

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

**MOTION RECORD**

**(Revised Noteholder Noticing Process Returnable October 29, 2012)**

October 24, 2012

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES CREDITORS'*  
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**MOTION RECORD  
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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
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CORPORATION**

**NOTICE OF MOTION  
(Revised Noteholder Noticing Process Returnable October 29, 2012)**

FTI Consulting Canada Inc., in its capacity as monitor (the “**Monitor**”) in the *Companies’ Creditors Arrangement Act* (“**CCAA**”) proceedings of Sino-Forest Corporation (the “**Company**”) will make a motion to Justice Morawetz of the Commercial List court on Monday, October 29, 2012 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR AN ORDER:**

1. Abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
2. Approving, *nunc pro tunc*, the Revised Noteholder Noticing Process (as defined below);
3. Approving the amended Forms (as defined below); and

4. Such further and other relief as counsel may request and this Honourable Court deems just.

#### **THE GROUNDS FOR THE MOTION ARE:**

#### **BACKGROUND**

1. On March 30, 2012, this Honourable Court made an Initial Order granting the CCAA stay of proceedings against the Applicant and certain of its subsidiaries and appointing FTI Consulting Canada Inc. as the Monitor in the CCAA proceedings;

#### **THE MEETING ORDER<sup>1</sup>**

2. On August 31, 2012, this Court granted a plan filing and meeting order (the “**Meeting Order**”) which, *inter alia*, set out the process for the mailing of Noteholder Meeting Materials (as defined in the Meeting Order);
3. On October 23, 2012, the Company issued a press release confirming that:
  - (a) It had filed an amended Plan with the Court;
  - (b) It intended to hold a Meeting on November 29, 2012; and
  - (c) The Sanction Hearing had been scheduled for December 7 and 10, 2012;
4. In connection with the Company’s announcement and in accordance with the Meeting Order, the Monitor has set the Mailing date at October 24, 2012;

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<sup>1</sup>Capitalized terms used in this Notice of Motion and not otherwise defined have the meaning given to them in the Meeting Order.

**THE REVISED NOTEHOLDER NOTICING PROCESS AND AMENDED FORMS**

5. Since the granting of the Meeting Order, the Monitor has continued to work with the Company to determine the most effective and efficient process for providing notice of the Meeting and collecting Proxies and Noteholders' Proxies;
6. The Monitor has retained Globic Advisors ("**Globic**") to assist in performing certain services in connection with the noticing process;
7. The Monitor has determined that there is likely a more efficient and equally effective process for mailing the Noteholder Meeting Materials which would be largely electronic and take into consideration the electronic systems used by most Participant Holders;
8. The Eleventh Report sets out the Revised Noteholder Noticing Process including the actions taken by the Monitor to date;
9. In connection with the Revised Noteholder Noticing Process, certain of the forms approved by the Eleventh Report required corresponding amendments;

**MISCELLANEOUS**

10. The provisions of the CCAA;
11. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

1. The Eleventh Report; and

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

October 24, 2012

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**ONTARIO  
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R.S.C. 1985, c. c-36, AS AMENDED**

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

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in Toronto**

**NOTICE OF MOTION**

**(REVISED NOTEHOLDER NOTICING PROCESS)**

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

**Sino-Forest Corporation**

**ELEVENTH REPORT OF THE MONITOR**

**October 24, 2012**

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

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

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

**ELEVENTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. On March 30, 2012 (the “**Filing Date**”), Sino-Forest Corporation (the “**Company**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Order of this Honourable Court dated March 30, 2012 (the “**Initial Order**”), FTI Consulting Canada Inc. was appointed as the Monitor of the Company (the “**Monitor**”) in the CCAA proceedings. By Order of this Court dated April 20, 2012, the powers of the Monitor were expanded in order to, among other things, provide the Monitor with access to information concerning the Company’s subsidiaries. Pursuant to an Order of this Court made on October 9, 2012, this Court granted an Order extending the Stay Period to December 3, 2012. The proceedings commenced by the Company under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
  
2. On August 31, 2012, the Court granted a plan filing and meeting order (the “**Meeting Order**”) which, among other things, set out the process for mailing certain meeting materials and provided for the calling of a meeting of creditors. A copy of the Meeting Order is attached as Appendix A hereto.

3. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Meeting Order.
4. The purpose of this Eleventh Report is to:
  - (a) Provide an update with respect to the process set out in the Meeting Order including the mailing of the Noteholder Meeting Materials, the Ordinary Affected Creditor Meeting Materials and the scheduling of the Meeting Date and the Sanction Hearing Date;
  - (b) Report on certain changes to the proposed mailing and noticing process from that which was set out in the Meeting Order (the “**Revised Noteholder Noticing Process**”); and
  - (c) Seek an Order approving, *nunc pro tunc*, the Monitor’s use of the Revised Noteholder Noticing Process.
5. In preparing this Eleventh Report, the Monitor has relied upon unaudited financial information of Sino-Forest, Sino-Forest’s books and records, certain financial information prepared by Sino-Forest, the Reports of the Independent Committee of the Company’s Board of Directors dated August 10, 2011, November 13, 2011 and January 31, 2012, and discussions with Sino-Forest’s management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. In addition, the Monitor notes that on January 10, 2012, the Company issued a press release cautioning that the Company’s historic financial statements and related audit reports should not be relied upon. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this Eleventh Report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this Eleventh Report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.
6. Unless otherwise stated, all monetary amounts contained herein are expressed in US Dollars.

7. The term “**Sino-Forest**” refers to the global enterprise as a whole but does not include references to the Greenheart Group. “**Sino-Forest Subsidiaries**” refers to all of the direct and indirect subsidiaries of the Company, but does not include references to the Greenheart Group.

## **GENERAL BACKGROUND**

### *Sino-Forest Business*

8. Sino-Forest conducts business as a forest plantation operator in the People’s Republic of China (“**PRC**”). Its principal businesses include ownership and management of forest plantation trees, the sale of standing timber and wood logs, and complementary manufacturing of downstream engineered-wood products.
9. The Company is a public holding company whose common shares were listed on the Toronto Stock Exchange (“**TSX**”). Prior to August 26, 2011 (the date of the Cease Trade Order), the Company had 246,095,926 common shares issued and outstanding and trading under the trading symbol “**TRE**” on the TSX. Effective May 9, 2012, the common shares were delisted from the TSX.
10. On June 2, 2011, Muddy Waters, LLC (“**MW**”), which held a short position on the Company’s shares, issued a report (the “**MW Report**”) alleging, among other things, that Sino-Forest is a “ponzi-scheme” and a “near total fraud”. The MW Report was issued publicly and immediately caught the attention of the media on a world-wide basis.
11. Subsequent to the issuance of the MW Report, the Company devoted extensive time and resources to investigate and address the allegations in the MW Report as well as responding to additional inquiries from, among others, the Ontario Securities Commission, the Royal Canadian Mounted Police and the Hong Kong Securities and Futures Commission.
12. The Pre-Filing Report and the Initial Order Affidavit provide a detailed outline of Sino-Forest’s corporate structure, business, reported assets and financial information as well as

a detailed chronology of the Company and its actions since the issuance of the MW Report in June 2011.

**THE MEETING ORDER AND REVISED NOTEHOLDER NOTICING PROCESS**

***Mailing Process Under the Meeting Order***

13. As set out above, the Meeting Order was granted on August 31, 2012. One of the purposes of the Meeting Order was to set out the process for distribution of the Noteholder Meeting Materials to Noteholders. Specifically, the Meeting Order provided that:

- (a) The Monitor would contact Participant Holders to determine the number of copies of the Noteholder Meeting Materials required in order for the Participant Holders to provide such copies to their customers who are Unregistered Noteholders;
- (b) The Participant Holders would initially complete the portion of the Noteholders' Proxy relevant to the Participant Holders and then distribute hard copies of the Noteholder Meeting Materials, including the pre-validated Noteholder's Proxy to Unregistered Noteholders; and
- (c) The pre-validated Noteholder's Proxy would be required to be completed and signed by Unregistered Noteholders and mailed back to the Monitor within the timeframes provided for in the Meeting Order.

***Events Since the Meeting Order***

14. In accordance with the Meeting Order, the Monitor posted on its website:

- (a) The Meeting Order and Endorsement;
- (b) The Company's draft Plan dated August 27, 2012;
- (c) The Company's draft Information Circular dated August 15, 2012; and
- (d) The Company's draft Notice to Affected Creditors.

- 15. Since the granting of the Meeting Order, the Company has been working with various of its constituents including the Initial Consenting Noteholders to amend the draft Plan and Information Circular. On October 23, 2012, the Company issued a press release announcing that:
  - (a) it had filed an amended Plan with the Court;
  - (b) it intended to hold the Meeting on November 29, 2012 at 10am at the offices of Bennett Jones LLP; and
  - (c) the Sanction Hearing had been scheduled for December 7 and 10, 2012.

A copy of the press release is attached as Appendix B hereto.

- 16. In connection with the Company’s announcement and in accordance with the Meeting Order, the Monitor has set the Mailing Date at October 24, 2012.
- 17. Under the Meeting Order, the Monitor was required to provide notice to Ordinary Affected Creditors and Noteholders as set out in the Meeting Order. In connection with the Meeting Order, on or before the Mailing Date, the Monitor sent by email, a copy of the Ordinary Affected Creditor Meeting Materials to relevant parties. The Monitor also sent relevant mailing materials by email to the service list in the CCAA proceedings.

***The Revised Noteholder Noticing Process***

- 18. Since the granting of the Meeting Order, the Monitor has continued to work with the Company to determine the most effective and efficient process for providing notice of the Meeting to and collecting Noteholders’ Proxies from Noteholders. In that regard, the Monitor has retained Globic Advisors (“Globic”) to perform certain services in connection with the noticing and proxy solicitation process.
- 19. The Monitor and/or Globic has now had discussions with various participants in the Noteholder noticing and proxy solicitation process including various holders and agents relevant to the process. In the context of these discussions, the Monitor, in consultation with Globic, determined that there is a more efficient and equally effective process for

distributing the Noteholder Meeting Materials which will primarily consist of electronic distribution by means compatible with the electronic systems used by most Participant Holders. An outline of the process is as follows:

- (a) The Trustees confirmed that The Depository Trust Company (who acts as a depository for brokers) is the only Registered Noteholder (and the identity of that Registered Noteholder) as of the Voting Record Date (i.e. August 31, 2012);
- (b) The Registered Noteholder provided a copy of its Participant Holder list to the Monitor and/or Globic;
- (c) The Monitor and/or Globic are in the process of contacting the Participant Holders to determine whether any hard copies of the Noteholder Meeting Materials were required or if the Participant Holders prefer to distribute materials and communicate the vote on behalf of their Unregistered Holder clients, electronically;
- (d) On the Mailing Date,
  - (i) the Monitor and/or Globic are to provide the Registered Noteholder with a copy of the Noteholder Meeting Materials;
  - (ii) the Registered Noteholder is to post notice of the mailing to the Participant Holders in accordance with its standard procedures;
  - (iii) the Monitor and/or Globic will notify each Participant Holder of the mailing, provide an electronic copy and, where specifically requested, physical copies, of the Noteholder Meeting Materials to Participant Holders and also refer such Participant Holders to the Website for copies of the Noteholder Meeting Materials including the form of Noteholder Proxy;
- (e) Participant Holders have been or will be instructed to contact their clients that are Unregistered Holders to provide them with the Noteholder Meeting Materials and to complete the Noteholder Proxy;

- (f) Unregistered Holders will be required to complete the Noteholder Proxy and send it back to their Participant Holder for validation;
- (g) Upon validation, the Participant Holder will provide the complete Noteholder Proxy to the Monitor in the timeframe provided for in the Meeting Order; and
- (h) The Monitor and/or Globic have addressed and will continue to address any requests or needs arising out of those communications as they have arisen.

(collectively, the “**Revised Noteholder Noticing Process**”).

20. In connection with the Revised Noteholder Noticing Process, corresponding revisions have been made to the form of Noteholders’ Proxy, the Instructions to Registered Noteholders, the Instructions to Participant Holders and the Instructions to Unregistered Noteholders (collectively, the “**Forms**”). Copies of the revised Noteholders’ Proxy, the Instructions to Registered Noteholders and the Instructions to Unregistered Noteholders and blacklines are attached as Appendices C, D, E and F hereto.

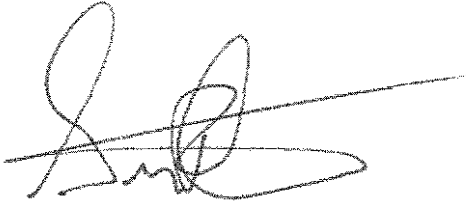
**CONCLUSION**

- 21. The Monitor believes that the Revised Noteholder Noticing Process achieves the goal of the noticing process under the Meeting Order, namely to provide broad and effective notice of the Meeting and solicitation of Noteholders’ Proxies to the Company’s Noteholders. The Monitor has consulted with both the Company and the Initial Consenting Noteholders on the Revised Noteholder Noticing Process and both the Company and the Initial Consenting Noteholders have consented to the same.
- 22. Although the Meeting Order provides a certain amount of discretion to the Monitor for deviating from the noticing process set out in the Meeting Order, the Monitor believes that disclosure of the revised process and approval of the same is prudent and reasonable in these circumstances.
- 23. The Monitor requests that the Court approve the Revised Noteholder Noticing Process and revised Forms.



Dated this 24<sup>th</sup> day of October, 2012.

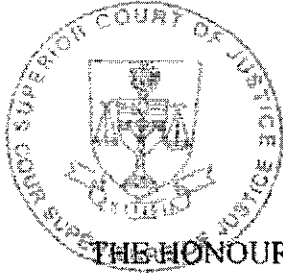
FTI Consulting Canada Inc.  
In its capacity as Monitor of  
Sino-Forest Corporation, and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Greg Watson', with a long horizontal line extending to the right.

Greg Watson  
Senior Managing Director

**APPENDIX "A" - MEETING ORDER**

*(Please See Attached)*



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.  
JUSTICE MORAWETZ

)  
)  
)

FRIDAY 31<sup>ST</sup>  
TUESDAY, THE 1<sup>ST</sup> DAY  
AUGUST  
OF SEPTEMBER, 2012

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

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

PLAN FILING AND MEETING ORDER

THIS MOTION, made by Sino-Forest Corporation (the "Applicant" or "SFC") for an order, *inter alia*, (a) accepting the filing of the Plan, (b) authorizing the classification of creditors for purposes of voting on the Plan, (c) authorizing and directing the Applicant to call, hold and conduct a meeting of Affected Creditors to consider and vote on a resolution to approve the Plan, (d) authorizing and directing the mailing and distribution of the Meeting Materials, (e) approving the procedures to be followed with respect to the meeting of Affected Creditors, (f) setting a date for the hearing of the Applicant's motion for Court approval of the Plan and (g) amending the Claims Procedure Order to call for monetary Claims of the Ontario Securities Commission, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the affidavit of W. Judson Martin sworn on August 14, 2012, the affidavit of Audra Hawkins sworn on August 15, 2012, the affidavit of Elizabeth Fimio sworn on August 27, 2012 and the Seventh Report of FTI Consulting Canada Inc. (the "Monitor") dated August 17, 2012 (the "Monitor's Seventh Report"), and on hearing the submissions of counsel for the Monitor, no one appearing for the other parties served with the Applicant's Motion Record, although duly served as appears from the affidavit of service, filed;

AND FURTHER TO the endorsement of this Honourable Court made August 31, 2012 (the "Endorsement"):

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Applicant's Motion Record and the Monitor's Seventh Report is hereby abridged and validated such that this Motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

### **MONITOR'S ROLE**

2. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under (i) the CCAA, (ii) the Initial Order, (iii) the Order of this Court dated April 20, 2012 expanding the powers of the Monitor and (iv) the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.

