

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, \_\_\_\_\_ (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

Did NOT receive postal Jan 15 2013

need time to get mail back

Gene Manion  
 18 Howe Island Dr RR 4  
 Gananoque ON K7G 2V6

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name:

Name:

Address:



Address:

Tel.:

Tel.:

Fax:

Fax:

Email:

Email:

Date: 18 Jan, 2013

Signature: Gene Manion

GMA Ltd

**APPENDIX B - 91 - NOTICE OF OBJECTION  
SUBSEQUENT TO THE OBJECTION**

**JEANNE MAI**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the "ERNST & YOUNG SETTLEMENT")

I, [Signature] (please check all boxes that apply):
(insert name)

- am a current shareholder of Sino -Forest Corporation
am a former shareholder of Sino -Forest Corporation
am a current noteholder of Sino -Forest Corporation
am a former noteholder of Sino -Forest Corporation
other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the "Order"), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

[Handwritten text on lines]

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: JEANNE MAI

Name:

Address: 32 VERA LYNN CIRCS, STONEYVILLE ONT L4A 0X4

Address:

Tel.: 416-728-2559

Tel.:

Fax:

Fax:

Email: JM-127@YAHOO.COM

Email:

Date: Feb 16, 2013

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

**APPENDIX B - 92 - NOTICE OF OBJECTION  
SUBSEQUENT TO THE OBJECTION**

**QIN JIAN GUO**

*(See Attached)*

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, QIN JIAN GUO (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

I contributed my RRSP total \$100,000 in BMO investline Account: 22123759. Because of the public filings of Sino-Forest, including ERNST & YOUNG contained false

and misleading information, statements about Sino-Forest's assets, business, and transactions, that misleading me to invest in Sino-Forest in 2011. that total lost \$95,638.60, at the end of 2011, my RRSP account: 22123719, left only \$4,361.40 (so far, I still hold 10,000 shares of Sino-Forest) after 21 years working. I lost job last year. I need my money back!

- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

MY ADDRESS FOR SERVICE IS:

MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):

Name: QIN JIAN GUO

Name:

Address: 1060 Rue Vanier Address:

Tel.: ST-Laurent Q.C. H4L 1S9 Tel.:

Fax: 514-748-6744 Fax:

Email: 9920888@hotmail.ca Email:

Date: Jan. 19, 2013

Signature: Qin Jian Guo



**APPENDIX B - 93 - NOTICE OF OBJECTION  
SUBSEQUENT TO THE OBJECTION**

**SIU HUNG MAI**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, Siu Hung Mai (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
 \_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_ false statement to misleading \_\_\_\_\_  
 \_\_\_\_\_ investors \_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: SIM HUNG HUI

Name:

Address: 18 MILLACRE CRES, TORONTO ONT M1X 2A9

Address:

Tel.: 647 388 2508

Tel.:

Fax:

Fax:

Email: SH. MIKE. HUI @ GMAIL . COM

Email:

Date: Feb 16, 2013

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

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

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)

**FOURTEENTH 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.

# TAB 16



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

**Sino-Forest Corporation**

**SUPPLEMENTAL REPORT TO**

**THE FOURTEENTH REPORT OF THE MONITOR**

**February 1, 2013**

**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**

**SUPPLEMENTAL REPORT TO THE  
FOURTEENTH REPORT OF THE MONITOR  
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Court File No. CV-12-9667-00CL

*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

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

**INTRODUCTION**

1. On March 30, 2012, 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, FTI Consulting Canada Inc. was appointed as the Monitor of the Company (the “**Monitor**”) in the CCAA proceedings. Pursuant to an Order of this Court made on November 23, 2012, this Court extended the stay period to February 1, 2013. On December 10, 2012, the Court granted an Order approving the Company's Plan of Compromise and Reorganization dated December 3, 2012 (the “**Plan**”).
2. On December 21, 2012, this Court approved an Order (the “**EY Settlement Notice Order**”) approving certain notice procedures for the approval of the Ernst & Young Settlement (as defined in the Plan). Paragraph 4 of the EY Settlement Notice Order provided for the filing of Notices of Objection (as defined in the EY Settlement Notice Order) no later than 5pm (Eastern Time) on January 18, 2013 (the “**Objection Deadline**”) and directed the Monitor to file copies of such Notices of Objection in a report to the Court.

3. On January 22, 2013, the Monitor issued its fourteenth report (the “**Fourteenth Report**”) attaching the Notices of Objection received to that date. The purpose of this Supplemental Report to the Fourteenth Report is to provide an update with respect to further Notices of Objection, correspondence and withdrawals of Notices of Objection since the date of the Fourteenth Report.
4. The Monitor filed the Fourteenth Report and is filing this supplemental report pursuant to paragraph 4 of the EY Settlement Notice Order which requires the Monitor to file Notices of Objection with the Court.

**NOTICES OF OBJECTION**

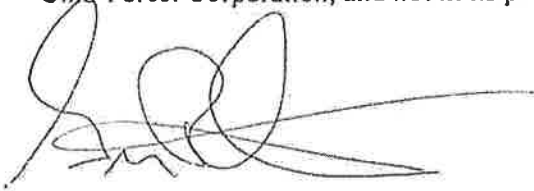
5. Since January 22, 2013, the Monitor has received an additional 32 Notices of Objection. The Monitor also received 35 further withdrawals of Notices of Objection that may relate to Notices of Objection received either before or after the Objection Date. A cumulative summary of total remaining Notices of Objection (including those that were previously reported on in the Fourteenth Report) net of withdrawals received, can be found below:

<b>Documents Received by Equity Holders</b>	
Notice of Objections Received by Objection Date	86
Notice of Objections Received post Objection Date	39
Total Withdrawals Received	(37)
<b>Total Notice of Objections Received</b>	<b>88</b>

6. Attached as Appendix A is a summary of all Notices of Objection received by the Monitor including those that have been withdrawn. Attached as Appendix B-1 through B-32 are copies of the additional 32 Notices of Objection along with those that have been withdrawn.

Dated this 1<sup>st</sup> day of February, 2013.

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



Greg Watson  
Senior Managing Director



Jodi-Porepa  
Managing Director

**APPENDIX A – SUMMARY OF ALL OF THE NOTICES  
OF OBJECTION RECEIVED BY THE MONITOR**

*(See Attached)*

**Summary of Individuals/Corporations Who Submitted a Notice of Objection as of January 31, 2013**

Name of Individual/ Company Who Filed a Notice by January 18, 2013		Identified in the Monitor's 14th Report (Appendix A)
2288625	Ontario Inc. <sup>1</sup>	Y
Alain	Vallee	Y
Andrea	Sullivan <sup>1</sup>	Y
Annie	Kwok	Y
Archie	Sullivan <sup>1</sup>	Y
Arde	Bont	Y
Augen Resource Strategy Fund <sup>1</sup>		Y
Brunhilde & Rudolf	Huber <sup>1</sup>	Y
Caldwell Institutional Pool Equity <sup>1</sup>		Y
Caldwell Meisels Canada fund <sup>1</sup>		Y
Chandresh	Amin <sup>1</sup>	Y
Charles	Roussel	Y
Chun Kim	Lim	Y
Clarence	Morneau <sup>1</sup>	Y
Colleen	Wittig	Y
Comite Syndical Nationalde Retraite Baitirente Inc.		Y
Daniel	Liu <sup>1</sup>	Y
Daniel	Lam	Y
Darlene	Murray	Y
David	Pike <sup>1</sup>	Y
David	Gander	Y
David	Cristina <sup>1</sup>	Y
Dean	Wittig	Y
Dr. Benjamin	Lin	Y
Dr. Clara	Chow	Y
Eric	Lee <sup>1</sup>	Y
Erik	Chong	Y
Francis Wing	Keung Leung <sup>1</sup>	Y
Gary	Brookes	Y
George	Harrison	Y
Gestion	Ferique	Y
Grace	Nosal <sup>1</sup>	Y
Grant	Bears <sup>1</sup>	Y
Gundy Inc. <sup>1</sup>		Y
Helmuth	Slisarenko <sup>1</sup>	Y
Hubert	Hicks	Y
Huifang	Fan <sup>1</sup>	Y
Ilan	Toledano	Y
Ilona	Hayden	Y
Invesco	Canada Ltd	Y
James William	Alsop <sup>1</sup>	Y

