited (BVI)
34. Ace Supreme International Limited (BVI)
35. Express Point Holdings Limited (BVI)
36. Glory Billion International Limited (BVI)
37. Smart Sure Enterprises Limited (BVI)
38. Expert Bonus Investment Limited (BVI)

EXHIBIT E-2

[FORM OF AUTHORIZATION CERTIFICATE - COMPANY]

I, [Name], [Title], acting on behalf of Sino-Forest Corporation (the “**Company**”), hereby certify that:

(A) the persons listed below are (i) Authorized Officers for purposes of the Indenture dated as of [July 27, 2009] among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “**Company**”), the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Notes by his manual or facsimile signature and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name;

(B) each signature appearing below is the person’s genuine signature; and

(C) attached hereto as Schedule I is a true, correct and complete specimen of the certificates representing the Notes.

Authorized Officers:

Name	Title	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: _____

SINO-FOREST CORPORATION

By: _____

Name:

Title:

EXHIBIT F

[FORM OF TRANSFER]

FOR VALUE RECEIVED, the undersigned hereby transfers to

(PRINT NAME AND ADDRESS OF TRANSFEREE)

U.S. \$ _____ principal amount of this Note, and all rights with respect thereto, and irrevocably constitutes and appoints _____ as attorney to transfer this Note on the books kept for registration thereof, with full power of substitution.

Dated _____

 Certifying Signature

Signed _____

Note:

- (i) The signature on this transfer form must correspond to the name as it appears on the face of this Note in every particular.
- (ii) A representative of the Holder should state the capacity in which he or she signs (*e.g.*, executor).
- (iii) The signature of the person effecting the transfer shall conform to any list of duly authorized specimen signatures supplied by the registered holder or shall be certified by a bank which is a member of the Medallion Program or in such other manner as the Paying and Transfer Agent, acting in its capacity as transfer agent or the Trustee, acting in its capacity as registrar, may require.

Attachment 1
to Exhibit F

Disclosure of Events

EXHIBIT G-1

[FORM OF PAYING AND TRANSFER AGENT APPOINTMENT LETTER]

Citibank N.A., London Branch
as Paying and Transfer Agent and Registrar

Re: 10.25% Guaranteed Senior Notes due 2014 of Sino-Forest Corporation

Reference is hereby made to the Indenture dated as of July 27, 2009 (the “**Indenture**”) among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “**Company**”), the Subsidiary Guarantors listed in Schedule I thereto, and Law Debenture Trust Company of New York, as Trustee. Terms used herein are used as defined in the Indenture.

The Company hereby appoints Citibank N.A., London Branch as the paying agent and transfer agent and registrar (the “**Paying and Transfer Agent and Registrar**”) with respect to the Notes and the Paying and Transfer Agent and Registrar hereby accepts such appointment. By accepting such appointment, the Paying and Transfer Agent and Registrar agrees to be bound by and to perform the services with respect to itself set forth in the terms and conditions set forth in the Indenture and the Notes, as well as the following terms and conditions to all of which the Company agrees and to all of which the rights of the holders from time to time of the Notes shall be subject:

(a) The Company, no later than 9 a.m. (New York City time) on the Business Day immediately preceding each date on which a payment in respect of the Notes becomes due, shall transfer (or cause to be transferred) to the Paying and Transfer Agent and Registrar in the currency of United States of America immediately available funds such amount as may be required for the purposes of such payment. The Company, no later than 9:00 a.m. (New York City time) on the third Business Day immediately preceding each date on which any payment in respect of the Notes becomes due, shall confirm such payment to the Paying and Transfer Agent and Registrar, who shall promptly notify the relevant agents upon such confirmation. The Paying and Transfer Agent and Registrar shall not be bound to make payment until funds in such amount as may be required for the purpose of such payment have been received from the Company.