3. THIS COURT ORDERS that: (i) in carrying out the terms of this Meeting Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Order of this Court dated April 20, 2012 expanding the powers of the Monitor, or as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

4. THIS COURT ORDERS that the Monitor and the Applicant, with the consent of the Monitor, are hereby authorized to retain such agents as they deem to be advisable to assist them in connection with calling and conducting the Meeting, including with respect to the distribution of Meeting Materials, the identification of the applicable Ordinary Affected Creditors and Noteholders, and the solicitation of proxies from Persons entitled to vote at the Meeting.

**DEFINITIONS**

5. THIS COURT ORDERS that any capitalized terms used herein but not otherwise defined herein have the meanings ascribed thereto in the Plan.
6. THIS COURT ORDERS that for the purposes of this Meeting Order, in addition to the terms defined elsewhere in this Meeting Order or in the Plan, the following terms shall have the following meanings:
- (a) “**Affected Creditor**” means a Person with an Affected Creditor Claim, but only with respect to and to the extent of such Affected Creditor Claim;
  - (b) “**Affected Creditor Claim**” means any Ordinary Affected Creditor Claim or Noteholder Claim;
  - (c) “**Beneficial Noteholder**” means a beneficial owner of any Notes as at the Voting Record Date (or, if applicable, an investment advisor, manager or representative with voting discretion over the Notes owned by such beneficial owners), regardless of whether such beneficial owner is a Registered Noteholder or an Unregistered Noteholder;
  - (d) “**DTC**” means The Depository Trust Company, or any successor thereof;
  - (e) “**Equity Claim**” means a Claim that meets the definition of “equity claim” in section 2(1) of the CCAA and, for greater certainty, includes any claim that has been determined to be an Equity Claim by the Court in these proceedings;
  - (f) “**Equity Claimant**” means any Person having an Equity Claim, but only with respect to and to the extent of such Equity Claim;
  - (g) “**Equity Claims Order**” means the Order of this Court dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein;

- (h) “**Information Circular**” means the information circular in respect of the Plan and the Meeting substantially in the form filed by the Applicant prior to the date hereof, as the same may be amended, supplemented or restated from time to time;
- (i) “**Instructions to Ordinary Affected Creditors**” means the instructions substantially in the form attached as Schedule “C” hereto;
- (j) “**Instructions to Participant Holders**” means the instructions substantially in the form attached as Schedule “B” hereto;
- (k) “**Instructions to Registered Noteholders**” means the instructions substantially in the form attached as Schedule “D” hereto;
- (l) “**Instructions to Unregistered Noteholders**” means the instructions substantially in the form attached as Schedule “E” hereto;
- (m) “**Mailing Date**” means the date to be selected by the Monitor (in consultation with the Applicant and counsel to the Initial Consenting Noteholders) on which the Monitor shall make the mailings contemplated by paragraphs 18 and 20 of this Meeting Order, which date shall be within twenty (20) days of the date of this Meeting Order (unless extended with the consent of the Applicant and counsel to the Initial Consenting Noteholders);
- (n) “**Meeting**” means the meeting of Affected Creditors, and any extension or adjournment thereof, that is called and conducted in accordance with this Meeting Order for the purpose of considering and voting on the Plan;
- (o) “**Meeting Date**” means the date and time for the Meeting to be selected by the Monitor (in consultation with the Applicant and counsel to the Initial Consenting Noteholders), which date shall be within thirty (30) days of the Mailing Date (unless extended with the consent of the Applicant and counsel to the Initial Consenting Noteholders);
- (p) “**Meeting Materials**” means the Noteholder Meeting Materials and the Ordinary Affected Creditor Meeting Materials;

- (q) **“Meeting Order”** means this Order, as it may be amended by any further Order of the Court;
- (r) **“Noteholder Claim”** means any Claim by a Beneficial Noteholder (or a Trustee or other representative on such Beneficial Noteholder’s behalf) in respect of or in relation to Notes, including all principal, Accrued Interest and any amounts payable pursuant to the Notes or the Note Indentures;
- (s) **“Noteholder”** means, as at the Voting Record Date, any Registered Noteholder, Unregistered Noteholder, Participant Holder or Beneficial Noteholder, as the context requires, in such capacity;
- (t) **“Noteholder Meeting Materials”** means copies of:
  - (i) the Notice to Affected Creditors;
  - (ii) the Plan;
  - (iii) the Information Circular;
  - (iv) the Meeting Order and Endorsement;
  - (v) a blank form of the Noteholders’ Proxy;
  - (vi) the Instructions to Registered Noteholders; and
  - (vii) the Instructions to Unregistered Noteholders;
- (u) **“Noteholders’ Proxy”** means a proxy substantially in the form of Schedule “F”, to be submitted to the Monitor by any Beneficial Noteholder that wishes to vote by proxy at the Meeting;
- (v) **“Notes”** means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes and the 2017 Notes;
- (w) **“Notice to Affected Creditors”** means the notice to Affected Creditors substantially in the form attached as Schedule “A” hereto;

- (x) “**Ordinary Affected Creditor**” means a Person with an Ordinary Affected Creditor Claim;
- (y) “**Ordinary Affected Creditor Claim**” means a Claim that is not: an Unaffected Claim; a Noteholder Claim; an Equity Claim; a Subsidiary Intercompany Claim; a Noteholder Class Action Claim; or a Class Action Indemnity Claim (other than a Class Action Indemnity Claim by any of the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims);
- (z) “**Ordinary Affected Creditor Meeting Materials**” means copies of:
  - (i) the Notice to Affected Creditors;
  - (ii) the Plan;
  - (iii) the Information Circular;
  - (iv) the Meeting Order and Endorsement;
  - (v) a blank form of the Ordinary Affected Creditors’ Proxy; and
  - (vi) the Instructions to Ordinary Affected Creditors;
- (aa) “**Ordinary Affected Creditors’ Proxy**” means a proxy substantially in the form attached as Schedule “G” hereto, to be submitted to the Monitor by any Ordinary Affected Creditor who wishes to vote by proxy at the Meeting;
- (bb) “**Participant Holder**” means a Person whose name appears on any of the Participant Holders Lists as at the Voting Record Date but who is not a Beneficial Noteholder;
- (cc) “**Participant Holders Lists**” means the lists of DTC participant holders of Notes as at the Voting Record Date to be provided to the Monitor by DTC or any similar depository or trust company with respect to each series of Notes in accordance with paragraph 23 of this Meeting Order;
- (dd) “**Plan**” means the plan of compromise and reorganization proposed by the Applicant as described in the Martin Affidavit and attached as Exhibit “B” to the



affidavit of Elizabeth Fimio, as such plan of compromise and reorganization may be amended from time to time in accordance with its terms;

- (ee) “**Plan Supplement**” means the supplement(s) to the Plan, which shall contain draft copies of the Litigation Trust Agreement, relevant documents concerning Newco (including the terms of the Newco Shares and the Newco Notes) and such other documents as the Applicant and the Monitor may consider appropriate or necessary for purposes of the Meeting and voting on the Plan;
- (ff) “**Proof of Claim**” means the “Proof of Claim” referred to in the Claims Procedure Order, substantially in the form attached to the Claims Procedure Order;
- (gg) “**Registered Noteholder**” means a Noteholder who is the legal owner or holder of one or more Notes and whose name appears on any Registered Noteholder List;
- (hh) “**Registered Noteholder List**” means each list of Registered Noteholders as at the Voting Record Date provided by the Trustees to the Monitor in accordance with paragraph 21 of this Meeting Order;
- (ii) “**Required Majority**” means a majority in number of Affected Creditors with Voting Claims, and two-thirds in value of the Voting Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting;
- (jj) “**Sanction Hearing Date**” means the date to be selected by the Monitor for the Sanction Hearing (in consultation with the Applicant and counsel to the Initial Consenting Noteholders), which date shall be within seven (7) days of the Meeting Date (or such other date on or after the Meeting Date as may be set by the Monitor or the Court);
- (kk) “**Shareholder Claims**” has the meaning ascribed thereto in the endorsement of this Court dated July 27, 2012 in these proceedings;

- (ll) **“Unregistered Noteholder”** means a Noteholder whose name does not appear on any Registered Noteholder List;
- (mm) **“Unresolved Claim”** means an Affected Creditor Claim in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order but that, as at any applicable time, has not been (i) determined to be a Voting Claim or (ii) finally disallowed;
- (nn) **“Voting Claim”** means an Affected Creditor Claim to the extent that such Affected Creditor Claim has been accepted by the Monitor solely for purpose of voting on the Plan (which acceptance for the purpose of voting shall have no effect on whether such Claim is a Proven Claim for purposes of the Plan), in each case in accordance with the provisions of the Claims Procedure Order or any other Order, as applicable;
- (oo) **“Voting Record Date”** means the date of this Meeting Order; and
- (pp) **“Website”** means the website maintained by the Monitor in respect of the CCAA proceedings pursuant to the Initial Order at the following web address:  
<http://cfcanada.fticonsulting.com/sfc/>.

7. THIS COURT ORDERS that all references to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 P.M. on such Business Day unless otherwise indicated herein.

8. THIS COURT ORDERS that all references to the word “including” shall mean “including without limitation”.

9. THIS COURT ORDERS that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

**THE PLAN**

10. THIS COURT ORDERS that the Plan is hereby accepted for filing, and the Applicant is hereby authorized and directed to call and hold a meeting of Affected Creditors to vote on the Plan in the manner set forth herein.

11. THIS COURT ORDERS that the Applicant may, at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan, subject to the terms of the Plan, provided that: (i) the Monitor, the Applicant or the Chair shall communicate the details of any such amendments, restatements, modifications and/or supplements to Affected Creditors present at the Meeting prior to any vote being taken at the Meeting; (ii) the Applicant shall forthwith provide notice to the service list of any such amendments, restatements, modifications and/or supplements and shall file a copy thereof with this Court forthwith and in any event prior to the Sanction Hearing; and (iii) the Monitor shall post an electronic copy of any such amendments, restatements, modifications and/or supplements on the Website forthwith and in any event prior to the Sanction Hearing.

12. THIS COURT ORDERS that the Applicant shall serve and file the Plan Supplement, and the Monitor shall post the Plan Supplement on the Website, no later than seven (7) days prior to the Meeting. Thereafter, the Applicant may, at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan Supplement, subject to the terms of the Plan, provided that: (i) the Monitor, the Applicant or the Chair shall communicate the details of any such amendments, restatements, modifications and/or supplements to Affected Creditors present at the Meeting prior to any vote being taken at the Meeting; (ii) the Applicant shall forthwith provide notice to the service list of any such amendments, restatements, modifications and/or supplements and shall file a copy thereof with this Court forthwith and in any event prior to the Sanction Hearing; and (iii) the Monitor shall post an electronic copy of any such amendments, restatements, modifications and/or supplements on the Website forthwith and in any event prior to the Sanction Hearing.

**FORMS OF DOCUMENTS**

13. THIS COURT ORDERS that the forms of Information Circular, Notice to Affected Creditors, Ordinary Affected Creditors' Proxy, Noteholders' Proxy, Instructions to Ordinary Affected Creditors, Instructions to Registered Noteholders, Instructions to Unregistered Noteholders and Instructions to Participant Holders are hereby approved. The Applicant, with the consent of the Monitor, may (x) make any changes to such materials as are necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order, and (y) at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement any of such materials, subject to the terms of the Plan, provided that: (i) the Monitor, the Applicant or the Chair shall communicate the details of any such amendments, restatements, modifications and/or supplements to Affected Creditors present at the Meeting prior to any vote being taken at the Meeting; (ii) the Applicant shall forthwith provide notice to the service list of any such amendments, restatements, modifications and/or supplements and shall file a copy thereof with this Court forthwith and in any event prior to the Sanction Hearing; and (iii) the Monitor shall post an electronic copy of any such amendments, restatements, modifications and/or supplements on the Website forthwith and in any event prior to the Sanction Hearing.

**VOTING BY CREDITORS**

14. THIS COURT ORDERS that, the Affected Creditors shall constitute a single class, the "Affected Creditors Class", for the purposes of considering and voting on the Plan.

15. [Intentionally deleted]

16. [Intentionally deleted]

**NOTICE TO ORDINARY AFFECTED CREDITORS**

17. THIS COURT ORDERS that the Monitor shall, no later than three (3) Business Days following the date of this Meeting Order, post an electronic copy of the Notice to Affected Creditors, the Plan and the Information Circular (in the form provided by the Applicant as at the date of this Meeting Order) on the Website.

18. THIS COURT ORDERS that the Monitor shall, on the Mailing Date, deliver the Ordinary Affected Creditor Meeting Materials by courier, personal delivery or email to each Ordinary Affected Creditor with a Voting Claim and/or an Unresolved Claim at the address set out in such Ordinary Affected Creditor's Proof of Claim (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for an Ordinary Affected Creditor).

#### **NOTICE TO NOTEHOLDERS**

19. THIS COURT ORDERS that, no later than three (3) Business Days following the date of this Meeting Order, the Monitor shall post an electronic copy of the Notice to Affected Creditors, the Plan and the Information Circular (in the form provided by the Applicant as at the date of this Meeting Order) on the Website.

20. THIS COURT ORDERS that the Monitor shall, on the Mailing Date, deliver the Noteholder Meeting Materials by courier, personal delivery or email to the Trustees and DTC.

21. THIS COURT ORDERS that, no later than four (4) Business Days following the date of this Meeting Order, each of the Trustees shall provide to the Applicant and the Monitor a Registered Noteholder List for each series of Notes in respect of which such Trustee acts as trustee, each of which Registered Noteholder Lists shall list the Registered Noteholders of the applicable series of Notes as at the Voting Record Date and their respective addresses, telephone numbers, fax numbers and email addresses, to the extent available.

22. THIS COURT ORDERS that, on the later of (i) the Mailing Date and (ii) the date upon which the Monitor receives a Registered Noteholder List from any Trustee as provided for in paragraph 21, the Monitor shall send the Noteholder Meeting Materials to each Person listed on the Registered Noteholder List.

23. THIS COURT ORDERS that: (i) no later than four (4) Business Days following the date of this Meeting Order, DTC shall provide to the Applicant and the Monitor a Participant Holders List in respect of the Notes; and (ii) as soon as practicable following the date of this Meeting Order and in any event within four (4) Business Days of receiving notice from the Monitor of this Meeting Order, any other Registered Noteholder (if any) who holds Notes on behalf of one

or more Participant Holders shall provide to the Applicant and the Monitor a Participant Holders List in respect of the Notes. In each case the Participant Holder List so provided shall list the Participant Holders as at the Voting Record Date and their respective addresses and telephone numbers, fax numbers and email addresses, to the extent available.

24. THIS COURT ORDERS that, upon receipt by the Monitor of the Participant Holders Lists, the Monitor shall contact each Participant Holder listed thereon to determine the number of copies of the Noteholder Meeting Materials such Participant Holder requires in order to provide one copy of the Noteholder Meeting Materials to each of its customers or principals who are Unregistered Noteholders as at the Voting Record Date, and each Participant Holder shall provide the Monitor with a response as to the number of copies of the Noteholder Meeting Materials required within two (2) Business Days of being so contacted by the Monitor.