Jason	Evdoxiadis	Y
Jeffry	Boivin	Y
John	McAteer	Y
Joe	Corcoran	Y
Joseph	Campbell	Y
Julianna	Bears <sup>1</sup>	Y
Lao	Fan <sup>1</sup>	Y
Layne	Boivin	Y
Lena Maria	Goveas <sup>1</sup>	Y
Mario	Guay	Y
Matrix	Asset Mgmt	Y
Meng	Try	Y
Mervyn A.	Kroeker	Y
Michael	Bailey	Y
Michael	Poon <sup>1</sup>	Y
Montrusco Bolton	Investments Inc.	Y
Muhammed& Sajedah	Datoo	Y
Nina	Bode	Y
Northwest and Ethical Investments LP		Y
Oliver	Schaeffer	Y
Paul	Lechtzier	Y
Pierre	Drolet	Y
Qing	Yu	Y
Reginald	Garnett	Y
Reginald	MacDonald	Y
Remi	Gaudreault	Y
Revi	Plante	Y
Richard	Laskowski <sup>1</sup>	Y
Robin	Singh	Y
Sadiq Bin	Huda	Y
Samar	Aljawhiri	Y
Senthivel	Kanagaratnam	Y
Sonja	Chong	Y
Suzanne	Rochon	Y
Suzanne	Theberge	Y
Tammy	Warren <sup>1</sup>	Y
Ted	Goodie	Y
Ted	Szamecz	Y
Timothy	Martin	Y
Walter	Nosal <sup>1</sup>	Y
We I Chin Sun and/or Rebecca SJ Tsang Jtwros <sup>1</sup>		Y
William	Rankin <sup>1</sup>	Y
Xiaotong	Ji <sup>1</sup>	Y
Yicheng	Bao	Y
Zhong He	Yu	Y

**Note [1]**

Applicant has withdrawn Notice of Objection



## Summary of Individuals/Corporations Who Submitted a Notice of Objection as of January 31, 2013

Name of Individual/ Company Who Filed a Notice After January 18, 2013		Identified in the Monitor's 14th Report (Appendix A)	Identified in the Monitor's Supplemental Report (Appendix A)
Alex	Tocher		Y
Andrea	Cloutier		Y
Brian	Gore	Y	
Bruno	Jacques		Y
Caramel	Gagnon		Y
Chang	Teng		Y
Charles	Binks		Y
Charles	Clark		Y
Chi Fai Chan/ Bi Faug Lei <sup>1</sup>		Y	
Cindy	Mai <sup>1</sup>	Y	
Diane	Bergeron		Y
Edith	Kong		Y
Francis	Kong		Y
Gene	Manion <sup>1</sup>	Y	
Harlow Ardene	McIntosh		Y
Janak	Gupta		Y
Jean Francois	Champagne		Y
Jeanne	Mai <sup>1</sup>	Y	
Jeff	Weatherhead <sup>1</sup>		Y
John	Jeglum <sup>1</sup>		Y
John	Elias		Y
June	McDonald		Y
Lorraine	Dahl		Y
Lupapa	Lor		Y
Mario	Giacomo		Y
Michael	Teng		Y
Nicole	Dahl		Y
Qin Jian	Guo	Y	
Ralf	Weber		Y
Rene	Pelliteri		Y
Richard	Janson		Y
Richardo	Dahl		Y
Rui Alberto	Faria		Y
Siu Hung	Mai <sup>1</sup>	Y	
Sydney	Pettit		Y
Valier	Levesque		Y
William	McDowell		Y
Wolfgang	Glasmacher		Y
Yungsoon	Lee		Y

## Note [1]

Applicant has withdrawn Notice of Objection

**APPENDIX B - 1 – ADDITIONAL NOTICES OF OBJECTION**

**ALEX TOCHER**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, ALEX TOCHER (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 2 – ADDITIONAL NOTICES OF OBJECTION**

**ANDREA CLOUTIER**

*(See Attached)*

**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, ANDRÉ CHOUTIER (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino –Forest Corporation
- suis un ancien détenteur d'action(s) de Sino –Forest Corporation
- suis actuellement détenteur de titre(s) de Sino –Forest Corporation
- suis un ancien détenteur de titre(s) de Sino –Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

**APPENDIX B - 3 – ADDITIONAL NOTICES OF OBJECTION**

**BRUNO JACQUES**

*(See Attached)*

## AVIS D'OPPOSITION

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, Bruno Jacques (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino –Forest Corporation
- suis un ancien détenteur d'action(s) de Sino –Forest Corporation
- suis actuellement détenteur de titre(s) de Sino –Forest Corporation
- suis un ancien détenteur de titre(s) de Sino –Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

**APPENDIX B - 4 – ADDITIONAL NOTICES OF OBJECTION**

**CARMEL GAGNON**

*(See Attached)*



**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, CAMEL PIGNON (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino –Forest Corporation
- suis un ancien détenteur d'action(s) de Sino –Forest Corporation
- suis actuellement détenteur de titre(s) de Sino –Forest Corporation
- suis un ancien détenteur de titre(s) de Sino –Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

**APPENDIX B - 5 – ADDITIONAL NOTICES OF OBJECTION**

**CHANG TENG**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, Cheng Kwei Tang (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: *Choi-Kwei Tung*

Name:

Address: *56 Brimwood Cir  
Richmond Hill, ON*

Tel.: *L4B 4B6*

*(905) 883-3523*

Fax:

Address:

Tel.:

Fax:

Email:

Email:

Date: *Jan. 18 / 2013*

Signature: *Choi-Kwei Tung*

**APPENDIX B - 6 – ADDITIONAL NOTICES OF OBJECTION**

**CHARLES BINKS**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, CHARLES BINKS (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

THE SETTLEMENT IS TOO LITTLE

**APPENDIX B - 7 – ADDITIONAL NOTICES OF OBJECTION**

**CHARLES CLARK**

*(See Attached)*

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, Charles Clark (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

*I received the Notice of Objection package after the due date of January 18, 2013. I have over \$100,000.00 loss. I strongly object to the Ernst and Young Settlement because they did not do their diligence in the accounting and financial bookkeeping and accountability of Sino Forests Assets.*

*Charles Clark*



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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
  
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name:

Name:

Address:

Address:

Tel.:

Tel.:

Fax:

Fax:

Email:

Email:

Date: \_\_\_\_\_

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

**APPENDIX B - 8 – ADDITIONAL NOTICES OF OBJECTION**

**DIANE BERGERON**

*(See Attached)*

**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, Deane Berger (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino -Forest Corporation
- suis un ancien détenteur d'action(s) de Sino -Forest Corporation
- suis actuellement détenteur de titre(s) de Sino -Forest Corporation
- suis un ancien détenteur de titre(s) de Sino -Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

**APPENDIX B - 9 – ADDITIONAL NOTICES OF OBJECTION**

**EDITH KONG**

*(See Attached)*

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, EDITH L P KUNT (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

I am not satisfied with the resolution.