(b) The Paying and Transfer Agent and Registrar shall be entitled to the compensation to be agreed upon with the Company and the Subsidiary Guarantors, jointly and severally, for all services rendered by it under the Indenture, and the Company and the Subsidiary Guarantors, jointly and severally, agree promptly to pay such compensation and to reimburse the Paying and Transfer Agent and Registrar for its out-of-pocket expenses (including fees and expenses of counsel) incurred by it in connection with the services rendered by it under the Indenture. The Company and each of the Subsidiary Guarantors jointly and severally hereby agree to indemnify

the Paying and Transfer Agent and Registrar and its officers, directors, agents, employees and representatives for, and to hold it harmless against, any loss, liability or expense (including reasonable fees and expenses of counsel) incurred without negligence or bad faith on its part arising out of or in connection with its acting as Paying and Transfer Agent and Registrar hereunder. The obligations of the Company and the Subsidiary Guarantors under this paragraph (a) shall survive the payment of the Notes, the termination or expiry of the Indenture or this letter and the resignation or removal of the Paying and Transfer Agent and Registrar. Under no circumstances will the Paying and Transfer Agent and Registrar be liable to the Company or any other party to this letter or the Indenture for any consequential loss (being loss of business, goodwill, opportunity or profit), even if advised of the possibility of such loss or damage.

(c) In acting under the Indenture and in connection with the Notes, the Paying and Transfer Agent and Registrar is acting solely as agent of the Company and does not assume any obligation towards or relationship of agency or trust for or with any of the owners or holders of the Notes, except that all funds held by the Paying and Transfer Agent and Registrar for the payment of principal interest or other amounts (including Additional Amounts) on, the Notes shall, subject to the provisions of the Indenture, be held in trust by the Paying and Transfer Agent and Registrar and applied as set forth in the Indenture and in the Notes, but need not be segregated from other funds held by the Paying and Transfer Agent and Registrar, except as required by law.

(d) The Paying and Transfer Agent and Registrar may consult with counsel satisfactory to it and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it under the Indenture in good faith and in accordance with such advice or opinion.

(e) The Paying and Transfer Agent and Registrar shall be fully protected and shall incur no liability for or in respect of any action taken or omitted to be taken or thing suffered by it in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper party or parties.

(f) The Paying and Transfer Agent and Registrar and any of its Affiliates, in its individual capacity or any other capacity, may become the owner of, or acquire any interest in, any Notes or other obligations of the Company with the same rights that it would have if it were not the Paying and Transfer Agent and Registrar, and may engage or be interested in any financial or other transaction with the Company, and may act on, or as depository, Trustee or agent for, any committee or body of holders of Notes or other obligations of the Company, as freely as if it were not the Paying and Transfer Agent and Registrar.

(g) The Paying and Transfer Agent and Registrar shall not be under any liability for interest on any monies received by it pursuant to any of the provisions of the Indenture or the Notes.

(h) The Paying and Transfer Agent and Registrar shall be obligated to perform such duties and only such duties as are in the Indenture and the Notes specifically set forth, and no implied duties or obligation shall be read into the Indenture or the Notes against the Paying and Transfer Agent and Registrar. The Paying and Transfer Agent and Registrar shall not be under any obligation to take any action under the Indenture which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

(i) The Paying and Transfer Agent and Registrar may at any time resign by giving written notice of its resignation to the Company and the Trustee and specifying the date on which its resignation shall become effective; provided that such date shall be at least 90 days after the date on which such notice is given unless the Company agrees to accept shorter notice. Upon receiving such notice of resignation, if required by the Indenture the Company shall promptly appoint a successor paying agent by written instrument substantially in the form hereof in triplicate signed on behalf of the Company, one copy of which shall be delivered to the resigning Paying and Transfer Agent and Registrar, one copy to the successor paying agent and one copy to the Trustee.

Such resignation shall become effective upon the earlier of (i) the effective date of such resignation and (ii) the acceptance of appointment by the successor paying agent, as provided below. The Company may, at any time and for any reason, remove the Paying and Transfer Agent and Registrar and appoint a successor paying agent, by written instrument in triplicate signed on behalf of the Company, one copy of which shall be delivered to the Paying and Transfer Agent and Registrar being removed, one copy to the successor paying agent and one copy to the Trustee. Any removal of the Paying and Transfer Agent and Registrar and any appointment of a successor paying agent shall become effective upon acceptance of appointment by the successor paying agent as provided below. Upon its resignation or removal, the Paying and Transfer Agent and Registrar shall be entitled to the payment by the Company of its compensation for the services rendered hereunder and to the reimbursement of all reasonable out-of-pocket expenses incurred in connection with the services rendered by it hereunder.

The Company shall remove the Paying and Transfer Agent and Registrar and appoint a successor paying agent if the Paying and Transfer Agent and Registrar (i) shall become incapable of acting, (ii) shall be adjudged bankrupt or insolvent, (iii) shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a Trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, (iv) shall consent to, or shall have had entered against it a court order for, any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceedings commenced against it, (v) shall make a general assignment for the benefit of creditors or (vi) shall fail generally to pay its debts as they become due.