25. THIS COURT ORDERS that on the later of (i) the Mailing Date, and (ii) the date upon which the Monitor receives the information referred to in paragraph 24, the Monitor shall deliver by courier, personal delivery or email to such Participant Holder a copy of the Instructions to Participant Holders together with that number of copies of the Noteholder Meeting Materials required by such Participant Holder for distribution to the Unregistered Noteholders that are its customers or principals.

26. THIS COURT ORDERS that, within five (5) Business Days of any Participant Holder's receipt of the Noteholder Meeting Materials from the Monitor pursuant to paragraph 25, such Participant Holder shall: (i) complete and sign the applicable section of the Noteholders' Proxy relating to Participant Holders for each Unregistered Noteholder that has an account (directly or through an agent or custodian) with such Participant Holder; and (ii) deliver by courier or personal delivery to each such Unregistered Noteholder the Noteholders' Proxy as so completed and signed together with one copy of the Noteholder Meeting Materials. Each Participant Holder shall take any other action reasonably required to enable any Unregistered Noteholder that has an account (directly or through an agent or custodian) with such Participant Holder to provide a Noteholders' Proxy to the Monitor with respect to the Notes owned by or held for the benefit of such Unregistered Noteholder.

27. THIS COURT ORDERS that where: (i) a Participant Holder or its agent has a standard practice for distribution of meeting materials to Unregistered Noteholders and for the gathering of information and proxies or voting instructions from Unregistered Noteholders; (ii) the Participant Holder has discussed such standard practice in advance with the Applicant, the Monitor and counsel to the Initial Consenting Noteholders; and (iii) such standard practice is acceptable to the Applicant, the Monitor and counsel to the Initial Consenting Noteholders, such Participant Holder or its agent may, in lieu of following the procedure set out in paragraph 26 above, follow such standard practice provided that all applicable proxies or voting instructions are received by the Monitor no later than 5:00 P.M. on the third Business Day before the Meeting.

#### **NOTICE, SERVICE AND DELIVERY**

28. THIS COURT ORDERS that the Monitor's fulfillment of the notice, delivery and Website posting requirements set out in this Meeting Order shall constitute good and sufficient notice, service and delivery thereof on all Persons who may be entitled to receive notice, service or delivery thereof or who may wish to be present or vote (in person or by proxy) at the Meeting, and that no other form of notice, service or delivery need be given or made on such Persons and no other document or material need be served on such Persons.

#### **CONDUCT OF MEETING AND DELIVERY OF PROXIES**

29. THIS COURT ORDERS that the Applicant is hereby authorized and directed to call the Meeting and to hold and conduct the Meeting on the Meeting Date at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, for the purpose of seeking approval of the Plan by the Affected Creditors with Voting Claims at the Meeting in the manner set forth herein. In the event that the Meeting Date is extended after the Mailing Date, the Monitor shall post notice of the extension of the Meeting Date on the Website and provide notice of the extension of the Meeting Date to the service list.

30. THIS COURT ORDERS that Greg Watson or another representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meeting (the "Chair") and, subject to

this Meeting Order or any further Order of the Court, shall decide all matters relating to the conduct of the Meeting.

31. THIS COURT ORDERS that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Meeting (the "Scrutineers"). A person designated by the Monitor shall act as secretary of the Meeting (the "Secretary").

32. THIS COURT ORDERS that the quorum required at the Meeting shall be one Affected Creditor with a Voting Claim present at the Meeting (in person or by proxy).

33. THIS COURT ORDERS that if the requisite quorum is not present at the Meeting, or if the Meeting is postponed by the vote of a majority in value of Voting Claims of the Affected Creditors present at the Meeting (in person or by proxy), then the Meeting shall be adjourned by the Chair to a later date, time and place as designated by the Chair. The Chair shall be entitled to adjourn and further adjourn the Meeting at the Meeting or at any adjourned Meeting. Any adjournment or adjournments described in this paragraph 33 shall be for a period of not more than thirty (30) days in total unless otherwise agreed to by the Applicant, the Monitor and counsel to the Initial Consenting Noteholders. In the event of any adjournment described in this paragraph 33, no Person shall be required to deliver any notice of the adjournment of the Meeting or adjourned Meeting, provided that the Monitor shall: (i) announce the adjournment at the Meeting or adjourned Meeting, as applicable; (ii) post notice of the adjournment at the originally designated time and location of the Meeting or adjourned Meeting, as applicable; (iii) forthwith post notice of the adjournment on the Website; and (iv) provide notice of the adjournment to the service list forthwith. Any Ordinary Affected Creditor Proxies and Noteholder Proxies validly delivered in connection with the Meeting shall be accepted as proxies in respect of any adjourned Meeting.

34. THIS COURT ORDERS that the only Persons entitled to attend and speak at the Meeting are: (i) the Affected Creditors entitled to vote at the Meeting (or, if applicable, any Person holding a valid Ordinary Creditors' Proxy or Noteholders' Proxy on behalf of one or more such Affected Creditors) and any such Affected Creditor's or valid proxyholder's legal counsel and financial advisors; (ii) the Chair, the Scrutineers and the Secretary; (iii) one or more representatives of the Monitor and the Monitor's legal counsel; (iv) one or more representatives



of the current board of directors and/or senior management of Applicant, as selected by the Applicant, and the Applicant's legal counsel and financial advisors; (v) counsel to the Directors and Officers; (vi) one or more representatives of the Initial Consenting Noteholders and the Initial Consenting Noteholders' legal counsel and financial advisors; and (vii) the Trustees and their respective legal counsel. Any other person may be admitted to the Meeting on invitation of the Chair.

35. THIS COURT ORDERS that the Monitor may, with the consent of the Applicant, waive in writing the time limits imposed on Affected Creditors as set out in this Meeting Order (including the schedules hereto), generally or in individual circumstances, if the Monitor deems it advisable to do so.

#### **ASSIGNMENT OF AFFECTED CLAIMS PRIOR TO THE MEETING**

36. THIS COURT ORDERS that, subject to any restrictions contained in Applicable Laws, an Ordinary Affected Creditor may transfer or assign the whole of its Ordinary Affected Creditor Claim prior to the Meeting (or any adjournment thereof), provided that neither the Applicant nor the Monitor shall be obliged to deal with any transferee or assignee thereof as an Ordinary Affected Creditor in respect of such Ordinary Affected Creditor Claim, including allowing such transferee or assignee to attend or vote at the Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Applicant and the Monitor, which receipt and acknowledgment must have occurred on or before 5 p.m. (Toronto time) on the date that is seven (7) days prior to the date of the Meeting (or any adjournment thereof), failing which the original transferor shall have all applicable rights as the "Ordinary Affected Creditor" with respect to such Ordinary Affected Creditor Claim as if no transfer of the Ordinary Affected Creditor Claim had occurred. If such receipt and acknowledgment by the Applicant and the Monitor have occurred on or before 5 p.m. (Toronto time) on the date that is seven (7) days prior to the date of the Meeting (or any adjournment thereof): (i) the transferor of the applicable Ordinary Affected Creditor Claim shall no longer constitute an Ordinary Affected Creditor in respect of such Ordinary Affected Creditor Claim; and (ii) the transferee or assignee of the applicable Ordinary Affected Creditor Claim shall, for all purposes in accordance with this Meeting Order, constitute

an Ordinary Affected Creditor in respect of such Ordinary Affected Creditor Claim and shall be bound by any and all notices previously given to the transferor or assignor in respect thereof and shall be bound by any Ordinary Creditors' Proxy duly submitted to the Monitor in accordance with this Meeting Order. For greater certainty, the Applicant and the Monitor shall not recognize partial transfers or assignments of Ordinary Affected Creditor Claims.

37. THIS COURT ORDERS that only those Beneficial Noteholders that have beneficial ownership of one or more Notes as at the Voting Record Date shall be entitled to vote at the Meeting (whether in person or by proxy). Nothing in this Meeting Order restricts the Beneficial Noteholders from transferring or assigning such Notes prior to or after the Voting Record Date, provided that if such transfer or assignment occurs after the Voting Record Date, only the original Beneficial Noteholder of such Notes as at the Voting Record Date (and not any transferee) shall be treated as a Beneficial Noteholder for purposes of this Meeting Order and the Meeting.

**VOTING PROCEDURE**

38. THIS COURT ORDERS that at the Meeting, the Chair shall direct a vote, by written ballot, on a resolution to approve the Plan and any amendments thereto.

39. THIS COURT ORDERS that, subject to paragraph 49, the only Persons entitled to vote at the Meeting (whether in person or by proxy) are: (i) Beneficial Noteholders with Voting Claims that have beneficial ownership of one or more Notes as at the Voting Record Date (or any such Beneficial Noteholder's validly appointed holder of its Noteholders' Proxy); and (ii) Ordinary Affected Creditors with Voting Claims as at the Voting Record Date (which, for greater certainty, includes any transferee of an Ordinary Affected Creditor Claim that is a Voting Claim, provided that such transferee has been recognized as an Ordinary Affected Creditor in respect of such transferred Ordinary Affected Creditor Claim in accordance with paragraph 36) (or any such Ordinary Affected Creditor's validly appointed holder of its Ordinary Affected Creditors' Proxy).

40. THIS COURT ORDERS that each Ordinary Affected Creditor with a Voting Claim shall be entitled to one vote as a member of the Affected Creditors Class, which vote shall have a value equal to the dollar value of such Ordinary Affected Creditor's Voting Claim.

41. THIS COURT ORDERS that each Beneficial Noteholder with a Voting Claim shall be entitled to one vote as a member of the Affected Creditors' Class, which vote shall have a value equal to the principal and Accrued Interest owing under the Notes owned by such Beneficial Noteholder as at the Voting Record Date. For greater certainty, with respect to voting by Beneficial Noteholders, only the Beneficial Noteholders, and not Registered Noteholders or Participant Holders (unless any such Registered Noteholder or Participant Noteholder is itself a Beneficial Noteholder), shall be entitled to vote on the Plan as provided for in this Meeting Order.

42. THIS COURT ORDERS that for the purpose of calculating the two-thirds majority in value of Voting Claims, the aggregate amount of Voting Claims held by all Affected Creditors that vote in favour of the Plan (in person or by proxy) shall be divided by the aggregate amount of all Voting Claims held by all Affected Creditors that vote on the Plan (in person or by proxy). For the purpose of calculating a majority in number of Affected Creditors voting on the Plan, (i) each Ordinary Affected Creditor that votes on the Plan (in person or by proxy) shall only be counted once, without duplication; and (ii) each individual Beneficial Noteholder that votes on the Plan (in person or by proxy) shall only be counted once, without duplication, even if that Beneficial Noteholder holds Notes through more than one Registered Noteholder or Participant Holder.

43. THIS COURT ORDERS that, for purposes of tabulating the votes cast on any matter that may come before the Meeting, the Chair shall be entitled to rely on any vote cast by a holder of an Ordinary Affected Creditors' Proxy and/or a Noteholders' Proxy that has been duly submitted to the Monitor in the manner set forth in this Meeting Order.

44. THIS COURT ORDERS that any Ordinary Affected Creditor or Beneficial Noteholder that is entitled to vote at the Meeting and that wishes to vote at the Meeting in person must: (i) duly complete and sign an Ordinary Creditors' Proxy or a Noteholders' Proxy, as applicable; (ii) identify itself in the Ordinary Creditors' Proxy or a Noteholders' Proxy, as applicable, as the

Person with the power to attend and vote at the Meeting on behalf of such Ordinary Affected Creditor or Beneficial Noteholder, as the case may be; and (iii) deliver such Ordinary Affected Creditors' Proxy or Noteholders' Proxy, as the case may be, to the Monitor so that it is received on or before 5:00 p.m. on the third Business Day before the Meeting (or any adjournment thereof), and such delivery must be made in accordance with the instructions accompanying such Ordinary Affected Creditors' Proxy or Noteholders' Proxy.

45. THIS COURT ORDERS that any Ordinary Affected Creditor or Beneficial Noteholder that is entitled to vote at the Meeting and that wishes to appoint a nominee to vote on its behalf at the Meeting must: (i) duly complete and sign an Ordinary Creditors' Proxy or a Noteholders' Proxy, as applicable; (ii) identify its desired nominee in the Ordinary Creditors' Proxy or a Noteholders' Proxy, as applicable, as the Person with the power to attend and vote at the Meeting on behalf of such Ordinary Affected Creditor or Beneficial Noteholder, as the case may be; and (iii) deliver such Ordinary Affected Creditors' Proxy or Noteholders' Proxy, as the case may be, to the Monitor so that it is received on or before 5:00 p.m. on the third Business Day before the Meeting (or any adjournment thereof), and such delivery must be made in accordance with the instructions accompanying such Ordinary Affected Creditors' Proxy or Noteholders' Proxy.

46. THIS COURT ORDERS that, in order to be effective, any Noteholders' Proxy must clearly state the name and contain the signature of the applicable Participant Holder, the applicable account number or numbers of the account or accounts maintained by the applicable Beneficial Noteholder with such Participant Holder, and the principal amount of Notes (excluding any pre-or post-filing interest) that such Beneficial Noteholder holds in each such account or accounts. Where a Beneficial Noteholder holds Notes through more than one Participant Holder, its Noteholders' Proxy is required to be executed by only one of those Participant Holders, provided that the Beneficial Noteholder shall provide the information required in its Noteholders' Proxy with respect to its Notes held with all Participant Holders to allow the Monitor to verify the aggregate amount of Notes held by such Beneficial Noteholder for the purposes of voting on the Plan.

47. THIS COURT ORDERS that notwithstanding anything in paragraphs 44, 45 or 46 or any minor error or omission in any Ordinary Affected Creditors' Proxy or Noteholders' Proxy

that is submitted to the Monitor, the Chair shall have the discretion to accept for voting purposes any Ordinary Affected Creditors' Proxy or Noteholders' Proxy submitted to the Monitor in accordance with the Meeting Order.

48. THIS COURT ORDERS that if there is any dispute as to the principal amount or number of Notes held by any Beneficial Noteholder, the Monitor will request the Participant Holder, if any, who maintains book entry records or other records evidencing such Beneficial Noteholder's ownership of Notes, to confirm with the Monitor the information provided by such Beneficial Noteholder. If any such dispute is not resolved by such Beneficial Noteholder and the Monitor by the date of the Meeting (or any adjournment thereof), the Monitor shall tabulate the vote for or against the Plan in respect of the disputed principal amount of such Beneficial Noteholder's Notes separately. If: (i) any such dispute remains unresolved as of the date of the Sanction Hearing; and (ii) the approval or non-approval of the Plan would be affected by the votes cast in respect of such disputed principal amount of Notes, then such result shall be reported to the Court at the Sanction Hearing and, if necessary, the Monitor may make a request to the Court for directions.

#### **VOTING OF UNRESOLVED CLAIMS**

49. THIS COURT ORDERS that notwithstanding anything to the contrary herein or in the Plan, each Affected Creditor with an Unresolved Claim as at the Voting Record Date shall be entitled to attend the Meeting and shall be entitled to one vote at the Meeting in respect of such Unresolved Claim. Any vote cast in respect of an Unresolved Claim shall be dealt with in accordance with paragraph 50, unless and until (and then only to the extent that) such Unresolved Claim is ultimately determined to be: (i) a Voting Claim, in which case such vote shall have the dollar value attributable to such Voting Claim; or (ii) disallowed, in which case such vote shall not be counted for any purpose.