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: EDITH L P KONG

Name:

Address: 3715-34A AVE  
EDMONTON, AB, CANADA

Address:

Tel.: 780 462-3246

Tel.:

Fax:

Fax:

Email: edithlpkong@hotmail.com

Email:

Date: Jan 20, 2013

Signature: 

**APPENDIX B - 10 - ADDITIONAL NOTICES OF OBJECTION**

**FRANCIS KONG**

*(See Attached)*

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, FRANCIS M KONG (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

I am not satisfied with the resolution



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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: FRANCIS M KONG

Name:

Address: 3715-34A AVE  
EDMONTON, AB  
CANADA

Address:

Tel.: 780 462-3246

Tel.:

Fax:

Fax:

Email: francismkong@hotmail.com

Email:

Date: Jan. 20. 2013

Signature: Francis Kong

**APPENDIX B - 11 - ADDITIONAL NOTICES OF OBJECTION**

**HARLOW ARDENE MCINTOSH**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, HARLOW ARDMc McIntosh (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 12 - ADDITIONAL NOTICES OF OBJECTION**

**JANAK GUPTA**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, JANAK RAJ GUPTA (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

APPROVAL OF THE SETTLEMENT MAY PREJUDICE  
MY CLAIM AND MY LEGAL RIGHTS.

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: JANAK GUPTA  
 VANDANA GUPTA

Name:

Address: 1721 BLYTHE RD.  
 MISSISSAUGA ONT L5M 2C3

Address:

Tel.: 416-671-6268

Tel.:

Fax:

Fax:

Email: Raj@BamptonHartwood.com

Email:

Date: Jan 22/13

Signature: Janda Gupta

**APPENDIX B - 13 - ADDITIONAL NOTICES OF OBJECTION**

**JEAN FRANCOIS CHAMPAGNE**

*(See Attached)*

**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, Jean-François Champagne (Inscrivez votre nom) (Veuillez cocher chaque case s'appliquant):

- suis actuellement détenteur d'action(s) de Sino –Forest Corporation
- suis un ancien détenteur d'action(s) de Sino –Forest Corporation
- suis actuellement détenteur de titre(s) de Sino –Forest Corporation
- suis un ancien détenteur de titre(s) de Sino –Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:



- JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposées auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.
- J'AI l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettre des arguments lors de l'audience de la requête en approbation du règlement Ernst & Young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.

**MON ADRESSE AUX FINS DE L'ADRESSE DE MON AVOCAT AUX SIGNIFICATION EST :**

Nom:

Nom:

Adresse:

Adresse:

Tél.:

Tél.:

Télécopieur:

Télécopieur:

Courriel:

Courriel:

Date: 18-01-2013

Signature: Jean-François Champagne

**APPENDIX B - 14 - ADDITIONAL NOTICES OF OBJECTION**

**JEFF WEATHERHEAD<sup>1</sup>**

**<sup>1</sup>APPLICANT HAS WITHDRAWN NOTICE OF OBJECTION**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, JEFF WEATHERHEAD (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
 \_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

I just received notice by regular Canada Post mail  
yesterday, Jan. 21, 2013.

\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
  
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: JEFF WEATHERHEAD

Name:

Address: 4 Ashton Lane

Address:

Tel.: 902-446-1637

Tel.:

Fax:

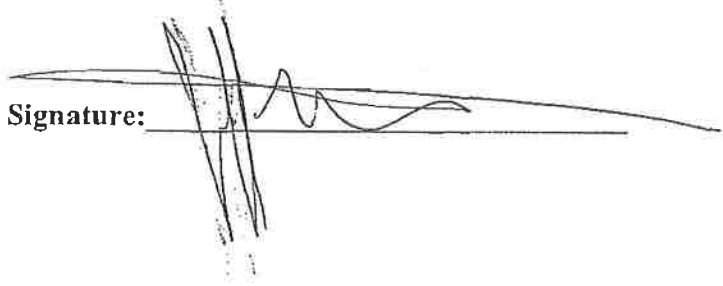
Fax:

Email: jeff.weatherhead @ corp.eastlink.ca

Email:

Date: Jan, 22, 2013

Signature:



**APPENDIX B - 15 - ADDITIONAL NOTICES OF OBJECTION**

**JOHN JEGLUM<sup>1</sup>**

**<sup>1</sup>APPLICANT HAS WITHDRAWN NOTICE OF OBJECTION**

*(See Attached)*

## NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
 acting in its capacity as 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: Jodi.porepa@ficonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the "ERNST & YOUNG SETTLEMENT")

I, John K. Jeglum (please check all boxes that apply):  
 (insert name)

am a current shareholder of Sino -Forest Corporation

# 3,282.00 (TD Waterhouse Account)

am a former shareholder of Sino -Forest Corporation

(previous buys and sell TD Waterhouse)

am a current noteholder of Sino -Forest Corporation

am a former noteholder of Sino -Forest Corporation

other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the "Order"), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

As an equity shareholder, I believe I should be given some return for investments I made in Sino-Forest. Presently I am holding 500 shares

of SFC which register no value. Some part of the Ernst Young settlement should be devoted to awarding equity holders for losses. I hereby claim some portion of the loss of \$3,282, to be determined in final decision of disbursements.

- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: John K. Jeglum

Name:

Address: 406-225 Belleville St. Address:

Tel.: 1 250 382 5228 Tel.:

Fax: or 1 778 422 5228 Fax:

Email: jeglums@shaw.ca Email:  
jeglums@shaw.ca

Date: 19 January 2013

Signature: John K. Jeglum

**APPENDIX B - 16 - ADDITIONAL NOTICES OF OBJECTION**

**JOHN ELIAS**

*(See Attached)*



NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, JOHN W. ELIAS (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 17 - ADDITIONAL NOTICES OF OBJECTION**

**JUNE MCDONALD**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, \_\_\_\_\_ (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 18 - ADDITIONAL NOTICES OF OBJECTION**

**LORRAINE DAHL**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, LORRAINE DAHL (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
 \_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: LORRAINE DAHL  
 47 KINGLAND CRES  
 TORONTO ON  
 M2J 2B8

Name:

Address:

Address:

Tel.: 416-491-3301

Tel.:

Fax:

Fax:

Email: dilob@bell.net

Email:

Date: Jan 18, 2003

Signature: Lorraine Dahl

**APPENDIX B - 19 - ADDITIONAL NOTICES OF OBJECTION**

**LUPAPA LOR**

*(See Attached)*

## AVIS D'OPPOSITION

## ATT: FTI CONSULTING CANADA INC.

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, LUPAPA LOR, (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino -Forest Corporation
- suis un ancien détenteur d'action(s) de Sino -Forest Corporation
- suis actuellement détenteur de titre(s) de Sino -Forest Corporation
- suis un ancien détenteur de titre(s) de Sino -Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

OFFRE TROP BASSÉ



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- JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposée auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.
- J'AI l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettre des arguments lors de l'audience de la requête en approbation du règlement Ernst & Young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.

MON ADRESSE AUX FINS DE L'ADRESSE DE MON AVOCAT AUX  
SIGNIFICATION EST : FINS DE SIGNIFICATION EST (le cas  
échéant) :

Nom: LUPADA COP.