Any successor paying agent appointed as provided herein shall execute and deliver to its predecessor and to the Company and the Trustee an instrument accepting such appointment (which may be in the form of an acceptance signature to the letter of the Company appointing such agent) and thereupon such successor paying agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Paying and Transfer Agent and Registrar and such predecessor shall pay over to such successor agent all monies or other property at the time held by it hereunder.

Notwithstanding the above, the Company agrees with the Paying and Transfer Agent and Registrar that if, no successor to such Paying and Transfer Agent and Registrar has been appointed by the Company after 30 days from the applicable Agent's notice to the Company, such Paying and Transfer Agent and Registrar may itself, following consultation with the Company, appoint as its successor any reputable and experienced financial institution of good standing and give notice of such appointment to the Company.

(j) The Paying and Transfer Agent and Registrar shall at all times be a responsible financial institution which is authorized by law to exercise its respective powers and duties hereunder and under the Indenture and the Notes.

(k) The Paying and Transfer Agent and Registrar shall comply with all applicable withholding, information reporting and backup withholding tax requirements under the U.S. Internal Revenue Code of 1986, as amended, and the Treasury regulations issued thereunder in respect of any payment on, or in respect of, a Note or under the Subsidiary Guarantee (including the collection of IRS Form W-8 ECI, IRS Form W-8 BEN and IRS Form W-9, as the case may be, and the filing of IRS Form 1099 and IRS Form 1096).

(l) The Paying and Transfer Agent and Registrar shall treat all information relating to the Company as confidential, but (unless consent is prohibited by law) the Company consents to the transfer and disclosure by such Paying and Transfer Agent and Registrar of any information relating to the Company to and between branches, subsidiaries, representative offices, affiliates of such Paying and Transfer Agent and Registrar, for confidential use (including in connection with the provision of any service and for data processing, statistical and risk analysis purposes). Each of the Paying and Transfer Agent and Registrar and any of its branch, subsidiary, representative office or affiliate may transfer and disclose any such information as required by any law, court regulator or legal process; *provided* that such Paying and Transfer Agent and Registrar shall give the Company prompt written notice of such request so that the Company may seek a protective order or other remedy protecting such confidential information from disclosure.

(m) The Company hereby irrevocably waives, in favor of the Paying and Transfer Agent and Registrar, any conflict of interest which may arise by virtue of the Paying and Transfer Agent and Registrar acting in various capacities under this Indenture and this letter or for other customers of the Paying and Transfer Agent and Registrar. The Company acknowledges that the Paying and Transfer Agent and Registrar and its affiliates (together, the "Paying and Transfer

Agent and Registrar Parties”) may have interests in, or may be providing or may in the future provide financial or other services to other parties with interests which the Company may regard as conflicting with its interests and may possess information (whether or not material to the Company) other than as a result of the Paying and Transfer Agent and Registrar acting as Paying and Transfer Agent and Registrar hereunder, that the Paying and Transfer Agent and Registrar may not be entitled to share with the Company. Consistent with its long-standing policy to hold in confidence the affairs of its customers, the Paying and Transfer Agent and Registrar will not disclose confidential information obtained from the Company (without its consent) to any of the Paying and Transfer Agent and Registrar’s other customers nor will it use on the Company’s behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, the Company agrees that the Paying and Transfer Agent and Registrar Parties may deal (whether for its own or its customers’ account) in, or advise on, securities of any party and that such dealing or giving of advice, will not constitute a conflict of interest for the purposes of the Indenture and this letter.

(n) The Paying and Transfer Agent and Registrar may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder.

(o) In no event shall the Paying and Transfer Agent and Registrar 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 Paying and Transfer Agent and Registrar shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(p) The Paying and Transfer Agent and Registrar shall, on demand by the Trustee by notice in writing given to them and the Company at any time after an Event of Default has occurred, until notified by the Trustee to contrary, to the extent permitted by applicable law, deliver all monies, documents and records held by them in respect of the Notes to the Trustee or as the Trustees shall direct in such notice or subsequently, provided that this paragraph shall not apply to any documents or records which the Agent is obliged not to release by any law or regulation to which it is subject.