50. THIS COURT ORDERS that the Monitor shall keep a separate record of votes cast by Affected Creditors with Unresolved Claims and shall report to the Court with respect thereto at the Sanction Hearing. If approval or non-approval of the Plan by Affected Creditors would be altered by the votes cast in respect of Unresolved Claims: (i) such result shall be reported to the Court as soon as reasonably practicable after the Meeting; (ii) if a deferral of the Sanction

Hearing is deemed to be necessary or advisable by the Monitor (in consultation with the Applicant and counsel to the Initial Consenting Noteholders), the Monitor shall request an appropriate deferral of the Sanction Hearing; and (iii) the Monitor may make a request to the Court for directions.

51. THIS COURT ORDERS that each of the Third Party Defendants shall be entitled to one vote as a member of the Affected Creditors Class in respect of any Class Action Indemnity Claim that it has properly filed in respect of the Indemnified Noteholder Class Action Claims, provided that the aggregate value of all such Class Action Indemnity Claims shall, for voting purposes, be deemed to be limited to the amount of the Indemnified Noteholder Class Action Limit in the event that such Indemnified Noteholder Class Action Limit is in place at the time of voting. The Monitor shall keep a separate record of votes cast by the Third Party Defendants in respect of such Class Action Indemnity Claims, and the Monitor shall report to the Court with respect thereto at the Sanction Hearing, including as to whether or not a vote in favour of the Plan or against the Plan by the Third Party Defendants would have had any effect on the approval of the Plan by the Required Majority.

52. THIS COURT ORDERS that the Applicant and the Monitor shall have the right to seek the assistance of the Court at any time in valuing any Unresolved Claim if required to ascertain the result of any vote on the Plan.

53. THIS COURT ORDERS that, pursuant to the Order of this Court dated July 27, 2012 in these proceedings, any Claims that have been properly filed by any of the Third Party Defendants against the Applicant in respect of defence costs incurred or to be incurred by the Third Party Defendants in connection with defending themselves against the Shareholder Claims ("**Defence Costs Claims**") shall be treated as Unresolved Claims for purposes of this Meeting Order and voting at the Meeting.

#### **PERSONS NOT ENTITLED TO VOTE**

54. THIS COURT ORDERS that, for greater certainty, the following Persons, in such capacity, shall have no right to, and shall not, vote at the Meeting: Unaffected Creditors; Noteholder Class Action Claimants; Equity Claimants; any Person with a D&O Claim; any

Person with a D&O Indemnity Claim (other than a D&O Indemnity Claim in respect of Defence Costs Claims or in respect of the Indemnified Noteholder Class Action Claims); any Person with a Subsidiary Intercompany Claim; and any other Person asserting Claims against the Applicant whose Claims do not constitute Affected Creditor Claims on the Voting Record Date.

**CLAIMS OF THE ONTARIO SECURITIES COMMISSION**

55. THIS COURT ORDERS that the Ontario Securities Commission (the "OSC") shall (i) advise the Applicant and the Monitor as to whether it will pursue any rights or claims against the Applicant or the Directors or Officers that have or could give rise to a monetary administrative or other monetary penalty or claim ("OSC Monetary Claims") on or prior to September 13, 2012, which date shall serve in effect as a claims bar date for purposes of any OSC Monetary Claims that may be asserted by the OSC as against the Applicant or any Director or Officer, and (ii) with respect to any OSC Monetary Claims that the OSC may so assert, shall in each case specify the quantum of each such OSC Monetary Claim.

56. THIS COURT ORDERS that, in the event that the Applicant and the Monitor are advised of any OSC Monetary Claims pursuant to and in accordance with paragraph 55, the Monitor shall within three (3) Business Days of being so advised, deliver the Ordinary Affected Creditor Meeting Materials by courier, personal delivery or email to the OSC (or to counsel for the OSC as appears on the service list).

**RESTRUCTURING CLAIMS**

57. THIS COURT ORDERS that the Monitor shall, no later than three (3) Business Days following the receipt of a Proof of Claim from any Person asserting a Restructuring Claim, deliver the Ordinary Affected Creditor Meeting Materials by courier, personal delivery or email to such Person at the address set out in any such Proof of Claim.

**APPROVAL OF THE PLAN**

58. THIS COURT ORDERS that the Plan must receive an affirmative vote of the Required Majority in order to be approved by the Affected Creditors.

59. THIS COURT ORDERS that the result of any vote at the Meeting shall be binding on all Affected Creditors, regardless of whether such Affected Creditor was present at or voted at the Meeting.

#### **PLAN SANCTION**

60. THIS COURT ORDERS that the Monitor shall report to the Court the results of any votes taken at the Meeting as soon as reasonably practicable after the Meeting (or any adjournment thereof). If the Plan is approved by the Required Majority, the Applicant may apply to the Court at 10:00 A.M. on the Sanction Hearing Date for the Sanction Order (the "Sanction Hearing").

61. THIS COURT ORDERS that service of this Meeting Order by the Monitor or the Applicant to the parties on the service list shall constitute good and sufficient service of notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that any party shall also serve the service list with any additional materials that it intends to use in support of the Sanction Hearing.

62. THIS COURT ORDERS that any Person who wishes to oppose the Sanction Hearing shall serve on the Applicant, the Monitor and the service list a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Hearing at least four (4) days before the date set for the Sanction Hearing.

#### **MISCELLANEOUS**

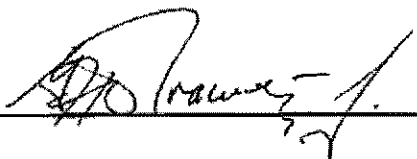
63. THIS COURT ORDERS that nothing in this Meeting Order (including the acceptance or determination of any Claim, or any part thereof, as a Voting Claim in accordance with this Meeting Order) has the effect of determining Proven Claims for purposes of the Plan.

64. THIS COURT ORDERS that, for the purposes of this Meeting Order (including the calculation of the Required Majority), all Affected Creditor Claims shall be deemed to be denominated in Canadian dollars and any Affected Creditor Claims denominated in a foreign currency shall be deemed to be converted to Canadian dollars using the Reuters closing rate on



the Filing Date (as found at <http://www.reuters.com/finance/currencies>), without prejudice to a different exchange rate being proposed in the Plan.

65. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

  
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**SCHEDULE "A"****NOTICE TO AFFECTED CREDITORS OF SINO-FOREST CORPORATION**

NOTICE IS HEREBY GIVEN that a plan of compromise and reorganization (as amended from time to time, the "**Plan**") has been filed with the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in respect of Sino-Forest Corporation (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

A copy of the Plan is set out as a schedule to the information circular dated ● (the "**Circular**") for the Meeting (as defined below).

NOTICE IS ALSO HEREBY GIVEN that a meeting of Affected Creditors (the "**Meeting**") will be held at 10:00 a.m. on ●, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, for the purpose of considering and, if thought advisable, passing, with or without variation, a resolution to approve the Plan (the full text of which resolution is set out as a schedule to the Circular) and to transact such other business as may properly come before the Meeting (or any adjournment thereof). The Meeting is being held pursuant to the Order of the Court made on ● (the "**Meeting Order**") and the endorsement of the Court made on August 31, 2012 (the "**Endorsement**"). Copies of the Meeting Order and the Endorsement are set out as schedules to the Circular. Capitalized terms used but not otherwise defined in this notice have the meaning ascribed to them in the Meeting Order.

The Plan must receive an affirmative vote of the Required Majority in order to be approved by the Affected Creditors. The Required Majority is a majority in number of Affected Creditors with Voting Claims, and two-thirds in value of the Voting Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting. The Plan must also be sanctioned by a final order of the Court (the "**Sanction Order**") pursuant to the CCAA. Notice is also hereby given that, if the Plan is approved by the Required Majority at the Meeting, the Sanction Order will be sought in an application before the Court at 10:00 a.m. on ●, 2012 (or such other date after the Meeting as may be set by the Court), to seek approval of the Plan. If the Plan is approved by the Requisite Majority and sanctioned by the Court, then,

subject to the satisfaction or waiver of the conditions to implementation of the Plan, all Persons referred to in the Plan (including the Affected Creditors) will receive the treatment set out in the Plan.

### **AMENDMENTS TO THE PLAN**

The Applicant may, at any time and from time to time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan, subject to the terms of the Plan, provided that: (i) the Monitor, the Applicant or the Chair shall communicate the details of any such amendment, restatement and/or supplement to all Affected Creditors present at the Meeting prior to any vote being taken at the Meeting; (ii) the Applicant shall provide notice to the service list of any such amendment, restatement and/or supplement and shall file a copy thereof with this Court forthwith and in any event prior to the Sanction Hearing; and (iii) the Monitor shall post an electronic copy of any such amendment, restatement and/or supplement on the Website forthwith and in any event prior to the Sanction Hearing.

### **COMPLETION OF PROXIES**

Any Affected Creditor who is entitled to vote at the Meeting and that wishes to vote at the Meeting must complete, sign and return the applicable form of proxy enclosed in the Circular in the return envelope provided or by fax at the fax number below or by email in PDF format at the email address below. In order to be effective, a proxy must be deposited with the Monitor, at the address, fax or email below, at any time prior to 5:00 p.m. on the third Business Day before the Meeting (or any adjournment thereof).

The Monitor's contact information for the purpose of filing forms of proxy and for obtaining any additional information or materials related to the Meeting is:

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

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)

Fax: (416) 649-8101

This notice is given by the Monitor pursuant to the Meeting Order.

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.

Dated at Toronto, Ontario this ● day of ●, 2012.

SCHEDULE "B"

INSTRUCTIONS TO PARTICIPANT HOLDERS

URGENT – IMMEDIATE ACTION REQUIRED

●, 2012

TO: PARTICIPANT HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);
- (ii) US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);
- (iii) US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and
- (iv) US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")**

According to the records of The Depository Trust Company ("DTC") or the applicable note indenture trustee, you are the holder or custodian (the "**Participant Holder**") on behalf of an unregistered holder of one or more of the Notes (an "**Unregistered Noteholder**"). You (or your agent) are required by paragraph 26 of the enclosed Court Order (the "**Meeting Order**") to complete and sign the applicable part of an enclosed Noteholders' Proxy (the box on page 2) for each Unregistered Noteholder for whom you act as Participant Holder and to mail it directly to each such applicable Unregistered Noteholder within five (5) Business Days.

- 2 -

We enclose Noteholder Meeting Materials to be forwarded by you or your agent (together with an appropriately completed and signed Noteholders' Proxy) to each of the Unregistered Noteholders recorded in your account records or book entry records. We enclose one additional copy of these materials for your use. **THE MATERIALS ARE TIME SENSITIVE AND MUST BE FORWARDED TO EACH OF THE UNREGISTERED NOTEHOLDERS TOGETHER WITH THE NOTEHOLDERS' PROXY COMPLETED BY YOU FOR THAT UNREGISTERED NOTEHOLDER WITHOUT DELAY.**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

The Noteholders' Proxy is to be completed and signed by you or your agent and by the Unregistered Noteholder and is to be provided by the Unregistered Noteholder directly to Sino-Forest's Monitor, FTI Consulting Canada Inc., in the enclosed envelope or by facsimile transmission or email.

**PLEASE INSTRUCT UNREGISTERED NOTEHOLDERS TO DELIVER THEIR PROXIES DIRECTLY TO FTI CONSULTING CANADA INC. IN ACCORDANCE WITH THE INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS. PROXIES MUST BE RECEIVED BY FTI CONSULTING CANADA INC. PRIOR TO THE DEADLINE OF 5:00 P.M. ON THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**

Before sending the Noteholders' Proxy and the other materials to an Unregistered Noteholder, please:

1. insert in the Noteholders' Proxy in the appropriate spaces (in the box on page 2) the name of the applicable Unregistered Noteholder, your organization's name as Participant Holder, the applicable account number and the principal amount of the Notes held in such account; and
2. sign the Noteholders' Proxy as Participant Holder where indicated.

- 3 -

We request that you provide any assistance that an Unregistered Noteholder may require in completing its Noteholders' Proxy. You are required by the Meeting Order to complete and forward such Noteholders' Proxies and the other materials to the applicable Unregistered Noteholders as specified in these instructions.

If you have a standard practice for distribution of meeting materials to Unregistered Noteholders and for the gathering of information and proxies or voting instructions from Unregistered Noteholders that differs from the process described above, **please contact the Monitor immediately** to determine whether you are able to use such standard practice as an alternative to the process described above.

If you have any questions regarding your obligations or the process, or require additional copies of any materials, please contact the Monitor at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.

## SCHEDULE "C"

INSTRUCTIONS TO ORDINARY AFFECTED CREDITORS

## URGENT – IMMEDIATE ACTION REQUIRED

●, 2012

TO: ORDINARY AFFECTED CREDITORS OF SINO-FOREST CORPORATION

Re: **Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")**

We enclose in this package the following documents for your review and consideration:

1. Notice to Affected Creditors;
2. the Plan proposed in respect of Sino-Forest Corporation;
3. an Information Circular in respect of Sino-Forest Corporation and the Plan;
4. copy of the Meeting Order of the Ontario Superior Court of Justice dated ● (the "**Meeting Order**");
5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the "**Endorsement**"); and
6. blank form of Ordinary Affected Creditors' Proxy, completion instructions and a return envelope.

The purpose of these materials is to enable you to consider the Plan and vote to accept or reject the resolution to approve the Plan at the Meeting of Affected Creditors of Sino-Forest Corporation to be held at 10:00 a.m. on ●, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the "**Meeting**").



**PROXIES**

Ordinary Affected Creditors who wish to vote at the Meeting must complete the enclosed Ordinary Affected Creditors' Proxy and provide it to the Monitor, using the enclosed envelope, or by sending it to the Monitor by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, so that it is received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting (or any adjournment thereof). Any Ordinary Affected Creditor must provide the Ordinary Affected Creditors' Proxy to the Monitor by this deadline to vote at the Meeting of Affected Creditors.

**FURTHER INFORMATION**

If you have any questions regarding the process or any of the enclosed forms, please contact FTI Consulting Canada Inc. at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.

## SCHEDULE "D"

INSTRUCTIONS TO REGISTERED NOTEHOLDERS

## URGENT – IMMEDIATE ACTION REQUIRED

●, 2012

TO: REGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);
- (ii) US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);
- (iii) US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and
- (iv) US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),

(collectively, the "Notes")

Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")

We enclose in this package the following documents for your review and consideration:

1. Notice to Affected Creditors;
2. the Plan proposed in respect of Sino-Forest Corporation;
3. an Information Circular with respect to Sino-Forest Corporation and the Plan;

- 4. copy of the Meeting Order of the Ontario Superior Court of Justice dated ● (the “**Meeting Order**”);
- 5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the “**Endorsement**”); and
- 6. blank form of Noteholders’ Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required for dissemination to Beneficial Noteholders to enable Beneficial Noteholders to consider the Plan and to cast their vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on ●, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the “**Meeting**”).

**IF YOU HOLD NOTES FOR ANOTHER PERSON PROXIES ARE TO BE FILED ONLY BY BENEFICIAL NOTEHOLDERS.** IF YOU ARE A TRUST COMPANY, DEPOSITORY, A BROKER, A BOOK ENTRY SYSTEM, AN AGENT, A CUSTODIAN OR ANY OTHER ENTITY WHICH HOLDS NOTES FOR ANOTHER PERSON, PLEASE IMMEDIATELY CONTACT FTI CONSULTING CANADA INC. (THE “MONITOR”) AT THE ADDRESS BELOW TO SO ADVISE IT. THE MONITOR WILL THEN SEND YOU THE MATERIALS SET OUT IN SCHEDULE “B” OF THE MEETING ORDER WHICH HAVE BEEN PREPARED TO ADDRESS YOUR SITUATION.