Nom:

Adresse: 153 OTTEIDA DRIVE

Adresse:

Tél.: POINTE-CLAIRE  
514-694-2200

Tél.:

Télécopieur:

Télécopieur:

Courriel:

Courriel:

Date: 15 JAN 2013

Signature: 

**APPENDIX B - 20 - ADDITIONAL NOTICES OF OBJECTION**

**MARIO GIACOMO**

*(See Attached)*

**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, M. GIACOMO PRES INV. D'ARBITRAGE (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino –Forest Corporation
- suis un ancien détenteur d'action(s) de Sino –Forest Corporation
- suis actuellement détenteur de titre(s) de Sino –Forest Corporation
- suis un ancien détenteur de titre(s) de Sino –Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

DOMTANT INSUFFISANT

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- JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposées auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.
- J'AI l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettre des arguments lors de l'audience de la requête en approbation du règlement Ernst & Young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.

MON ADRESSE AUX FINS DE L'ADRESSE DE MON AVOCAT AUX  
SIGNIFICATION EST : FINS DE SIGNIFICATION EST (le cas  
échéant) :

Nom: LES INV. MARGIAC INC Nom:

Adresse: 153 ONEIDA DRIVE Adresse:

Tél.: ROUTE CAIRE Tél.:  
514-694-2200

Télécopieur: 514-694-5264 Télécopieur:

Courriel: Courriel:

Date: 15 JAN 20 13

Signature: 

**APPENDIX B - 21 - ADDITIONAL NOTICES OF OBJECTION**

**MICHAEL TENG**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, Michael Teng (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: *Michael Tony*

Name:

Address: *56 Brimwood Cr.  
Richmond Hill, ON.  
L4B 4B6*

Address:

Tel.: *(905) 883-3523*

Tel.:

Fax:

Fax:

Email:

Email:

Date: *Jan. 18 / 2013*

Signature: *Michael Tony*

**APPENDIX B - 22 - ADDITIONAL NOTICES OF OBJECTION**

**NICOLE DAHL**

*(See Attached)*



NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, NICOLE DAHL (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

Name: NICOLE DAHL

Address: 81A FRONT ST. EAST

Tel.: TORONTO M5E 1Z7

Fax:

Email:

Date: Jan 18, 2013

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name:

Address:

Tel.:

Fax:

Email:

Signature: Nicole Dahl

**APPENDIX B - 23 - ADDITIONAL NOTICES OF OBJECTION**

**RALF WEBER**

*(See Attached)*

## SINO-FOREST CORPORATION

### NOTICE OF PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP

**TO:** Everyone, including non-Canadians, who acquired Sino-Forest Corporation (“Sino-Forest”) securities (including shares and/or notes) in the primary or secondary market in any jurisdiction between March 31, 2006 and August 26, 2011 (the “E&Y Settlement Class”) and to everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto (“Ernst & Young”), in relation to Sino-Forest, Ernst & Young’s audits of Sino-Forest’s financial statements and any other work performed by Ernst & Young related to Sino-Forest.

#### Background of Sino-Forest Class Action and CCAA Proceeding

In June and July of 2011, class actions were commenced in the Ontario Superior Court of Justice (the “Ontario Proceeding”) and the Québec Superior Court (the “Québec Proceeding”) (collectively, the “Proceedings”) by certain plaintiffs (the “Plaintiffs”) against Sino-Forest, its senior officers and directors, its underwriters, a consulting company, and its auditors, including Ernst & Young. In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Southern District of New York (the “US Action”). The actions alleged that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s assets, business, and transactions.

Since that time, the litigation has been vigorously contested. On March 30, 2012, Sino-Forest obtained creditor protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”), within which proceeding the Ontario Superior Court ordered a stay of proceedings against the company and other parties, including Ernst & Young (the “CCAA Proceeding”). Orders and other materials relevant to the CCAA Proceeding can be found at the CCAA Monitor’s website at <http://cfcanada.fticonsulting.com/sfc/> (the “Monitor’s Website”).

On December 10, 2012, a Plan of Arrangement was approved by the court in the CCAA Proceeding. As part of this Plan of Arrangement, the court approved a framework by which the Plaintiffs may enter into settlement agreements with any of the third-party defendants to the Proceedings. The Plan expressly contemplates the Ernst & Young Settlement (as defined in the Plan), approval of which is now sought.

### **Who Acts For the E&Y Settlement Class**

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sncrl ("Class Counsel") represent the E&Y Settlement Class in the Proceedings. If you want to be represented by another lawyer, you may hire one to appear in court for you at your own expense.

You will not have to directly pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel will seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

### **Proposed Settlement with Ernst & Young**

The Plaintiffs have entered into a proposed settlement with Ernst & Young (the "Settlement Agreement"). If the settlement is approved, it will be final and binding and there will be no ability to pursue a claim (if any) against Ernst & Young through an opt-out process under class proceedings or similar legislation. The proposed settlement would settle, extinguish and bar all claims, globally, against Ernst & Young in relation to Sino-Forest including the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The terms of the proposed settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants. For an update on CCAA orders affecting Sino-Forest, please see the CCAA Monitor's website: <http://cfcanada.fticonsulting.com/sfc/>. A complete copy of the Settlement Agreement and other information about these proceedings is available at: [www.kmlaw.ca/sinoforestclassaction](http://www.kmlaw.ca/sinoforestclassaction) and [www.classaction.ca](http://www.classaction.ca) (the "Class Action Websites").

The proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 to a Settlement Trust to be administered in accordance with orders of the court. It is the intention of Class Counsel to seek the court's approval of a plan of allocation that distributes the settlement funds, net of counsel fees and other administrative costs and expenses, to members of the E&Y Settlement Class.

In return, the action will be dismissed against Ernst & Young, and there will be an order forever barring claims against it in relation to Sino-Forest including any allegations relating to the Proceedings, including claims (if any) that could be advanced through an opt-out process under class proceedings or similar legislation. In considering whether or how they are affected by the proposed settlement, members of the E&Y Settlement Class and anyone else with claims against Ernst & Young in relation to Sino-Forest should consider the effect of the orders made and steps taken in the Sino-Forest CCAA Proceedings. More information on the Sino-Forest CCAA Proceedings can be found on the Monitor's Website.

The settlement agreement with Ernst & Young is subject to court approval, as discussed below.

**Hearings to Approve Settlement on February 4, 2013 in Toronto, Ontario and Subsequent Hearings in Ontario, Quebec and the United States.**

On February 4, 2013 at 10:00 a.m. (Eastern Time), there will be a settlement approval hearing before the Ontario Superior Court of Justice. The hearing will be heard at the Canada Life Building, 330 University Avenue, 8th Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8th Floor.

If the settlement approval motion which is being heard by the Ontario Superior Court of Justice on February 4, 2013 (the "Settlement Approval Motion") is granted, then there will be a further hearing at a later date before the Ontario Superior Court of Justice (the "Ontario Allocation/Fee Motion") at which Class Counsel will seek that Court's approval of (1) the plan for allocating the net Ernst & Young settlement fund among the members of the E&Y Settlement Class; and (2) the fees and expense reimbursement requests of Class Counsel.

In addition, if the Settlement Approval Motion is granted, then there may be additional hearings at later dates in the Quebec Superior Court (the "Quebec Motion") and in the United States Bankruptcy Court for the Southern District of New York (the "US Motion") at which recognition and implementation of the Settlement Approval Motion and the Ernst & Young Settlement may be sought.

If the Settlement Approval Motion is granted, then a further notice will be disseminated to members of the E&Y Settlement Class advising them of the time and place of the Ontario Allocation/Fee Motion and any Quebec Motion and/or US Motion.