(q) The obligations hereunder of the Paying and Transfer Agent and Registrar with respect to its duties as paying agent, transfer agent and registrar shall be several, not joint.

(r) Any notice or communication to the Paying Agent will be deemed given when sent by facsimile transmission, with transmission confirmed. Any notice to the Paying Agent will be effective only upon receipt. The notice or communication should be addressed to the Paying Agent at:

Citibank, N.A.
Ground Floor
1 North Wall Quay
Dublin 1, Ireland
Attn: Agency & Trust – PPA
Fax: +353 1 622 2210
Attn: Agency and Trust – DECT
Fax: +353 1 622 2031

cc:

39th Floor, ICBC Tower
Citibank Plaza,
3 Garden Road
Central
Hong Kong
Fax: 852 2868 8048
Attn: Agency and Trust

Any notice to the Company or the Trustee shall be given as set forth in the Indenture.

(s) Any corporation into which the Paying and Transfer Agent and Registrar may be merged or converted or any corporation with which the Paying and Transfer Agent and Registrar may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Paying and Transfer Agent and Registrar shall be a party or any corporation succeeding to the business of the Paying and Transfer Agent and Registrar shall be the successor to such Paying and Transfer Agent and Registrar hereunder (provided that such corporation shall be qualified as aforesaid) without the execution or filing of any document or any further act on the part of any of the parties hereto.

(t) Any amendment, supplement or waiver under Sections 9.01 and 9.02 of the Indenture that adversely affects the Paying Agent shall not affect the Paying Agent's rights, powers, obligations, duties or immunities, unless the Paying Agent has consented thereto.

(u) The Company and the Subsidiary Guarantors agree that the provisions of Section 12.06 of the Indenture shall apply hereto, mutatis mutandis.

(v) This letter may be executed in counterparts, each of which shall be an original which together shall constitute one and same instrument.

The agreement set forth in this letter shall be construed in accordance with and governed by the laws of the State of New York.

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

By: _____
Name:
Title:

Agreed and accepted:

Citibank N.A., London Branch
as Paying and Transfer Agent and Registrar

By: _____
Name:
Title:

cc: Law Debenture Trust Company of New York,
as Trustee

G-7

EXHIBIT H

[Reserved]

EXHIBIT I

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

[Date]

_____ as Registrar

Re: Sino-Forest Corporation
10.25% Guaranteed Senior Notes Due 2014 (the “Notes”)

Dear Sirs:

Reference is hereby made to the Indenture, dated as of July 27, 2009 (the “**Indenture**”), among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “**Company**”), the Subsidiary Guarantors listed in Schedule I thereto (the “**Subsidiary Guarantors**”), Law Debenture Trust Company of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to US\$_____ principal amount of Notes which are evidenced by one or more Restricted Global Notes (CUSIP No. 82934H AC5) 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 in the form of an equal principal amount of Notes evidenced by one or more Regulation S Global Notes (CUSIP No. C83912 AC6).

In connection with such request and in respect of such Notes, we hereby certify that such sale has been effected pursuant to and in accordance with either (i) Rule 903, Rule 904 of Regulation S or Rule 144 under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and accordingly we hereby further certify that:

- (1) if the transfer has been effected pursuant to Rule 903 or Rule 904:
 - (A) the offer of the Notes was not made to a Person in the United States;
 - (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;
 - (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; or
- (2) if the transfer has been effected pursuant to Rule 144, the Securities have been transferred in a transaction permitted by Rule 144.

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]

By: _____
Authorized Signature

EXHIBIT J

[FORM OF CERTIFICATE TO BE DELIVERED
IN CONNECTION WITH TRANSFERS TO QIBs]

[Date]

as Registrar

Re: Sino-Forest Corporation
10.25% Guaranteed Senior Notes Due 2014 (the “Notes”)

Dear Sirs:

Reference is hereby made to the Indenture, dated as of July 27, 2009 (the “**Indenture**”), among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “**Company**”), the Subsidiary Guarantors listed in Schedule I thereto (the “**Subsidiary Guarantors**”), Law Debenture Trust Company of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to US\$_____ principal amount of Notes which are evidenced by one or more Regulation S Global Notes (CUSIP No. C83912 AC6) and held with the Depository through [Euroclear] [Clearstream] (Common Code 044090244) 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 Securities evidenced by one or more Restricted Global Notes (CUSIP No. 82934H AC5).