**CLAIM**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

**IF YOU ARE A BENEFICIAL NOTEHOLDER**

If you are a Beneficial Noteholder (*i.e.*, you own Notes beneficially yourself and do not hold such Notes for the benefit of another person) and you wish to vote at the Meeting, you must

complete the enclosed Noteholders' Proxy and provide it to the Monitor using the enclosed envelope, or by sending it to the Monitor by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, so that it is received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. Beneficial Noteholder must provide the Noteholders' Proxy to the Monitor by this deadline in order to vote at the Meeting of Affected Creditors.

**FURTHER INFORMATION**

If you have any questions regarding the process or any of the enclosed forms, please contact FTI Consulting Canada Inc. at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanada.fticonsulting.com/sfc/>.

SCHEDULE "E"

INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS

URGENT – IMMEDIATE ACTION REQUIRED

●, 2012

TO: UNREGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);
- (ii) US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);
- (iii) US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and
- (iv) US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the Companies' Creditors Arrangement Act (the "Plan")**

You are considered an Unregistered Noteholder if your Notes are shown by the books and records of the applicable indenture trustee to be held by your broker, DTC or another similar holder (a "Participant Holder") on your behalf. If your Notes are held by a Participant Holder, these instructions apply to you.

We enclose in this package the following documents for your review and consideration:

- 1. Notice to Affected Creditors;

2. the Plan proposed in respect of Sino-Forest Corporation;
3. an Information Circular with respect to Sino-Forest and the Plan;
4. copy of the Meeting Order of the Ontario Superior Court of Justice dated ● (the "Meeting Order"), 2012;
5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the "Endorsement"); and
6. blank form of Noteholders' Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required to enable you to consider the Plan and to cast your vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on ●, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the "Meeting").

### **CLAIM**

THE TOTAL AMOUNT OF ALL THE NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM. HOWEVER IF YOU WISH TO VOTE ON THE PLAN, YOU MUST COMPLETE THE ENCLOSED NOTEHOLDERS' PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AND RETURN IT TO THE MONITOR PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE THIRD BUSINESS DAY BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.

### **PROXY**

The box on page 2 of your proxy should have been completed and signed by your Participant Holder to indicate the principal amount of Notes held by the Participant Holder on your behalf as at the Voting Record Date of ●. If it has not been completed and signed, please contact your Participant Holder immediately to arrange for it to be completed and signed. You must complete your portion of the enclosed Noteholders' Proxy (including paragraph 1 of the proxy) and

provide it to FTI Consulting Canada Inc. (the "**Monitor**"), using the enclosed envelope, or by sending to the Monitor by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, so that it is received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. You must provide the completed proxy to the Monitor by this deadline if you wish to cast your vote at the Meeting of Affected Creditors.

YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR PROXY SHOULD BE SENT DIRECTLY TO FTI CONSULTING CANADA INC. IN THE ENVELOPE PROVIDED OR BY FACSIMILE OR EMAIL.

If you have any questions regarding your obligations or the process, or require additional copies of any materials please contact the Monitor at the following address:

The Monitor  
FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.

**SCHEDULE "F"****NOTEHOLDERS' PROXY****For Use by Beneficial Owners of Sino-Forest Corporation's Notes****MEETING OF AFFECTED CREDITORS OF SINO-FOREST CORPORATION**

to be held pursuant to an Order of the Ontario Superior Court of Justice (the "**Meeting Order**")  
in connection with the Plan of Compromise and Reorganization (the "**Plan**")  
under the *Companies' Creditors Arrangement Act* (Canada) in respect of  
Sino-Forest Corporation ("**Sino-Forest**")

on ● , 2012 at 10:00 a.m.

(or such other date as may be set and announced in accordance with the Meeting Order)

at:

Bennett Jones LLP, 3400 One First Canadian Place

Toronto, Ontario

and at any adjournment thereof.

*Before completing this Proxy, please read carefully the instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.*

**THIS PROXY MUST BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER AND THE UNREGISTERED NOTEHOLDER AND MUST BE PROVIDED TO THE MONITOR, FTI CONSULTING CANADA INC., PRIOR TO 5:00 P.M. TORONTO TIME ON THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**



**TO BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER PRIOR TO SENDING THIS PROXY TO THE BENEFICIAL OWNER OF NOTES**

Name of Unregistered Noteholder  
(Client or Principal for whom Notes are held):

\_\_\_\_\_

Name of Participant Holder for this Unregistered  
Noteholder's Notes:

\_\_\_\_\_

Account Number:

\_\_\_\_\_

Principal Amount of Notes

Held for this Unregistered Noteholder by series: \_\_\_\_\_

**Participant Holder Signature:**

\_\_\_\_\_

(Print Name of Contact at Participant Holder)

Phone Number of Participant Holder:

By:

\_\_\_\_\_

(Signature of authorized signing officer of  
Participant Holder)

Email Address of Participant Holder:

\_\_\_\_\_

\_\_\_\_\_

**REMAINDER OF PROXY TO BE COMPLETED BY BENEFICIAL OWNER**

**THE UNDERSIGNED UNREGISTERED NOTEHOLDER** hereby revokes all proxies previously given and nominates, constitutes and appoints \_\_\_\_\_ or, if no person is named, Robert J. Chadwick of Goodmans LLP (or his designee), as nominee of the Unregistered Noteholder, with power of substitution, to attend on behalf of and act for the Unregistered Noteholder at the Meeting of Affected Creditors of Sino-Forest Corporation to be held in connection with the Plan and at any and all adjournments thereof, and to vote the Unregistered Noteholder's claims in respect of the Notes beneficially owned by it as follows:

- A. (mark one only)
  - VOTE FOR approval of the Plan; or
  - VOTE AGAINST approval of the Plan;

- and -

- B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Unregistered Noteholder with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Affected Creditors of Sino-Forest Corporation or any adjournment thereof.

If you do not indicate your vote in part "A" above and Robert J. Chadwick of Goodmans LLP (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan.

Please provide below: (i) the Name of each Participant Holder through which the Unregistered Noteholder holds Notes; (ii) the Unregistered Noteholder's account number with each such Participant Noteholder; and (iii) the principal amount of all Notes held on behalf of the Unregistered Noteholder by each Participant Holder.

NAME AND PHONE # OF PARTICIPANT HOLDER (Please list all Participants Holders through which you hold Notes)	ACCOUNT NUMBER	PRINCIPAL AMOUNT OF NOTES AND SERIES (Please identify the series of Notes)

(If additional space is required, please attach a separate page)

The Unregistered Noteholder hereby authorizes FTI Consulting Canada Inc. to contact any Participant Holder named above to confirm that the information set out above conforms to the information contained in the records of the Participant Holder.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

	(Print Name of Unregistered Noteholder)
	(Signature of Unregistered Noteholder or, if the Unregistered Noteholder is a corporation, signature of an authorized signing officer of the corporation and such officer's title)
	Phone Number of Unregistered Noteholder

**INSTRUCTIONS FOR COMPLETION OF PROXY**

1. Each Unregistered Noteholder has the right to appoint a person (who need not be a Noteholder) to attend, act and vote for and on the Unregistered Noteholder's behalf and such right may be exercised by inserting in the space in paragraph 1 the name of the person to be appointed. An individual Unregistered Noteholder wishing to attend and vote in person at the Meeting of Affected Creditors of Sino-Forest Corporation should insert the Unregistered Noteholder's own name in the space provided. **If no name has been inserted in the space provided, the Unregistered Noteholder will be deemed to have appointed Robert J. Chadwick of Goodmans LLP (or his designee) as the Unregistered Noteholder's proxyholder.**
2. **If Robert J. Chadwick of Goodmans LLP (or his designee) is appointed or deemed to be appointed as proxyholder and the Unregistered Noteholder fails to indicate on this Proxy a vote for or against the approval of the Plan, this Proxy will be voted FOR approval of the Plan.**
3. The Unregistered Noteholder should insert the principal amount of each series of Notes owned by the Unregistered Noteholder, specifying in each case the applicable Participant Holder and the series of Notes, in the space provided on page 4.
4. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
5. This Proxy must be signed by the Beneficial Owner of the applicable Notes or by his or her attorney duly authorized in writing or, if the Unregistered Noteholder is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
6. The Participant Holder must complete and sign the applicable portion of the Proxy (in the box on page 2) PRIOR to sending the Proxy to the Beneficial Owner.

7. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Unregistered Noteholder and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
8. This Proxy must be received by the Monitor by no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof, at the address set out below:

FTI Consulting Canada Inc., the Court-appointed Monitor of Sino-Forest Corporation

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

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

**SCHEDULE "G"****ORDINARY AFFECTED CREDITORS' PROXY****For Use by Ordinary Affected Creditors of Sino-Forest Corporation****MEETING OF AFFECTED CREDITORS OF SINO-FOREST CORPORATION**

to be held pursuant to an Order of the Ontario Superior Court of Justice (the "**Meeting Order**")  
in connection with the Plan of Compromise and Reorganization (the "**Plan**")  
under the *Companies' Creditors Arrangement Act* (Canada) in respect of  
Sino-Forest Corporation ("**Sino-Forest**")

on ●, 2012 at 10:00 a.m.

(or such other date as may be set and announced in accordance with the Meeting Order)

at:

Bennett Jones LLP, 3400 One First Canadian Place  
Toronto, Ontario

and at any adjournment thereof.

*Before completing this Proxy, please read carefully the instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.*

**IN ORDER TO VOTE ON THE PLAN, THIS PROXY MUST BE COMPLETED AND SIGNED BY THE ORDINARY AFFECTED CREDITOR AND PROVIDED TO THE MONITOR, FTI CONSULTING CANADA INC., PRIOR TO 5:00 P.M. TORONTO TIME ON THE THIRD BUSINESS DAY BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.**

**THE UNDERSIGNED ORDINARY AFFECTED CREDITOR** hereby revokes all proxies previously given and nominates, constitutes and appoints \_\_\_\_\_ or, if no person is named, **[insert representative of the Monitor]** (or his/her designee), as nominee of the Ordinary Affected Creditor, with power of substitution, to attend on behalf of and act for the Ordinary Affected Creditor at the Meeting of Affected Creditors of Sino-Forest Corporation to be held in connection with the Plan and at any and all adjournments thereof, and to vote the Ordinary Affected Creditor's Claim as follows:

A. (mark one only)

VOTE FOR approval of the Plan; or

VOTE AGAINST approval of the Plan;

- and -

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Ordinary Affected Creditor with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Affected Creditors of Sino-Forest Corporation or any adjournment thereof.

If you do not indicate your vote in part "A" above and **[insert representative of the Monitor]** or his/her designee is your nominee, and he/she will vote this proxy FOR approval of the Plan.



Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

	(Print Name of Ordinary Affected Creditor)
	(Signature of Ordinary Affected Creditor or, if the Voting Affected Creditor is a corporation, signature of an authorized signing officer of the corporation and such officer's name and title)
	Phone Number of Ordinary Affected Creditor

**INSTRUCTIONS FOR COMPLETION OF PROXY**

1. Each Ordinary Affected Creditor has the right to appoint a person (who need not be a Ordinary Affected Creditor) to attend, act and vote for and on the Ordinary Affected Creditor's behalf and such right may be exercised by inserting in the space provided the name of the person to be appointed. An individual Ordinary Affected Creditor wishing to attend and vote in person at the Meeting of Affected Creditors of Sino-Forest Corporation should insert the Ordinary Affected Creditor's own name in the space provided. **If no name has been inserted in the space provided, the Ordinary Affected Creditor will be deemed to have appointed [insert representative of Monitor] (or his/her designee) as the Ordinary Affected Creditor's proxyholder.**
2. **If [insert representative of Monitor] (or his/her designee) is appointed or deemed to be appointed as proxyholder and the Ordinary Affected Creditor fails to indicate on this Proxy a vote for or against the approval of the Plan, this Proxy will be voted FOR approval of the Plan.**
3. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
4. This Proxy must be signed by the Ordinary Affected Creditor or by the Ordinary Affected Creditor's attorney duly authorized in writing or, if the Ordinary Affected Creditor is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
5. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Ordinary Affected Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
6. This Proxy must be received by the Monitor by no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof, at the address set out below:

FTI Consulting Canada Inc., the Court-appointed Monitor of Sino-Forest Corporation

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

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

(PROCEEDING COMMENCED IN TORONTO)

**PLAN FILING AND MEETING ORDER**

**BENNETT JONES LLP**  
Barristers and Solicitors  
One First Canadian Place  
Suite 3400, P.O. Box 150  
Toronto ON  
M5X 1A4

Robert W. Staley (LSUC #27115J)  
Kevin Zych (LSUC #33129T)  
Derek J. Bell (LSUC #43420J)  
Raj Sahni (LSUC #42942U)  
Jonathan Bell (LSUC #55457P)  
Tel: 416-863-1200  
Fax: 416-863-1716

Lawyers for the Applicant

**APPENDIX "B" - OCTOBER 23, 2012 PRESS RELEASE**

*(Please See Attached)*



**Sino-Forest Announces Filing of  
Amended Plan of Compromise and Reorganization  
and Meeting Date for Creditors' Meeting**

**Implementation Date of Plan Extended to no later than January 15, 2013**

**TORONTO, CANADA – October 23, 2012** – Sino-Forest Corporation ("Sino-Forest" or the "Company") today announced that, in connection with its previously announced creditor protection proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"), it has filed with the Ontario Superior Court of Justice (the "Court") an Amended Plan of Compromise and Reorganization concerning Sino-Forest (the "Amended Plan"). Sino Forest intends to hold a meeting of creditors in respect of the Amended Plan on November 29, 2012 (the "Meeting"). Further information concerning the Meeting and the Amended Plan will be made available in meeting materials, which include a meeting information statement (the "Information Statement") concerning the Amended Plan that will be mailed to creditors this week. A supplement to the Information Statement containing certain additional information will be mailed to creditors in advance of the Meeting.

The Amended Plan is the result of extensive arm's length negotiations between counsel to SFC, counsel to the Board, and the advisors to an ad hoc group of the Company's noteholders. The Monitor and its counsel have also been involved throughout the course of negotiations.

After careful consideration of all relevant factors relating to the restructuring and the Amended Plan, and after receiving the advice of its advisors, the Company's management and advisors and having regard to the views of the Monitor, the Board of Directors has determined, in its business judgment, that the transactions contemplated by the Amended Plan are in the best interests of the Company and recommends that affected creditors approve the Amended Plan.

Consistent with the agreement with an ad hoc committee of its noteholders (the "Initial Consenting Noteholders") announced by Sino-Forest on March 30, 2012, the Amended Plan provides for a restructuring transaction (the "Restructuring Transaction") under which Sino-Forest would transfer substantially all of its assets, other than certain excluded assets, to a newly formed entity ("Newco") to be owned by the "Affected Creditors" of Sino-Forest. The class of Affected Creditors includes Sino-Forest's current noteholders and certain other creditors of Sino-Forest, and excludes unaffected claims, equity claims, related indemnity claims, subsidiary intercompany claims, and certain other claims. The assets transferred to Newco pursuant to the Restructuring Transaction would include all of the shares of the Company's directly owned subsidiaries which own, directly or indirectly, all of the business operations of the Company including Greenheart Group Limited. The assets transferred to Newco would not include, among other things, certain litigation claims of the Company against third parties which would be transferred to a litigation trust (the "Litigation Trust") to be

established to pursue such claims on behalf of the Affected Creditors and certain other stakeholders, and cash in an amount to be agreed to fund the Litigation Trust.