Members of the E&Y Settlement Class, and everyone, including non-Canadians, who has, had, could have had or may have a claim of any kind against Ernst & Young, in relation to Sino-Forest, Ernst & Young's audits of Sino-Forest's financial statements and any other work performed by Ernst & Young related to Sino-Forest, may attend at the hearing of the Settlement Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

**Persons intending to object to the Ernst & Young Settlement Agreement are required to: (a) deliver a Notice of Objection, substantially in the form that can be found on the Monitor's Website and the Class Action Websites, and, if this Notice is received by mail, enclosed with this Notice (the "Notice of Objection"), to the Monitor, by regular mail, courier or email transmission, to the coordinates indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013; and (b) comply with the litigation timetable set forth below. Copies of the Notices of Objection sent to the Monitor will be filed with the court.**

**Litigation Timetable**

By order of the Ontario Superior Court of Justice, persons intending to participate in the Settlement Approval Motion must comply with the following timetable:

1. Motion materials are to be delivered no later than January 11, 2013.
2. Responding motion materials are to be delivered by January 18, 2013.
3. Cross-examinations on affidavits (if any) are to be conducted on January 24 and 25, 2013.
4. Written Submissions are to be exchanged on January 30, 2013.

**Further Information**

If you would like additional information or to object to the Ernst & Young Settlement Agreement, please contact Koskie Minsky LLP, Siskinds LLP, or Siskinds Desmeules LLP at the addresses below:

**Koskie Minsky LLP**

20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3

Re: Sino-Forest Class Action

Tel: 1.866.474.1739 (within North America)

Tel: 416.595.2158 (outside North America)

Email: [sinoforestclassaction@kmlaw.ca](mailto:sinoforestclassaction@kmlaw.ca)

**Siskinds LLP**

680 Waterloo Street, P.O. Box 2520 London, ON N6A 3V8

Re: Sino-Forest Class Action

Tel: 1.800.461.6166 x 2380 (within North America)

Tel: 519.672.2251 x 2380 (outside North America)

Email: [nicole.young@siskinds.com](mailto:nicole.young@siskinds.com)

**Siskinds Desmeules, sncrl**

43 Rue Buade, Bureau 320, Québec City, Québec, G1R 4A2

Re: Sino-Forest Class Action

Tel: 418.694.2009

Email: [simon.hebert@siskindsdesmeules.com](mailto:simon.hebert@siskindsdesmeules.com)

**Interpretation**

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

Please do not direct inquiries about this notice to the Court. All inquiries should be directed to Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO  
SUPERIOR COURT OF JUSTICE



NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, Ralf Weber (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: **Ralf Weber**

Name:

Address: **Ottilienstraße 7  
85088 Irsching**

Address:

Tel.: **0049 8457-934327**

Tel.:

Fax:

Fax:

Email: **ralf05@t-online.de**

Email:

Date: 26.01.2013

Signature: 

**APPENDIX B - 24 - ADDITIONAL NOTICES OF OBJECTION**

**RENE PELLITERI**

*(See Attached)*

## AVIS D'OPPOSITION

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, \_\_\_\_\_ (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino -Forest Corporation
- suis un ancien détenteur d'action(s) de Sino -Forest Corporation
- suis actuellement détenteur de titre(s) de Sino -Forest Corporation
- suis un ancien détenteur de titre(s) de Sino -Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

\_\_\_\_\_  
 \_\_\_\_\_



**Desjardins**  
Valeurs mobilières

Stéphane Brennan  
B. Sc., PL. fin.  
Conseiller en placement

Groupe Brennan-Champagne

Mylène Vézina  
Représentante en placement  
450 223-1449

1355, rue Johnson Ouest  
Bureau 100  
Saint-Hyacinthe (Québec)  
J2S 8W7

450 223-1344  
Cell. : 450 209-0505  
1 888 313-6150  
Télécopieur: 450 223-1677  
stephane.brennan@vmd.desjardins.com



- JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposées auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.
- J'AI l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettre des arguments lors de l'audience de la requête en approbation du règlement Ernst & Young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.

MON ADRESSE AUX FINS DE L'ADRESSE DE MON AVOCAT AUX  
SIGNIFICATION EST : FINS DE SIGNIFICATION EST (le cas  
échéant) :

Nom: PLACEMENT METAC

Nom:

MÈRE PELLETIER

ENTREPRISES DE CLÉMENT PELLETIER

Adresse: 5745 FRONTENAC

Adresse:

Tél.: SAINT-HYACINTHE

Tél.: 450-773-0746

Télécopieur: QC.

Télécopieur:

Courriel: J2S 2E3

Courriel:

Date: 28/1/13

Signature: 

**APPENDIX B - 25 - ADDITIONAL NOTICES OF OBJECTION**

**RICHARD JANSON**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, RICHARD JANSEN (please check all boxes that apply):  
(RICK) (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 26 - ADDITIONAL NOTICES OF OBJECTION**

**RICHARDO DAHL**

*(See Attached)*



**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, RICHARD DAHL (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_

\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: RICHARD DAHL

Name:

Address: 47 KINGLAND CRES  
TORONTO ON  
M2J 2B8

Address:

Tel.: 416-491-3301

Tel.:

Fax:

Fax:

Email: dil@bell.net

Email:

Date: Jan 18/2013

Signature: 

**APPENDIX B - 27 - ADDITIONAL NOTICES OF OBJECTION**

**RUI ALBERTO FARIA**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as Monitor of Sino-Forest Corporation  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8

RECEIVED  
JAN 24 2013

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, Rui ALBERTO FARIA (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

FOR THE BEST AND TRUST ON THE INFO

- 2 -

- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:****MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: Rui ALBERTO FARIA

Name:

Address: 38 MEADOWLARK DRV  
GEORGETOWN ON L7G 6N2

Address:

Tel.: (289) 891-8551

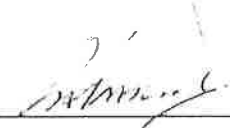
Tel.:

Fax:

Fax:

Email:

Email:

Date: FEB 22 - 2013Signature: 

**APPENDIX B - 28 - ADDITIONAL NOTICES OF OBJECTION**

**SYDNEY PETTIT**

*(See Attached)*

**NOTICE OF OBJECTION**

**TO: FTI CONSULTING CANADA INC.**  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, SYDNEY H. PETTIT (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX B - 29 - ADDITIONAL NOTICES OF OBJECTION**

**VALIER LEVESQUE**

*(See Attached)*



**AVIS D'OPPOSITION**

**ATT: FTI CONSULTING CANADA INC.**

agissant en sa qualité de contrôleur de Sino-Forest Corporation  
 TD Waterhouse Tower  
 79 Wellington Street West  
 Suite 2010, P.O. Box 104  
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa

Email: Jodi.porepa@fticonsulting.com

**OBJET: SINO-FOREST CORPORATION— AVIS DE RÈGLEMENT PROPOSÉ  
 AVEC ERNST & YOUNG LLP (le « RÈGLEMENT ERNST & YOUNG »)**

Je, Valérie Levesque (Veuillez cocher chaque case s'appliquant):  
 (Inscrivez votre nom)

- suis actuellement détenteur d'action(s) de Sino -Forest Corporation
- suis un ancien détenteur d'action(s) de Sino -Forest Corporation
- suis actuellement détenteur de titre(s) de Sino -Forest Corporation
- suis un ancien détenteur de titre(s) de Sino -Forest Corporation
- autre(s) (veuillez expliquer)

Je reconnais que, conformément à l'ordonnance du juge Morawetz datée du 21 décembre 2012 (« l'ordonnance »), les personnes souhaitant s'opposer au règlement Ernst & Young sont tenues de remplir et transmettre cet avis d'opposition auprès de FTI Consulting Canada Inc., agissant en sa qualité de contrôleur de Sino-Forest Corporation, par courrier, service de messagerie ou courriel afin qu'il soit reçu au plus tard, à 17h00 HNE (5:00 p.m. Eastern Time), le 18 janvier 2013 et aux vus de respecter le calendrier de procédure joint en annexe C de l'ordonnance

Par la présente, je donne avis que je m'oppose au règlement Ernst & Young pour les raisons suivantes:

Je n'ai jamais touché les actions avec de  
aucun valeur de la compagnie et de plus, même  
de son temps.