[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 U.S. Securities Act of 1933, as amended, 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 such additional evidence that the Company, the Subsidiary Guarantors or the Trustee may require as to compliance with such available exemption.

You are entitled to rely on this letter and you 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]

By: _____
Authorized Signature

EXHIBIT K

[FORM OF SUPPLEMENTAL INDENTURE]

SUPPLEMENTAL INDENTURE

dated as of _____, ____

among

LAW DEBENTURE TRUST COMPANY OF NEW YORK
as Trustee

and

The entities listed on Schedule I hereto
as Subsidiary Guarantors

10.25% Guaranteed Senior Notes Due 2014

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 the Indenture (as defined below) and [insert each new Guarantor executing this Supplemental Indenture and its jurisdiction of incorporation] (each an “**Undersigned**”), and Law Debenture Trust Company of New York, 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 July 27, 2009 (the “**Indenture**”), relating to the Company’s 10.25% Guaranteed Senior Notes Due 2014 (the “**Notes**”);

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 newly acquired or created Restricted Subsidiaries (other than those organized under the laws of the PRC or Foreign Subsidiaries) and, upon the satisfaction of certain conditions under Section 11.09 of the Indenture, the relevant Initial Non-Guarantor Subsidiaries, 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 11 thereof.

Section 3. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

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.

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 Guarantors¹

By: _____
Name:
Title:

LAW DEBENTURE TRUST
COMPANY OF NEW YORK, as
Trustee

By: _____
Name:
Title:

[New Guarantor]

By: _____
Name:
Title:

¹ Pursuant to a power of attorney granting attorney in fact to execute the instruments contemplated.

**SCHEDULE I
TO EXHIBIT K**

List of Subsidiary Guarantors

EXHIBIT L-1

[FORM OF PLEDGE AGREEMENT BY COMPANIES
INCORPORATED IN THE BRITISH VIRGIN ISLANDS/CAYMAN ISLANDS/CANADA]

[TO COME]

EXHIBIT L-2

[FORM OF PLEDGE AGREEMENT BY COMPANIES
INCORPORATED IN HONG KONG]

[TO COME]

EXHIBIT M

[FORM OF COMPLIANCE CERTIFICATE UNDER SECTION 10.03]

This Compliance Certificate is delivered pursuant to Section 10.03 of the Indenture, dated as of July 27, 2009, as amended, supplemented or modified from time to time (the “**Indenture**”), among Sino-Forest Corporation, a *Canada Business Corporations Act* corporation (the “**Company**”), the Subsidiary Guarantors parties thereto, and Law Debenture Trust Company of New York, as Trustee. Terms defined in the Indenture are used herein as therein defined.

The undersigned hereby certifies to the Trustee as follows:

1. I am the duly elected, qualified and acting [Officer] of the Company.
2. I have reviewed and am familiar with the contents of this Compliance Certificate.
3. I have reviewed the terms of the Indenture and the Security Documents and have made or caused to be made under my supervision, a review in reasonable detail of the Collateral and condition of the Collateral. Such review did not disclose the existence during or at the end of the annual period covered by this Compliance Certificate, and I have no knowledge of the existence as of the date of this Compliance Certificate, of any condition or event which would impair the perfected security interest created by the Indenture and the Security Documents with at least the priority of such security interest on the Closing Date[, except as set forth below].
4. Since the Closing Date:
 - (a) neither the Company nor any Subsidiary Guarantor has changed its jurisdiction of organization, name, identity or corporate structure to such an extent that any financing statement or other Security Document filed by the Trustee would become misleading;
 - (b) the Company has provided such assistance to the Trustee with respect to any re-filing, re-recording or continuation of documentation with respect to the Collateral as necessary to maintain such security interest in the Collateral in favor of the Trustee on behalf of the Holders of Notes.

except, in each case, (i) any of the foregoing that has been previously disclosed to the Trustee in accordance with the Indenture and any relevant Security Document and in respect of which the Company and each Subsidiary Guarantor have delivered to the Trustee all required documents and other filings required to maintain the perfection and priority of the Trustee’s security interest in the Collateral after giving effect to such event, in each case as required by the Indenture and the relevant Security Documents and (ii) any of the foregoing described in Attachment 1 hereto in respect of which the Company or the Subsidiary Guarantor is delivering to the Trustee

herewith all required statements and other filings required to maintain the perfection and priority of the Trustee's security interest in the Collateral after giving effect to such event, in each case as required by the Indenture and the relevant Security Documents.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date set forth below.