Generally, the Amended Plan provides for the treatment of claims as described in Schedule "A" to this press release. Further information regarding the treatment of claims and the other terms of the Amended Plan will be available in the Information Statement and in the Amended Plan itself. Certain of the terms of the Amended Plan are materially different from the terms of the Restructuring Transaction announced by the Company on March 30, 2012 and the draft plan of compromise and reorganization filed by the Company with the Court in August, 2012. The Support Agreement has also been amended to, among other things, extend the outside date for implementation of the Plan to January 15, 2013.

In order to be effective, the Amended Plan must be approved by a majority in number of Affected Creditors with proven claims, and two-thirds in value of the proven claims held by the Affected Creditors, in each case who vote (in person or by proxy) on the Amended Plan at the meeting of Affected Creditors. The Amended Plan is also subject to the approval of the Court and to numerous conditions precedent which must be satisfactory to the Company and the Initial Consenting Noteholders, as well as receipt of any necessary regulatory approvals in People's Republic of China and Canada. If requisite approvals are received within the time frames anticipated, Sino-Forest intends to complete the Restructuring Transaction not later than January 15, 2013.

This press release summarizes only certain terms of the Amended Plan and does not, and is not intended to, contain a description of all of the material terms of the Amended Plan. A full copy of the Amended Plan and the Information Statement for the Meeting will be available on the Monitor's website at <http://cfcanada.fticonsulting.com/sfc>, the Company's website at [www.sinoforest.com](http://www.sinoforest.com), and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On October 10, 2012, the Ontario Court of Appeal granted leave to certain parties involved in the CCAA proceedings to appeal the Court's decision on an "equity claims" motion. The appeal is scheduled to be heard on November 13, 2012. The Court of Appeal has directed that the Meeting not be held pending decision on appeal. While it is expected that the Court of Appeal will issue its decision prior to the Meeting, there can be no assurance that will in fact occur. Accordingly, the Meeting may be postponed. In addition, there may be amendments to the Amended Plan resulting from the Court of Appeal's decision.

Sino-Forest continues to be subject to a cease trade order of the Ontario Securities Commission which prohibits trading in Sino-Forest's securities.

#### **Inquiries**

All inquiries regarding the Company's proceedings under the CCAA should be directed to the Monitor, FTI Consulting, via email at: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com), or telephone: (416) 649-8094. Information about the CCAA proceedings, including copies of all court orders and the Monitor's reports, are available at the Monitor's website <http://cfcanada.fticonsulting.com/sfc>.

This news release contains forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), including forward-looking statements relating to: Sino-Forest's expectations with respect to timing of the meeting of Affected Creditors to consider the Amended Plan; the Board of Directors' beliefs regarding the Amended Plan; the Company's expectations regarding the proposed Amended Plan involving the Company and the expected terms of, treatment of claims under and consideration payable pursuant to such Amended Plan; and Sino-Forest's intentions with respect to the timing of completion of the Restructuring Transaction. The forward looking statements expressed or implied by this news release are subject to important risks and uncertainties. When used in this news release, the words "intends", "believes", "will", "would", "expected", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. The results or events predicted in these statements may differ materially from actual results or events and are not guarantees of future performance of Sino-Forest. Factors which could cause results or events to differ from current expectations include, among other things: Sino-Forest's ability to complete the Amended Plan in the time period contemplated, if at all, which is dependent on its ability to comply with the closing conditions to the Amended Plan, many of which are significant and beyond the control of Sino-Forest, including the approval of the Court, the Company's creditors and securities and other regulatory authorities; the outcome of the appeal of the "equity claims" motion; orders of the Court in the CCAA proceedings; actions taken against the Company by governmental agencies and securities and other regulators; actions taken by the Company's noteholders, lenders, creditors, shareholders, and other stakeholders to enforce their rights; actions taken by the Monitor; the outcome of examinations and proceedings currently underway by law enforcement and securities regulatory authorities; the outcome of class action or other proceedings which have been or may in future be initiated against the Company; the Company's ability to continue to operate without former senior management, almost all of whom have ceased to be employed by the Company; the Company's ability to acquire rights to additional standing timber; the Company's ability to meet its expected plantation yields; the cyclical nature of the forest products industry and price fluctuation in and the demand and supply of logs; the Company's reliance on the relationship with local plantation land owners and/or plantation land use rights holders, authorized intermediaries, key customers, suppliers and third party service providers; the Company's ability to operate its production facilities on a profitable basis; changes in currency exchange rates and interest rates; the evaluation of the Company's provision for income and related taxes; economic, political and social conditions and government policy in the People's Republic of China, the Republic of Suriname and New Zealand; and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forward-looking statements. Sino-Forest Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



## Schedule "A"

Generally, the Amended Plan provides for treatment of claims as follows:

- *Claims of Current Noteholders and Other Affected Creditors.* Noteholders and other Affected Creditors of Sino-Forest with proven claims would receive their pro rata share of 92.5% of the shares of Newco to be issued upon implementation of the Amended Plan, 100% of new notes to be issued by Newco in the aggregate principal amount of \$300 million and a 75% interest in the Litigation Trust. Noteholders that became parties to the Support Agreement on or before the early consent deadline of May 15, 2012 (or their assignees) would receive the remaining 7.5% of the shares of Newco to be issued upon implementation of the Amended Plan. The general terms of the Newco shares, the Newco notes and the Litigation Trust interests are described in the Information Statement, and further details will be provided in a supplement to the Information Statement to be issued no less than seven days in advance of the Meeting.
- *Shareholder and Shareholder Class Action Claims.* The Amended Plan does not provide for any recovery for current shareholders in their capacity as such. However, to the extent that current shareholders are within the class of claimants in the shareholder class actions involving the Company, the Amended Plan preserves their ability to continue their claims against third party defendants, being any defendant other than the Company, its subsidiaries and certain of its directors and officers. Sino-Forest's existing shares would be cancelled as part of the Amended Plan.
- *Indemnity Claims against Sino-Forest in respect of Shareholder Class Action Claims.* All indemnity claims against Sino-Forest in respect of shareholder class action claims against Sino-Forest (including indemnity claims against the Company by auditors, underwriters and directors and officers) would be released and would receive no recovery.
- *Claims of Former Noteholders.* Class action claims of former noteholders of Sino-Forest against Sino-Forest and certain directors and officers will be released. Claims of former noteholders against certain third parties will be allowed to proceed subject to a limited claim amount that can be asserted in respect of such claims that are indemnifiable by Sino-Forest, which amount shall be acceptable to the Company, the Initial Consenting Noteholders, the Monitor and counsel to the class action plaintiffs.
- *Indemnity Claims against Sino-Forest in respect of Class Action Claims by Former Noteholders.* Valid indemnity claims against Sino-Forest in respect of class action claims by former noteholders will be allowed on a contingent basis, subject to the same limit as applies to the underlying claims of former noteholders. However, nothing in the Amended Plan impairs the ability of the Company, the Monitor and the Initial Consenting Noteholders from seeking a court order that would cause such indemnity claims to be disallowed or

subordinated in the same manner as indemnity claims in respect of Shareholder class action claims.

- *Unaffected Claims.* Certain other claims are "unaffected claims", and holders of those unaffected claims will not be entitled to vote on the Amended Plan. Holders of unaffected claims will be paid in full. Unaffected claims include: certain government priority claims relating to taxes, if any; certain employee priority and other employee claims, if any; and trade payables incurred by Sino-Forest after March 30, 2012.
- *Directors and Officers.* The Amended Plan provides for releases in favour of certain parties, including the current directors and officers of SFC as well as certain former directors or officers (collectively, the "Named Directors and Officers"). However, certain types of claims would not be released pursuant to the Amended Plan, including: (a) claims not permitted to be released by section 5.1(2) of the CCAA; (b) claims for the tort of civil conspiracy (which claims would be limited to the available insurance in respect of the Named Directors and Officers) and (c) claims for fraud or criminal conduct. The Amended Plan does not provide releases for any of the respondents to the Ontario Securities Commission enforcement proceedings in respect of non-monetary claims. As noted above, the third party defendants to the class action claims that are proceeding would not be released under the Amended Plan, other than the Named Directors and Officers to the extent noted above.

The foregoing is a summary only of certain terms of the Amended Plan and is not, and is not intended to be, a description of all of the material terms of the Amended Plan

**APPENDIX "C" - NOTEHOLDERS' PROXY**

*(Please See Attached)*

**NOTEHOLDERS' PROXY****For Use by Beneficial Owners of Sino-Forest Corporation's Notes**

**5% Convertible Senior Notes due 2013  
CUSIPs: 82934HAB7 and C83912AB8**

**10.25% Guaranteed Senior Notes due 2014  
CUSIPs: 82934HAC5 and C83912AC6**

**4.25% Convertible Senior Notes due 2016  
CUSIPs: 82934HAD3 and C83912AD4**

**6.25% Guaranteed Senior Notes due 2017  
CUSIPs: 82934HAF8 and C83912AF9**

**MEETING OF AFFECTED CREDITORS OF SINO-FOREST CORPORATION**

to be held pursuant to an Order of the Ontario Superior Court of Justice (the "Meeting Order")  
in connection with the Plan of Compromise and Reorganization (the "Plan")  
under the *Companies' Creditors Arrangement Act* (Canada) in respect of  
Sino-Forest Corporation ("Sino-Forest")  
on November 29, 2012 at 10:00 a.m.

(or such other date as may be set and announced in accordance with the Meeting Order)

at:

Bennett Jones LLP, 3400 One First Canadian Place  
Toronto, Ontario

and at any adjournment thereof.

*Before completing this Proxy, please read carefully the instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.*

**THIS PROXY MUST BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER AND THE UNREGISTERED NOTEHOLDER (I.E. THE BENEFICIAL NOTEHOLDER, AS OF THE VOTING RECORD DATE, AUGUST 31, 2012) AND MUST BE PROVIDED TO THE MONITOR, FTI CONSULTING CANADA INC., PRIOR TO 5:00 P.M. TORONTO TIME ON NOVEMBER 26, 2012, BEING THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**

**Voting Record Date Verification:** The below is to be executed by the DTC Participant through which the Noteholder holds its bonds.

*Beneficial Owners should continue on to execute their vote and appoint their nominee on page 3. The signor should ensure that its Participant Bank completes this section prior to its submission to the Monitor.*

Please verify the holdings of your client, the beneficial owner, as of the Voting Record Date, August 31, 2012.

1. Name of Unregistered Noteholder  
(Client or Principal for whom Notes are held): \_\_\_\_\_

2. Par Amount held as of the Voting Record Date, and voted on this Noteholders' Proxy

CUSIP	PAR AMOUNT	CUSIP	PAR AMOUNT
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Date Submitted: \_\_\_\_\_, 2012      Participant No. \_\_\_\_\_

Print Name of Company: \_\_\_\_\_

Authorized Employee Contact (Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Tel. No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Signature: X \_\_\_\_\_

MEDALLION STAMP BELOW  
(if applicable):

**DELIVERY:**  
Completed Noteholder's Proxy should be sent via fax or e-mail with originals to follow to:

**FTI Consulting Canada Inc.,  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8, Canada  
Attention: Jodi Porepa  
Email: sfc@fticonsulting.com, Fax: (416) 649-8101**

**Noteholder Vote and Appointment of Proxy: The below is to be executed by the Beneficial Owner (the “Unregistered Noteholder”) with positions in the Notes as of the Voting Record Date, as listed above by its Participant.**

1. **THE UNDERSIGNED UNREGISTERED NOTEHOLDER** hereby revokes all proxies previously given and nominates, constitutes and appoints \_\_\_\_\_ or, if no person is named, Robert J. Chadwick of Goodmans LLP (or his designee), as nominee of the Unregistered Noteholder, with power of substitution, to attend on behalf of and act for the Unregistered Noteholder at the Meeting of Affected Creditors of Sino-Forest Corporation to be held in connection with the Plan and at any and all adjournments thereof, and to vote the Unregistered Noteholder’s claims in respect of the Notes beneficially owned by it as follows:

A. (mark one only)

VOTE FOR approval of the Plan; or

VOTE AGAINST approval of the Plan;

- and -

B. vote at the nominee’s discretion and otherwise act for and on behalf of the undersigned Unregistered Noteholder with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Affected Creditors of Sino-Forest Corporation or any adjournment thereof.

If you do not indicate your vote in part “A” above and Robert J. Chadwick of Goodmans LLP (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan.

Please provide below: (i) the Name of each Participant Holder through which the Unregistered Noteholder holds Notes; (ii) the Unregistered Noteholder's account number with each such Participant Noteholder; and (iii) the principal amount of all Notes held on behalf of the Unregistered Noteholder by each Participant Holder.

<b>NAME OF PARTICIPANT HOLDER (Please list all Participants Holders through which you hold Notes, not listed above)</b>	<b>ACCOUNT NUMBER</b>	<b>CUSIP</b>	<b>PAR AMOUNT HELD</b>

(If additional space is required, please attach a separate page)

The Unregistered Noteholder hereby authorizes FTI Consulting Canada Inc. to contact any Participant Holder named above to confirm that the information set out above conforms to the information contained in the records of the Participant Holder.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

	(Print Name of Unregistered Noteholder)
	(Signature of Unregistered Noteholder or, if the Unregistered Noteholder is a corporation, signature of an authorized signing officer of the corporation and such officer's title)
	Phone Number of Unregistered Noteholder

\*Before submission of this proxy, please be sure that the DTC Participant Verification on Page 2 has been completed. If it hasn't, please deliver this to your Participant Bank with instructions for it to complete the DTC Participant Verification and to submit this Noteholders' Proxy to the Monitor on your behalf.\*

**DELIVERY**

Completed Noteholders' Proxy should be sent via fax or e-mail with originals to follow to:

**FTI Consulting Canada Inc.,  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8, Canada  
Attention: Jodi Porepa,  
Email: sfc@fticonsulting.com, Fax: (416) 649-8101**



**INSTRUCTIONS FOR COMPLETION OF PROXY**

1. Each Unregistered Noteholder has the right to appoint a person (who need not be a Noteholder) to attend, act and vote for and on the Unregistered Noteholder's behalf and such right may be exercised by inserting in the space in paragraph 1 the name of the person to be appointed. An individual Unregistered Noteholder wishing to attend and vote in person at the Meeting of Affected Creditors of Sino-Forest Corporation should insert the Unregistered Noteholder's own name in the space provided. **If no name has been inserted in the space provided, the Unregistered Noteholder will be deemed to have appointed Robert J. Chadwick of Goodmans LLP (or his designee) as the Unregistered Noteholder's proxyholder.**
2. **If Robert J. Chadwick of Goodmans LLP (or his designee) is appointed or deemed to be appointed as proxyholder and the Unregistered Noteholder fails to indicate on this Proxy a vote for or against the approval of the Plan, this Proxy will be voted FOR approval of the Plan.**
3. The Unregistered Noteholder should insert the principal amount of each series of Notes owned by the Unregistered Noteholder, specifying in each case the applicable Participant Holder and the series of Notes, in the space provided on page 4.
4. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
5. This Proxy must be signed by the Beneficial Owner of the applicable Notes or by his or her attorney duly authorized in writing or, if the Unregistered Noteholder is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
6. The Participant Holder must complete and sign the applicable portion of the Proxy (in the box on page 2) prior to the Proxy being returned to the Monitor.

7. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Unregistered Noteholder and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
8. This Proxy must be received by the Monitor by no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof, at the address set out below:

FTI Consulting Canada Inc., the Court-appointed Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

**SCHEDULE "F"**

**NOTEHOLDERS' PROXY**

**For Use by Beneficial Owners of Sino-Forest Corporation's Notes**

**5% Convertible Senior Notes due 2013**

**CUSIPs: 82934HAB7 and C83912AB8**

**10.25% Guaranteed Senior Notes due 2014**

**CUSIPs: 82934HAC5 and C83912AC6**

**4.25% Convertible Senior Notes due 2016**

**CUSIPs: 82934HAD3 and C83912AD4**

**6.25% Guaranteed Senior Notes due 2017**

**CUSIPs: 82934HAF8 and C83912AF9**

**MEETING OF AFFECTED CREDITORS OF SINO-FOREST CORPORATION**

to be held pursuant to an Order of the Ontario Superior Court of Justice (the "Meeting Order")

in connection with the Plan of Compromise and Reorganization (the "Plan")

under the *Companies' Creditors Arrangement Act* (Canada) in respect of

Sino-Forest Corporation ("Sino-Forest")

on ~~November 29~~ November 29, 2012 at 10:00 a.m.

(or such other date as may be set and announced in accordance with the Meeting Order)

at:

Bennett Jones LLP, 3400 One First Canadian Place

Toronto, Ontario

and at any adjournment thereof.

*Before completing this Proxy, please read carefully the instructions accompanying this Proxy for information respecting the proper completion and return of this Proxy.*

**THIS PROXY MUST BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER AND THE UNREGISTERED NOTEHOLDER (I.E. THE BENEFICIAL NOTEHOLDER, AS OF THE VOTING RECORD DATE, AUGUST 31, 2012) AND MUST BE PROVIDED TO THE MONITOR, FTI CONSULTING CANADA INC., PRIOR TO 5:00 P.M. TORONTO TIME ON NOVEMBER 26, 2012, BEING THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**

**TO BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER PRIOR TO SENDING THIS PROXY TO THE BENEFICIAL OWNER OF NOTES**

Name of Unregistered Noteholder

(Client or Principal for whom Notes are held):

Name of Participant Holder for this Unregistered

Noteholder's Notes:

Account Number:

Principal Amount of Notes

Held for this Unregistered Noteholder by series:

**Participant Holder Signature:**

(Print Name of Contact at Participant Holder)

Phone Number of Participant Holder:

By:

(Signature of authorized signing of Participant Holder)

Email Address of Participant Holder:

**REMAINDER OF PROXY TO BE COMPLETED BY BENEFICIAL OWNER**

**Voting Record Date Verification: The below is to be executed by the DTC Participant through which the Noteholder holds its bonds.**

**Beneficial Owners should continue on to execute their vote and appoint their nominee on page 3. The signor should ensure that its Participant Bank completes this section prior to its submission to the Monitor.**

Please verify the holdings of your client, the beneficial owner, as of the Voting Record Date, August 31, 2012.

1. Name of Unregistered Noteholder  
(Client or Principal for whom Notes are held): \_\_\_\_\_

2. Par Amount held as of the Voting Record Date, and voted on this Noteholders' Proxy

<u>CUSIP</u>	<u>PAR AMOUNT</u>	<u>CUSIP</u>	<u>PAR AMOUNT</u>
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Date Submitted: \_\_\_\_\_, 2012      Participant No. \_\_\_\_\_

Print Name of Company: \_\_\_\_\_

Authorized Employee Contact (Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Tel. No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Signature: X \_\_\_\_\_

MEDALLION STAMP BELOW  
(if applicable):

**DELIVERY:**  
**Completed Noteholder's Proxy should be sent via fax or e-mail with originals to follow to:**

**FTI Consulting Canada Inc.,  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010, P.O. Box 104**

Toronto, Ontario M5K 1G8, Canada  
Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com), Fax: (416) 649-8101

**Noteholder Vote and Appointment of Proxy: The below is to be executed by the Beneficial Owner (the “Unregistered Noteholder”) with positions in the Notes as of the Voting Record Date, as listed above by its Participant.**

7.     **THE UNDERSIGNED UNREGISTERED NOTEHOLDER** hereby revokes all proxies previously given and nominates, constitutes and appoints \_\_\_\_\_ or, if no person is named, Robert J. Chadwick of Goodmans LLP (or his designee), as nominee of the Unregistered Noteholder, with power of substitution, to attend on behalf of and act for the Unregistered Noteholder at the Meeting of Affected Creditors of Sino-Forest Corporation to be held in connection with the Plan and at any and all adjournments thereof, and to vote the Unregistered Noteholder’s claims in respect of the Notes beneficially owned by it as follows:

- A.     (mark one only)
  - VOTE FOR approval of the Plan; or
  - VOTE AGAINST approval of the Plan;

- and -

B.     vote at the nominee’s discretion and otherwise act for and on behalf of the undersigned Unregistered Noteholder with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of the Affected Creditors of Sino-Forest Corporation or any adjournment thereof.

If you do not indicate your vote in part “A” above and Robert J. Chadwick of Goodmans LLP (or his designee) is your nominee, he will vote this proxy FOR approval of the Plan.

Please provide below: (i) the Name of each Participant Holder through which the Unregistered Noteholder holds Notes; (ii) the Unregistered Noteholder's account number with each such Participant Noteholder; and (iii) the principal amount of all Notes held on behalf of the Unregistered Noteholder by each Participant Holder.

NAME AND PHONE # OF PARTICIPANT HOLDER (Please list all Participants Holders through which you hold Notes, <u>not</u> listed above)	ACCOUNT NUMBER	CUSIP	PRINCIPAL PAR AMOUNT OF NOTES AND SERIES (Please identify the series of Notes) <u>HELD</u>


(If additional space is required, please attach a separate page)



The Unregistered Noteholder hereby authorizes FTI Consulting Canada Inc. to contact any Participant Holder named above to confirm that the information set out above conforms to the information contained in the records of the Participant Holder.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

	(Print Name of Unregistered Noteholder)
	(Signature of Unregistered Noteholder or, if the Unregistered Noteholder is a corporation, signature of an authorized signing officer of the corporation and such officer's title)
	Phone Number of Unregistered Noteholder

\*Before submission of this proxy, please be sure that the DTC Participant Verification on Page 2 has been completed. If it hasn't, please deliver this to your Participant Bank with instructions for it to complete the DTC Participant Verification and to submit this Noteholders' Proxy to the Monitor on your behalf.\*

**DELIVERY**

Completed Noteholders' Proxy should be sent via fax or e-mail with originals to follow to:

**FTI Consulting Canada Inc.,**  
**TD Waterhouse Tower**  
**79 Wellington Street West, Suite 2010, P.O. Box 104**  
**Toronto, Ontario M5K 1G8, Canada**  
**Attention: Jodi Porepa,**  
**Email: sfc@fticonsulting.com, Fax: (416) 649-8101**

**INSTRUCTIONS FOR COMPLETION OF PROXY**

1. Each Unregistered Noteholder has the right to appoint a person (who need not be a Noteholder) to attend, act and vote for and on the Unregistered Noteholder's behalf and such right may be exercised by inserting in the space in paragraph 1 the name of the person to be appointed. An individual Unregistered Noteholder wishing to attend and vote in person at the Meeting of Affected Creditors of Sino-Forest Corporation should insert the Unregistered Noteholder's own name in the space provided. **If no name has been inserted in the space provided, the Unregistered Noteholder will be deemed to have appointed Robert J. Chadwick of Goodmans LLP (or his designee) as the Unregistered Noteholder's proxyholder.**
2. **If Robert J. Chadwick of Goodmans LLP (or his designee) is appointed or deemed to be appointed as proxyholder and the Unregistered Noteholder fails to indicate on this Proxy a vote for or against the approval of the Plan, this Proxy will be voted FOR approval of the Plan.**
3. The Unregistered Noteholder should insert the principal amount of each series of Notes owned by the Unregistered Noteholder, specifying in each case the applicable Participant Holder and the series of Notes, in the space provided on page 4.
4. If this Proxy is not dated in the space provided, it will be deemed to bear the date on which it is received by the Monitor.
5. This Proxy must be signed by the Beneficial Owner of the applicable Notes or by his or her attorney duly authorized in writing or, if the Unregistered Noteholder is a corporation, by a duly authorized officer or attorney of the corporation specifying the title of such officer or attorney.
6. The Participant Holder must complete and sign the applicable portion of the Proxy (in the box on page 2) PRIOR ~~prior~~ to ~~sending~~ the Proxy being returned to the ~~Beneficial Owner~~ Monitor.

- 7. Valid proxies bearing or deemed to bear a later date will revoke this Proxy. If more than one valid proxy for the same Unregistered Noteholder and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
- 8. This Proxy must be received by the Monitor by no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof, at the address set out below:

FTI Consulting Canada Inc., the Court-appointed Monitor of Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West, Suite 2010  
 P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
 Email: ~~sfc@fticonsulting.com~~ sfc@fticonsulting.com  
 Fax: (416) 649-8101

**APPENDIX "D" - INSTRUCTIONS TO REGISTERED NOTEHOLDERS**

*(Please See Attached)*

**INSTRUCTIONS TO REGISTERED NOTEHOLDERS****URGENT – IMMEDIATE ACTION REQUIRED**

October 24, 2012

**TO: REGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:**

- (i) US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the Companies' Creditors Arrangement Act (the "Plan")**

We enclose in this package the following documents for your review and consideration:

1. Notice to Affected Creditors;
2. the Plan proposed in respect of Sino-Forest Corporation;
3. an Information Statement with respect to Sino-Forest Corporation and the Plan;
4. copy of the Meeting Order of the Ontario Superior Court of Justice dated August 31, 2012 (the "Meeting Order");

- 5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the "Endorsement"); and
- 6. blank form of Noteholders' Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required for dissemination to Beneficial Noteholders to enable Beneficial Noteholders to consider the Plan and to cast their vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on November 29, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the "Meeting").

**IF YOU HOLD NOTES FOR ANOTHER PERSON, PROXIES ARE TO BE FILED ONLY BY BENEFICIAL NOTEHOLDERS. IF YOU ARE A TRUST COMPANY, DEPOSITORY, A BROKER, A BOOK ENTRY SYSTEM, AN AGENT, A CUSTODIAN OR ANY OTHER ENTITY WHICH HOLDS NOTES FOR ANOTHER PERSON, PLEASE IMMEDIATELY CONTACT FTI CONSULTING CANADA INC. (THE "MONITOR") AT THE ADDRESS BELOW TO SO ADVISE IT. THE MONITOR WILL THEN SEND YOU THE MATERIALS SET OUT IN SCHEDULE "B" OF THE MEETING ORDER WHICH HAVE BEEN PREPARED TO ADDRESS YOUR SITUATION.**

**CLAIM**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

**IF YOU ARE A BENEFICIAL NOTEHOLDER**

If you are a Beneficial Noteholder (i.e., you own Notes beneficially yourself and do not hold such Notes for the benefit of another person) and you wish to vote at the Meeting, you must complete and sign the enclosed Noteholders' Proxy and ensure that it is returned, either by you or by your Participant Holder, to the Monitor in the enclosed envelope or by facsimile

transmission at the fax number noted below or by email (in PDF format) at the email address below, so that it is received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. Beneficial Notcholder must ensure that the Noteholders' Proxy has been provided to the Monitor by this deadline in order to vote at the Meeting of Affected Creditors.

**FURTHER INFORMATION**

If you have any questions regarding the process or any of the enclosed forms, please contact FTI Consulting Canada Inc. at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanada.fticonsulting.com/sfc/>.

**SCHEDULE "D"**

**INSTRUCTIONS TO REGISTERED NOTEHOLDERS**

**URGENT – IMMEDIATE ACTION REQUIRED**

● October 24, 2012

**TO: REGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:**

- (i) US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")**

We enclose in this package the following documents for your review and consideration:

- 1. Notice to Affected Creditors;
- 2. the Plan proposed in respect of Sino-Forest Corporation;
- 3. an Information Circular ~~Circular~~ Statement with respect to Sino-Forest Corporation and the Plan;



- 4. copy of the Meeting Order of the Ontario Superior Court of Justice dated ●August 31, 2012 (the “**Meeting Order**”);
- 5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the “**Endorsement**”); and
- 6. blank form of Noteholders’ Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required for dissemination to Beneficial Noteholders to enable Beneficial Noteholders to consider the Plan and to cast their vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on ●November 29, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the “**Meeting**”).

**IF YOU HOLD NOTES FOR ANOTHER PERSON, PROXIES ARE TO BE FILED ONLY BY BENEFICIAL NOTEHOLDERS.** IF YOU ARE A TRUST COMPANY, DEPOSITORY, A BROKER, A BOOK ENTRY SYSTEM, AN AGENT, A CUSTODIAN OR ANY OTHER ENTITY WHICH HOLDS NOTES FOR ANOTHER PERSON, PLEASE IMMEDIATELY CONTACT FTI CONSULTING CANADA INC. (THE “MONITOR”) AT THE ADDRESS BELOW TO SO ADVISE IT. THE MONITOR WILL THEN SEND YOU THE MATERIALS SET OUT IN SCHEDULE “B” OF THE MEETING ORDER WHICH HAVE BEEN PREPARED TO ADDRESS YOUR SITUATION.

**CLAIM**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

**IF YOU ARE A BENEFICIAL NOTEHOLDER**

If you are a Beneficial Noteholder (*i.e.*, you own Notes beneficially yourself and do not hold such Notes for the benefit of another person) and you wish to vote at the Meeting, you must

complete and sign the enclosed Noteholders' Proxy and ~~provide it~~ ensure that it is returned, either by you or by your Participant Holder, to the Monitor ~~using~~ in the enclosed envelope, ~~or by sending it to the Monitor~~ or by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, so that it is received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. Beneficial Noteholder must ~~provide~~ ensure that the Noteholders' Proxy has been provided to the Monitor by this deadline in order to vote at the Meeting of Affected Creditors.

**FURTHER INFORMATION**

If you have any questions regarding the process or any of the enclosed forms, please contact FTI Consulting Canada Inc. at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanada.fticonsulting.com/sfc/>.

**APPENDIX "E" - THE INSTRUCTIONS TO PARTICIPANT HOLDERS**

*(Please See Attached)*

**INSTRUCTIONS TO PARTICIPANT HOLDERS**

URGENT – IMMEDIATE ACTION REQUIRED

October 24, 2012

TO: PARTICIPANT HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) **US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) **US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) **US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) **US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the Companies' Creditors Arrangement Act (the "Plan")**

According to the records of The Depository Trust Company ("DTC") or the applicable note indenture trustee, you are the holder or custodian (the "Participant Holder") on behalf of an unregistered holder of one or more of the Notes (an "Unregistered Noteholder"). You (or your agent) are required by paragraph 26 of the enclosed Court Order (the "Meeting Order") to complete and sign the applicable part of an enclosed Noteholders' Proxy (the box on page 2) for each Unregistered Noteholder for whom you act as Participant Holder and to mail it directly to each such applicable Unregistered Noteholder **within five (5) Business Days**. If your standard practice is to complete and sign the applicable part of the enclosed Noteholders' Proxy once you have received the signed Noteholders' Proxy back from the applicable Unregistered Noteholder,

then you may proceed with your standard practice provided that all validated Noteholder Proxies are received by the Monitor no later than 5:00 p.m. on the third Business Day prior to the Meeting.