---



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---



---

- JE N'AI PAS l'intention de comparaître à l'audience de la requête en approbation du règlement Ernst & Young et je comprends que mon opposition sera déposées auprès de la Cour avant l'audience de la requête, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.
- J'AI l'intention de comparaître en personne ou par le biais d'un avocat, et de soumettre des arguments lors de l'audience de la requête en approbation du règlement Ernst & Young, à 10h00 HNE (10:00 a.m.), le 4 février 2013, au 330 University Ave., 8<sup>ième</sup> étage, Toronto, Ontario.

**MON ADRESSE AUX FINS DE L'ADRESSE DE MON AVOCAT AUX SIGNIFICATION EST :** **L'ADRESSE DE MON AVOCAT AUX FINS DE SIGNIFICATION EST (le cas échéant) :**

Nom: VALIER-LEVESQUE

Nom:

Adresse: 51-LV-DUMAIS  
RIVIERE-DU-LOUP PQ-G5R-5H9  
Tél.: 418-862-1873

Adresse:

Tél.:

Télécopieur:

Télécopieur:

Courriel: VALIER-LEVESQUE@HOTMAIL.CA Courriel:

Date: 17-01-2013

Signature: Valier Levesque

**APPENDIX B - 30 - ADDITIONAL NOTICES OF OBJECTION**

**WILLIAM MCDOWELL**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, \_\_\_\_\_ (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

*Bought 152 shares  
Feb 2010*

*Sold June 30, 2010*

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

*William E. McDowell*

*P.O. Box 645 Shawville, Que. Jc X 2Y0*

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
  
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name:

Name:

Address:

Address:

Tel.:

Tel.:

Fax:

Fax:

Email:

Email:

Date: \_\_\_\_\_

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

**APPENDIX B - 31 - ADDITIONAL NOTICES OF OBJECTION**

**WOLFGANG GLASMACHER**

*(See Attached)*

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.  
acting in its capacity as 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: Jodi.porepa@fticonsulting.com

RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)

I, Wolfgang Glasmacher (please check all boxes that apply):  
(insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

\_\_\_\_\_  
\_\_\_\_\_

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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- I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.
- I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: *Wolfgang Glasmacher*  
*Auelstr. 24*  
*53925 Vell (Germany)*

Name:

Address:  
 Tel.: *0049 2443 9010 06*  
 Fax: *0049 2443 9010 08*  
 Email: *wolfgang.glasmacher@web.de*

Address:  
 Tel:  
 Fax:  
 Email:

Date: *29. 1. 13*

Signature: 



**Sino-Forest Corporation  
Class Action Information Form**

This is NOT a claims form.

Please complete this form if you would like to receive updates regarding the progress of this action.

**NOTE:** The information in this form will only be used to provide you occasional email updates about this action. We will not be sending updates by mail or phone. Please also note that you are not retaining this law firm by completing this form and it does not in any way create a lawyer-client relationship between you and this law firm.

Please provide Transactions information.

First Name:\* Wolfgang  
 Last Name:\* Glasmacher  
 Title:  
 Address: Auelstr. 24  
 City: Kall  
 Province: NRW  
 Postal Code: 53925  
 Country:\* Germany  
 Telephone: 00492443901006  
 Email:\* wolfgang.glasmacher@w

**Transactions**

Please select the transaction Type, Date, Number of Shares/Securities and Source and click 'Add Transaction' for each transaction. If you add a transaction in error, click 'Delete' to remove it.

Transaction Type	Transaction Date yyyy/mm/dd	Number of Shares/Securities	Source
<input checked="" type="radio"/> Buy	29.07.2011	899033	<input type="radio"/> Prospectus
<input type="radio"/> Sell			<input type="radio"/> TSX
<input type="radio"/> Tendered			<input checked="" type="radio"/> Other

[Add Transaction...]

Transaction Type	Transaction Date yyyy/mm/dd	Current Transaction List Number of Shares/Securities	Source
------------------	--------------------------------	---	--------

We will only use this information to send you occasional email updates. We will not be sending updates by mail or by phone.

[ Submit ]

**Wertpapierdepot**

DEPOT	DEPOT	DEPOT
708680076	828639945	988624944

Depotwert: 613,66 EUR  
 max. Verfügungsrahmen: 57,61 EUR

**SINO-FOREST (899033)**

Gesamtbestand Stück/Nominale	527,00
+Ausgeführte Käufe	0,00
-Ausgeführte Verkäufe	0,00
=Netto Bestand	527,00
Offene Käufe	0,00
Offene Verkäufe	0,00
Offene Depoteingänge	0,00
Offene Depotausgänge	0,00
=Verfügbare Bestand Stück/Nominale	527,00

**Information****Gesamtbestand Stück/Nominale:**

Zeigt die Anzahl aller abgerechneten und verbuchten Wertpapiere in Ihrem Depot an. Nicht berücksichtigt sind ausgeführte aber noch nicht abgerechnete Käufe/Verkäufe, offene Käufe/Verkäufe und noch offene Depoteingänge & -ausgänge.

**Ausgeführte (noch nicht abgerechnete) Käufe/Verkäufe:**

Zeigt die Anzahl der ausgeführten aber noch nicht abgerechneten und nicht mit Ihrem Depot verbuchten Orders an.

**Netto Bestand:**

Hierbei handelt es sich um den tatsächlichen Gesamtbestand zuzüglich der ausgeführten aber noch nicht abgerechneten Käufe und abzüglich der ausgeführten aber noch nicht abgerechneten Verkäufe.

**Offene Käufe/Verkäufe:**

Käufe und Verkäufe, die noch nicht zur Ausführung kamen.

**Offene Depotein- und -ausgänge:**

Depotein- und -ausgänge, die bereits angelegt sind, aber noch nicht verbucht wurden.

**Verfügbare Bestand Stück/Nominale:**

Hierbei handelt es sich um den Gesamtbestand zuzüglich ausgeführter (noch nicht abgerechneter) Käufe und abzüglich ausgeführter (noch nicht abgerechneter) Verkäufe. Ergibt sich hieraus ein positiver Bestand, so werden die Depotausgänge sowie die offenen Verkauforders abgezogen und ergeben Ihren verfügbaren Bestand. Haben Sie einen negativen Bestand, so werden die Depoteingänge und offenen Kauforders hinzugezählt und ergeben dann Ihren verfügbaren Bestand.