Sino-Forest Corporation

By: _____
Title:

Date: _____, 200__

EXHIBIT N

[FORM OF TRANSFER NOTICE TO CANADIAN PERSONS
WITHIN THE CANADIAN RESTRICTED PERIOD]

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

Insert Taxpayer Identification No./ Canadian Social Insurance Number

Please print or typewrite name and address including postal 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:

(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, each of the Subsidiary Guarantors or the Trustee may require as to compliance with such available exemptions.

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 2.07(d) of the Indenture shall have been satisfied.

Date: _____

Name of Transferor

Signature of Transferor

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

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 NOVEMBER 28, 2009.

Dated: _____

Name of Purchaser

Signature of Purchaser

EXHIBIT O

TRUSTEE, PAYING AGENTS, TRANSFER AGENTS AND
REGISTRARTrustee

Law Debenture Trust Company of New York
400 Madison Avenue – 4th floor
New York, NY 10017

Attention: Corporate Trust

Principal Paying Agent, Transfer Agent and Registrar

Citibank, N.A., London Branch
21st Floor,
Citigroup Centre
Canada Square
Canary Wharf
London E14SLB
United Kingdom
Attn: Agency & Trust

Paying Agent (Singapore)

Citibank, N.A.
Singapore Branch
3 Changi Business Park Crescent
06-00
Singapore 486026

EXHIBIT P

[FORM OF INTERCREDITOR AGREEMENT]

Schedule I

Initial Subsidiary Guarantors

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Global Holdings Inc. (BVI)
3. Sino-Wood Partners, Limited (HK)
4. Grandeur Winway Limited (BVI)
5. Sinowin Investments Limited (BVI)
6. Sinowood Limited (Cayman Islands)
7. Sino-Forest Bio-Science Limited (formerly known as: Sino-Two Limited) (BVI)
8. Sino-Forest Resources Inc. (BVI)
9. Sino-Plantation Limited (HK)
10. Suri-Wood Inc. (BVI)
11. Sino-Forest Investments Limited (BVI)
12. Sino-Wood (Guangxi) Limited (HK)
13. Sino-Wood (Jiangxi) Limited (HK)
14. Sino-Wood (Guangdong) Limited (HK)
15. Sino-Wood (Fujian) Limited (HK)
16. Sino-Panel (Asia) Inc. (BVI)
17. Sino-Panel (Guangxi) Limited (BVI)
18. Sino-Panel (Yunnan) Limited (BVI)
19. Sino-Panel (North East China) Limited (BVI)
20. Sino-Panel [Xiangxi] Limited (formerly known as: Rich Base Worldwide Limited) (BVI)
21. Sino-Panel [Hunan] Limited (formerly known as Comtech Universal Limited) (BVI)

22. SFR (China) Inc. (BVI)
23. Sino-Panel [Suzhou] Limited (formerly known as: Pacific Harvest Holdings Limited) (BVI)
24. Sino-Panel (Gaoyao) Ltd. (BVI)
25. Sino-Panel (Guangzhou) Limited (BVI)
26. Sino-Panel (North Sea) Limited (BVI)
27. Sino-Panel (Guizhou) Limited (BVI)
28. Sino-Panel (Huaihua) Limited (BVI)
29. Sino-Panel (Qinzhou) Limited (formerly known as Sino-Panel (Jiayu) Ltd.) (BVI)
30. Sino-Panel (Yongzhou) Limited (BVI)
31. Sino-Panel (Fujian) Limited (BVI)
32. Sino-Panel (Shaoyang) Limited (BVI)
33. Amplemax Worldwide Limited (BVI)
34. Ace Supreme International Limited (BVI)
35. Express Point Holdings Limited (BVI)
36. Glory Billion International Limited (BVI)
37. Smart Sure Enterprises Limited (BVI)
38. Expert Bonus Investment Limited (BVI)

Schedule II

Initial Subsidiary Guarantor Pledgors

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Panel (Asia) Inc. (BVI)
3. Sino-Wood Partners, Limited (H.K.)
4. Sino-Plantation Limited (H.K.)
5. Sino-Global Holdings Inc. (BVI)
6. Suri-Wood Inc. (BVI)
7. Sinowood Limited (Cayman Islands)