We enclose Noteholder Meeting Materials to be forwarded by you or your agent (together with an appropriately completed and signed Noteholders' Proxy) to each of the Unregistered Noteholders recorded in your account records or book entry records. We enclose one additional copy of these materials for your use. **THE MATERIALS ARE TIME SENSITIVE AND MUST BE FORWARDED TO EACH OF THE UNREGISTERED NOTEHOLDERS TOGETHER WITH THE NOTEHOLDERS' PROXY FOR THAT UNREGISTERED NOTEHOLDER WITHOUT DELAY.**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

The Noteholders' Proxy is to be completed and signed by you or your agent and by the Unregistered Noteholder and is to be returned directly to Sino-Forest's Monitor, FTI Consulting Canada Inc., in the enclosed envelope or by facsimile transmission or email.

**PROXIES MUST BE RECEIVED BY FTI CONSULTING CANADA INC. PRIOR TO THE DEADLINE OF 5:00 P.M. ON THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**

Before sending the Noteholders' Proxy and the other materials to an Unregistered Noteholder or, if pre-validation of the Noteholders' Proxy is not your standard practice, then before returning the Noteholders' Proxy to the Monitor, please:

1. insert in the Noteholders' Proxy in the appropriate spaces (in the box on page 2) the name of the applicable Unregistered Noteholder, your organization's name as Participant Holder, the applicable account number and the principal amount of the Notes held in such account; and
2. sign the Noteholders' Proxy as Participant Holder where indicated.

We request that you provide any assistance that an Unregistered Noteholder may require in completing its Noteholders' Proxy. You are required by the Meeting Order to forward such Noteholders' Proxies and the other materials to the applicable Unregistered Noteholders as specified in these instructions.

If you have a standard practice for distribution of meeting materials to Unregistered Noteholders and for the gathering of information and proxies or voting instructions from Unregistered Noteholders that differs from the process described above, **please contact the Monitor immediately** to determine whether you are able to use such standard practice as an alternative to the process described above.

If you have any questions regarding your obligations or the process, or require additional copies of any materials, please contact the Monitor at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

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Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

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<http://cfcanada.fticonsulting.com/sfc/>.

**SCHEDULE "B"**

**INSTRUCTIONS TO PARTICIPANT HOLDERS**

**URGENT – IMMEDIATE ACTION REQUIRED**

◆: October 24, 2012

TO: PARTICIPANT HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) **US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) **US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) **US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) **US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")**

According to the records of The Depository Trust Company ("DTC") or the applicable note indenture trustee, you are the holder or custodian (the "**Participant Holder**") on behalf of an unregistered holder of one or more of the Notes (an "**Unregistered Noteholder**"). You (or your agent) are required by paragraph 26 of the enclosed Court Order (the "**Meeting Order**") to complete and sign the applicable part of an enclosed Noteholders' Proxy (the box on page 2) for each Unregistered Noteholder for whom you act as Participant Holder and to mail it directly to each such applicable Unregistered Noteholder **within five (5) Business Days**. If your standard practice is to complete and sign the applicable part of the enclosed Noteholders' Proxy once you

have received the signed Noteholders' Proxy back from the applicable Unregistered Noteholder, then you may proceed with your standard practice provided that all validated Noteholder Proxies are received by the Monitor no later than 5:00 p.m. on the third Business Day prior to the Meeting.

We enclose Noteholder Meeting Materials to be forwarded by you or your agent (together with an appropriately completed and signed Noteholders' Proxy) to each of the Unregistered Noteholders recorded in your account records or book entry records. We enclose one additional copy of these materials for your use. **THE MATERIALS ARE TIME SENSITIVE AND MUST BE FORWARDED TO EACH OF THE UNREGISTERED NOTEHOLDERS TOGETHER WITH THE NOTEHOLDERS' PROXY COMPLETED BY YOU FOR THAT UNREGISTERED NOTEHOLDER WITHOUT DELAY.**

THE TOTAL AMOUNT OF ALL NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM.

The Noteholders' Proxy is to be completed and signed by you or your agent and by the Unregistered Noteholder and is to be ~~provided by the Unregistered Noteholder~~ returned directly to Sino-Forest's Monitor, FTI Consulting Canada Inc., in the enclosed envelope or by facsimile transmission or email.

~~PLEASE INSTRUCT UNREGISTERED NOTEHOLDERS TO DELIVER THEIR PROXIES DIRECTLY TO~~ **PROXIES MUST BE RECEIVED BY FTI CONSULTING CANADA INC. IN ACCORDANCE WITH THE INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS. PROXIES MUST BE RECEIVED BY FTI CONSULTING CANADA INC. PRIOR TO THE DEADLINE OF 5:00 P.M. ON THE THIRD BUSINESS DAY BEFORE THE MEETING (OR ANY ADJOURNMENT THEREOF).**

Before sending the Noteholders' Proxy and the other materials to an Unregistered Noteholder or, if pre-validation of the Noteholders' Proxy is not your standard practice, then before returning the Noteholders' Proxy to the Monitor, please:



1. insert in the Noteholders' Proxy in the appropriate spaces (in the box on page 2) the name of the applicable Unregistered Noteholder, your organization's name as Participant Holder, the applicable account number and the principal amount of the Notes held in such account; and
2. sign the Noteholders' Proxy as Participant Holder where indicated.

We request that you provide any assistance that an Unregistered Noteholder may require in completing its Noteholders' Proxy. You are required by the Meeting Order to ~~complete and~~ forward such Noteholders' Proxies and the other materials to the applicable Unregistered Noteholders as specified in these instructions.

If you have a standard practice for distribution of meeting materials to Unregistered Noteholders and for the gathering of information and proxies or voting instructions from Unregistered Noteholders that differs from the process described above, **please contact the Monitor immediately** to determine whether you are able to use such standard practice as an alternative to the process described above.

If you have any questions regarding your obligations or the process, or require additional copies of any materials, please contact the Monitor at the following address:

FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanda.fticonsulting.com/sfc/>.

**APPENDIX "F" - INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS**

*(Please See Attached)*

**INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS****URGENT – IMMEDIATE ACTION REQUIRED**

October 24, 2012

TO: UNREGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) **US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) **US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) **US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) **US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the Companies' Creditors Arrangement Act (the "Plan")**

You are considered an Unregistered Noteholder if your Notes are shown by the books and records of the applicable indenture trustee to be held by your broker, DTC or another similar holder (a "Participant Holder") on your behalf. If your Notes are held by a Participant Holder, these instructions apply to you.

We enclose in this package the following documents for your review and consideration:

1. Notice to Affected Creditors;
2. the Plan proposed in respect of Sino-Forest Corporation;

- 3. an Information Statement with respect to Sino-Forest and the Plan;
- 4. copy of the Meeting Order of the Ontario Superior Court of Justice dated August 31, 2012 (the “Meeting Order”), 2012;
- 5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the “Endorsement”); and
- 6. blank form of Noteholders’ Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required to enable you to consider the Plan and to cast your vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on November 29, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the “Meeting”).

**CLAIM**

THE TOTAL AMOUNT OF ALL THE NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM. **HOWEVER IF YOU WISH TO VOTE ON THE PLAN, YOU MUST COMPLETE THE ENCLOSED NOTEHOLDERS’ PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AND ENSURE THAT IT IS RETURNED TO THE MONITOR PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE THIRD BUSINESS DAY BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.**

**PROXY**

The box on page 2 of your proxy should have been completed and signed by your Participant Holder to indicate the principal amount of Notes held by the Participant Holder on your behalf as at the Voting Record Date of August 31, 2012. If it has not been completed and signed, please return your completed proxy to your Participant Holder immediately to arrange for it to be completed and signed. You must complete your portion of the enclosed Noteholders’ Proxy (including paragraph 1 of the proxy) and ensure that it is provided to FTI Consulting Canada Inc.

(the "Monitor") in the enclosed envelope or by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, and received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. You must ensure that the completed proxy is received by the Monitor by this deadline if you wish to cast your vote at the Meeting of Affected Creditors.

If you have any questions regarding your obligations or the process, or require additional copies of any materials please contact the Monitor at the following address:

The Monitor  
FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
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Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

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SCHEDULE "E"

INSTRUCTIONS TO UNREGISTERED NOTEHOLDERS

URGENT – IMMEDIATE ACTION REQUIRED

● October 24, 2012

TO: UNREGISTERED HOLDERS OF SINO-FOREST CORPORATION'S:

- (i) **US\$345,000,000 5.00% CONVERTIBLE SENIOR NOTES DUE 2013 (Rule 144A CUSIP No. 82934HAB7/Regulation S CUSIP No. C83912AB8);**
- (ii) **US\$399,517,000 10.25% GUARANTEED SENIOR NOTES DUE 2014 (Rule 144A CUSIP No. 82934HAC5/Regulation S CUSIP No. C83912AC6);**
- (iii) **US\$460,000,000 4.25% CONVERTIBLE SENIOR NOTES DUE 2016 (Rule 144A CUSIP No. 82934HAD3/Regulation S CUSIP No. C83912AD4); and**
- (iv) **US\$600,000,000 6.25% GUARANTEED SENIOR NOTES DUE 2017 Rule 144A CUSIP No. 82934HAF8/Regulation S CUSIP No. C83912AF9),**

(collectively, the "Notes")

**Re: Meeting of Affected Creditors of Sino-Forest Corporation to vote on the Plan of Compromise and Reorganization pursuant to the *Companies' Creditors Arrangement Act* (the "Plan")**

You are considered an Unregistered Noteholder if your Notes are shown by the books and records of the applicable indenture trustee to be held by your broker, DTC or another similar holder (a "**Participant Holder**") on your behalf. If your Notes are held by a Participant Holder, these instructions apply to you.

We enclose in this package the following documents for your review and consideration:

- 1. Notice to Affected Creditors;

- 2. the Plan proposed in respect of Sino-Forest Corporation;
- 3. an Information Circular ~~Circular~~ Statement with respect to Sino-Forest and the Plan;
- 4. copy of the Meeting Order of the Ontario Superior Court of Justice dated ~~●~~ August 31, 2012 (the “**Meeting Order**”), 2012;
- 5. copy of the endorsement of the Ontario Superior Court of Justice made on August 31, 2012 (the “**Endorsement**”); and
- 6. blank form of Noteholders’ Proxy, completion instructions and return envelope.

The purpose of these materials is to provide you with the documents required to enable you to consider the Plan and to cast your vote to accept or reject the resolution to approve the Plan at the meeting of the Affected Creditors to be held at 10:00 a.m. on ~~●~~ November 29, 2012 (or such other date as may be set and announced in accordance with the Meeting Order) at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario (the “**Meeting**”).

**CLAIM**

THE TOTAL AMOUNT OF ALL THE NOTEHOLDER CLAIMS HAS BEEN FILED BY THE NOTE INDENTURE TRUSTEES. THEREFORE, YOU DO NOT HAVE TO PROVIDE A PROOF OF CLAIM. **HOWEVER IF YOU WISH TO VOTE ON THE PLAN, YOU MUST COMPLETE THE ENCLOSED NOTEHOLDERS’ PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AND RETURN ENSURE THAT IT IS RETURNED TO THE MONITOR PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE THIRD BUSINESS DAY BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.**

**PROXY**

The box on page 2 of your proxy should have been completed and signed by your Participant Holder to indicate the principal amount of Notes held by the Participant Holder on your behalf as at the Voting Record Date of ~~●~~ August 31, 2012. If it has not been completed and signed, please contact return your completed proxy to your Participant Holder immediately to arrange for it to

be completed and signed. You must complete your portion of the enclosed Noteholders' Proxy (including paragraph 1 of the proxy) and ~~provide it~~ ensure that it is provided to FTI Consulting Canada Inc. (the "**Monitor**") ~~using in~~ the enclosed envelope, or ~~by sending to the Monitor~~ by facsimile transmission at the fax number noted below or by email (in PDF format) at the email address below, ~~so that it is~~ and received by the Monitor no later than 5:00 p.m. (Toronto time) on the third Business Day before the Meeting or any adjournment thereof. You must ~~provide~~ ensure that the completed proxy ~~is~~ is received by the Monitor by this deadline if you wish to cast your vote at the Meeting of Affected Creditors.

~~YOU SHOULD NOT SEND THE PROXY TO YOUR PARTICIPANT HOLDER. YOUR PROXY SHOULD BE SENT DIRECTLY TO FTI CONSULTING CANADA INC. IN THE ENVELOPE PROVIDED OR BY FACSIMILE OR EMAIL.~~

If you have any questions regarding your obligations or the process, or require additional copies of any materials please contact the Monitor at the following address:

The Monitor  
FTI Consulting Canada Inc., the Court-appointed  
Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West, Suite 2010  
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Toronto, Ontario M5K 1G8

Attention: Jodi Porepa  
Email: [sfc@fticonsulting.com](mailto:sfc@fticonsulting.com)  
Fax: (416) 649-8101

You can also view copies of documents relating to this process on the following website  
<http://cfcanada.fticonsulting.com/sfc/>.



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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)  
(PROCEEDING COMMENCED AT TORONTO)

**ELEVENTH REPORT OF THE MONITOR**

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers and Solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto ON M5X 1G5

**Derrick Tay (LSUC No. 21152A)**  
Tel: (416) 369-7330 / Fax: (416) 862-7661  
Email: derrick.tay@gowlings.com

**Jennifer Stam (LSUC No. 46735J)**  
Tel: (416) 862-5697 / Fax: (416) 862-7661  
Email: jennifer.stam@gowlings.com

Lawyers for the Monitor,  
FTI Consulting Canada Inc.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) MONDAY, THE 29<sup>TH</sup> DAY  
 )  
JUSTICE MORAWETZ ) OF OCTOBER, 2012

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

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

**ORDER  
(Revised Noteholder Noticing Process)**

THIS MOTION, made by FTI Consulting Canada Inc. in its capacity as monitor (the “**Monitor**”) in the *Companies’ Creditors Arrangement Act* proceedings of Sino-Forest Corporation (the “**Applicant**”) for an order approving, *nunc pro tunc*, the Revised Noteholder Noticing Process and amended Forms (as both terms are defined in Monitor’s Eleventh Report dated October 24, 2012, the “**Eleventh Report**”) , was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor’s Notice of Motion and the Eleventh Report, and on hearing the submissions of counsel for the Monitor, no one appearing for the other parties served with the Motion Record, although duly served as appears from the affidavit of service of Jason McMurtrie sworn October ■, 2012, filed;

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated such that this Motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Plan Filing and Meeting Order of this Court granted on August 31, 2012 (the “**Meeting Order**”).

#### **THE REVISED NOTEHOLDER NOTICING PROCESS**

3. THIS COURT ORDERS the Revised Noteholder Noticing Process as defined and described in the Eleventh Report be and is hereby approved, *nunc pro tunc*.

4. THIS COURT ORDERS that the amended Forms substantially in the forms attached as Appendices C, D, E and F to the Eleventh Report be and are hereby approved.

#### **NOTICE, SERVICE AND DELIVERY**

5. THIS COURT ORDERS that the Monitor’s fulfillment of the notice, delivery and Website posting requirements set out in the Meeting Order and this Order shall constitute good and sufficient notice, service and delivery thereof on all Persons who may be entitled to receive notice, service or delivery thereof or who may wish to be present or vote (in person or by proxy) at the Meeting, and that no other form of notice, service or delivery need be given or made on such Persons and no other document or material need be served on such Persons.

#### **MISCELLANEOUS**

6. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in Toronto**

**ORDER  
(REVISED NOTEHOLDER NOTICING PROCESS)**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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**MOTION RECORD  
(REVISED NOTEHOLDER NOTICING PROCESS)  
(RETURNABLE OCTOBER 29, 2012)**

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