**Gewinn und Verlust Umsätze**

Datum	Depottext	Stück/Nominale	Einstandskurs Inkl. Nebenkosten	Investiertes Kapital	Bewertungskurs	Gewinn/Verlust bei Verkauf zum Bewertungskurs in EUR
29.07.2011	KAUF	400,00	5,6583 EUR	2.263,32 EUR	1,022761 EUR	-1.854,22
29.07.2011	KAUF	200,00	5,5519 EUR	1.110,38 EUR	1,022761 EUR	-905,83
<b>Gesamt</b>		<b>600,00</b>	<b>Ø 5,622833 EUR</b>	<b>3.373,70 EUR</b>	<b>1,022761 EUR</b>	<b>-2.760,04</b>

[Zur Übersicht >](#)**DEPOT IM BLICK: INVESTMENT REPORT**

- monatlicher & jährlicher Report
- im OnlineArchiv abrufbar

[Jetzt informieren](#)**KONTAKTIEREN SIE UNS**

Für Interessenten:  
0911 / 369 - 90 00

Kunden-Hotline:  
0911 / 369 - 30 00

Zum Kontaktformular

**PRODUKTE & BERATUNG**

Tagesgeld  
Wertpapiere  
Trading  
Sparpläne  
Altersvorsorge  
Konto eröffnen  
Beratung

**ÜBER UNS**

Warum Cortal Consors?  
Preise & Zinsen  
Sicherheit  
BNP Paribas  
Wealth Management  
Management  
Karriere  
Freunde werben

**FINDEN SIE UNS**

Facebook  
Google+  
Twitter  
XING  
YouTube  
hopee  
iPhone  
Android  
Mobile

**AUSZEICHNUNGEN**

Online Broker des  
Jahres 2012

Mit gekennzeichnete Kurse stehen in realtime zur Verfügung. Sonstige Kurse der deutschen / internationalen Börsen sind 15 bzw. 20 Min. verzögert.

**APPENDIX B - 32 - ADDITIONAL NOTICES OF OBJECTION**

**YUNGSOON LEE**

*(See Attached)*

## NOTICE OF OBJECTION

**TO: FTI CONSULTING CANADA INC.**  
 acting in its capacity as 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: Jodi.porepa@fticonsulting.com

**RE: SINO-FOREST CORPORATION—PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (the “ERNST & YOUNG SETTLEMENT”)**

I, YUNGSOON LEE (please check all boxes that apply):  
 (insert name)

- am a current shareholder of Sino –Forest Corporation
- am a former shareholder of Sino –Forest Corporation
- am a current noteholder of Sino –Forest Corporation
- am a former noteholder of Sino –Forest Corporation
- other (please explain)

I acknowledge that pursuant to the order of Mr. Justice Morawetz dated December 21, 2012 (the “Order”), persons wishing to object to the Ernst & Young Settlement are required to complete and deliver this Notice of Objection to FTI Consulting Canada Inc., acting in its capacity as Monitor of Sino-Forest Corporation, by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on January 18, 2013, and comply with the litigation timetable appended as Schedule C to the Order.

I hereby give notice that I object to the Ernst & Young Settlement, for the following reasons:

Lost money



I DO NOT intend to appear at the hearing of the motion to approve the Ernst & Young Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.



I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Ernst & Young Settlement at 10:00 a.m. on February 4, 2013, at 330 University Ave., 8th Floor Toronto, Ontario.

**MY ADDRESS FOR SERVICE IS:**

**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**

Name: YUNGSOON LEE

Name:

Address: 9477 164 ST SURVEY

Address:

Tel.: BC V4N3C8

Tel.:

Fax: 604 588 2102

Fax:

Email:

Email:

Date: \_\_\_\_\_

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

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

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)

**SUPPLEMENTAL REPORT TO THE FOURTEENTH  
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.

**TAB 17**





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

**Sino-Forest Corporation**

**FIFTEENTH REPORT OF THE MONITOR**

**January 28, 2013**

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

**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

Court File No.: CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N :**

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN  
CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO,  
SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

Plaintiffs

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly  
known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN,  
KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND,  
JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER WANG, GARRY J.  
WEST, PÖYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE  
SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES  
CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC  
WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD  
FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE  
SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED (successor by merger to Banc of America Securities LLC)

Defendants

**FIFTEENTH 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**” or “**SFC**”) 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.
2. On December 10, 2012, the Court granted an Order (the “**Sanction Order**”) approving the Company’s Plan of Compromise and Reorganization dated December 3, 2012 (the “**Plan**”).
3. The following appendices have been attached to this Fifteenth Report:
  - (a) Appendix A - the Minutes of Settlement (as defined below);
  - (b) Appendix B - the Plan;
  - (c) Appendix C - the Monitor’s Thirteenth Report dated November 22, 2012 (the “**Thirteenth Report**”) (without appendices);
  - (d) Appendix D - the Monitor’s Supplemental Report to the Thirteenth Report dated December 4, 2012 (the “**Supplemental Report**”) (without appendices);
  - (e) Appendix E - the Monitor’s Second Supplemental Report to the Thirteenth Report dated December 6, 2012 (the “**Second Supplemental Report**”) (without appendices);
  - (f) Appendix F - the Claims Procedure Order;
  - (g) Appendix G - the Mediation Order;
  - (h) Appendix H - the Meeting Order;

- (i) Appendix I - Notice of Appearance of Kim Orr;
  - (j) Appendix J - the Sanction Order;
  - (k) Appendix K - Endorsement of Justice Morawetz re Sanction Hearing;
  - (l) Appendix L - Notice of Motion re Leave to Appeal the Sanction Order;
  - (m) Appendix M - (i) letter from Bennett Jones to Kim Orr dated January 3, 2013; (ii) letter from Kim Orr to Bennett Jones dated January 3, 2013; (iii) letter from Lenczner Slaght to Kim Orr dated January 3, 2013;
  - (n) Appendix N - E&Y Notice Order (as defined below);
  - (o) Appendix O - Company's press release dated January 24, 2013; and
  - (p) Appendix P - (i) letter from Gowling Lafleur Henderson dated January 11, 2013 regarding the addition of Allen Chan and Kai Kit Poon as Named Third Party Defendants; (ii) letter from Gowling Lafleur Henderson dated January 21, 2013 regarding the addition of David Horsley as a Named Third Party Defendant.
4. The objections received to the Ernst & Young Settlement up to January 21, 2013 have been filed separately in the Monitor's fourteenth report dated January 22, 2013 (the "**Fourteenth Report**"). Any subsequent Notices of Objection or other correspondence expressing objections have or will be attached in a supplement or supplements to the Fourteenth Report.
5. The proceedings commenced by the Company under the CCAA will be referred to herein as the "**CCAA Proceedings**".
6. The purpose of this Fifteenth Report is to report on certain matters relating to the Ernst & Young Settlement.
7. In preparing this Fifteenth 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 Fifteenth Report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this Fifteenth Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

8. Unless otherwise stated, all monetary amounts referred to herein are expressed in CDN Dollars.
9. The term "**Sino-Forest**" refers to the global enterprise as a whole but does not include references to Greenheart (as defined in the Plan). "Sino-Forest Subsidiaries" refers to all of the direct and indirect subsidiaries of the Company, but does not include references to Greenheart.
10. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Plan, the Thirteenth Report, the Supplemental Report and/or the Second Supplemental Report.<sup>1</sup>

<sup>1</sup> See Appendices B, C, D and E for copies of the Plan, the Thirteenth Report, the Supplemental Report and the Second Supplemental Report.

## BACKGROUND

### *Overview of the CCAA Proceedings*

11. The description of the Company's business as well as the background to these proceedings has all been set out in previous reports of the Monitor as well as affidavits filed by the Company in connection with the CCAA Proceedings and is therefore not repeated herein.
12. A brief chronology of certain of the significant events in the CCAA Proceedings to date is as follows:
  - (a) On March 30, 2012, the Company sought and the Court granted the Initial Order the terms of which included a stay of proceedings (the "**Stay**") against the Company, its directors and officers and the Sino-Forest Subsidiaries. The Stay has been extended from time to time and is currently extended through to February 1, 2013.
  - (b) As part of its application for the Initial Order, the Company advised that it had entered into the RSA which provided for the terms on which certain Initial Consenting Noteholders would consent to a restructuring transaction.
  - (c) On the same day, the Court granted the Sale Process Order pursuant to which the Company was authorized to conduct a sale process, in part, as a market test of the transactions contemplated under the RSA.
  - (d) On April 20, 2012, the Court granted an Order expanding the Monitor's powers in these proceedings.
  - (e) On May 8, 2012, on a motion by the Company (the "**Third Party Stay Motion**"), the Court granted an Order confirming that the Stay extended to the Third Party Defendants (as defined below) in the Class Actions.

- (f) On May 14, 2012, the Court granted the Claims Procedure Order which provided for the calling of claims against the Company, its directors and officers and the Sino-Forest Subsidiaries and established a claims bar date.
- (g) On June 26, 2012 the Company brought a motion relating to a determination on “equity claims” and on July 27, 2012, the Court granted the motion and issued the Equity Claims Order. An appeal from the Equity Claims Order was dismissed by the Ontario Court of Appeal on November 23, 2012.
- (h) On July 25, 2012, the Monitor sought and the Court granted the Mediation Order, directing a mediation of the Class Action Claims against the Company and the Third Party Defendants. The Mediation took place over the course of September 4 and 5, 2012. While no settlements were reached during the Mediation, settlement discussions among parties to the Mediation continued following the Mediation.
- (i) On August 31, 2012, the Company sought and the Court granted the Meeting Order which provided for the filing of the Plan and the calling of a meeting of creditors.
- (j) On October 28, 2012, the Ontario Class Action Plaintiffs brought a motion seeking a lifting of the stay against Ernst & Young, BDO, the Underwriters, Allen Chan and Kai Kit Poon. The motion was not opposed by the Company or the Monitor. In an endorsement released on November 6, 2012, the Court dismissed the motion without prejudice to the Ontario Class Action Plaintiffs to renew their request on December 10, 2012 (which was the scheduled date for the Sanction Hearing).
- (k) On December 3, 2012, the Meeting took place at which time the Plan was approved by the Required Majority (also discussed in more detail below).
- (l) On December 7, 2012, the Company sought the Sanction Order, which was granted by the Court on December 10, 2012. A notice of motion for leave to appeal the Sanction Order has been served by counsel to a group of shareholders

(“**Kim Orr**”). To date, Kim Orr has not perfected its leave motion nor has leave been granted by the Ontario Court of Appeal.

(m) On December 21, 2012, the Court granted an Order approving the notice process for the approval of the Ernst & Young Settlement.

13. As of the date of this Fifteenth Report, the Company is continuing to work towards the implementation of the Plan, the details of which are discussed in more detail below.

### **THE CLAIMS PROCESS, MEDIATION AND PARTICIPATION OF THE CLASS ACTION PLAINTIFFS IN THE CCAA PROCEEDINGS**

#### *Claims, the Class Actions and the Mediation*

14. From the outset of the CCAA Proceedings, it was apparent that addressing the contingent claims against the Company (and related claims against the Sino-Forest Subsidiaries) would be important given the extent of the litigation against the Company and resulting indemnification claims from others named in the Class Actions. To further that process, on May 14, 2012, the Company obtained the Claims Procedure Order,<sup>2</sup> which provided for the calling of claims against the Company, its directors and officers and its subsidiaries. The call for Claims included a call for “equity claims”. Claims (other than Restructuring Claims) and D&O Claims (as such terms are defined in the Claims Procedure Order) were to be filed prior to June 20, 2012 (the “**Claims Bar Date**”). Any Claim not filed by the Claims Bar Date is now forever barred.

15. In developing the terms of the Claims Procedure Order, the Company and the Monitor were both cognizant of the relatively unique nature of the claims that were anticipated to be asserted in the claims process. As set out above, as a holding company, unlike many CCAA debtors, the Company does not have many, if any, trade creditors. Instead, aside from the claims in respect of the Notes, it was anticipated that most or all of the remaining claims filed would be in connection with the Class Actions either directly by

<sup>2</sup> See Appendix F for a copy of the Claims Procedure Order.



the plaintiffs in the Class Actions or by way of indemnity claims from the Third Party Defendants.

16. In that regard, the Company and the Monitor had extensive discussions with class action counsel for the Ontario Class Action Plaintiffs and the Quebec Class Action Plaintiffs (collectively, the “**Canadian Plaintiffs**”) (among others) as to certain terms of the Claims Procedure Order. Ultimately, numerous changes were made to the Claims Procedure Order that was proposed to the Court including paragraphs ordering that the Canadian Plaintiffs were entitled to file representative Proofs of Claim and D&O Proofs of Claim (as both terms are defined in the Claims Procedure Order) in respect of the substance of the Ontario Class Action and the Quebec Class Action, respectively (collectively, the “**Canadian Class Actions**”).<sup>3</sup>
17. On June 26, 2012, the Company brought a motion seeking a direction that Claims by the plaintiffs in the Class Actions in respect of the purchase of securities<sup>4</sup> and resulting indemnification claims by the Third Party Defendants constituted “equity claims” pursuant to section 2(1) of the CCAA. The motion as opposed by Ernst & Young, BDO and the Underwriters. The motion was not opposed by the Canadian Plaintiffs who conceded that their Class Action claims in respect of the purchase of securities were “equity claims”.<sup>5</sup>
18. On July 27, 2012, the Court issued its decision determining that such claims did constitute “equity claims” under section 2(1) of the CCAA (the “**Equity Claims Decision**”). The Equity Claims Decision was appealed by Ernst & Young, BDO and the Underwriters. The appeal was heard by the Ontario Court of Appeal on November 13, 2012. On November 23, 2012, the Ontario Court of Appeal issued its reasons and dismissed the appeal. The Equity Claims Decision was not appealed to the Supreme Court of Canada.

<sup>3</sup> See paragraphs 27 and 28 of the Claims Procedure Order.

<sup>4</sup> The motion did not deal with claims in respect of the purchase of debt securities.

<sup>5</sup> Kim Orr did not appear at or in any way oppose the motion on the Equity Claims Decision.

19. Early in the CCAA Proceedings, it became apparent to the Monitor that the nature, complexity and number of parties involved in the litigation claims surrounding the Company had the potential to cause extensive delay and additional costs in the CCAA Proceedings. As such, it was the view of the Monitor (with the agreement of the Company) that there was merit in a global resolution of not only the Class Action Claims against the Company, but also against the other defendants named in the Class Actions other than Pöyry Beijing (the “**Third Party Defendants**”).<sup>6</sup>
20. On July 25, 2012 the Court granted an order (the “**Mediation Order**”), directing a mediation (the “**Mediation**”) of the class action claims against the Company and the Third Party Defendants.<sup>7</sup> The parties directed to participate in the mediation were the Company, the Canadian Plaintiffs, the Third Party Defendants, the Monitor, the Initial Consenting Noteholders and relevant insurers. The Monitor is aware and believes that the parties took the Mediation seriously and relied on the ability of those in attendance to bind their respective constituents as was required by the Mediation Order. The Mediation was conducted on September 4 and 5, 2012. No settlements were reached during the Mediation.
21. Although no settlements were reached during the Mediation, the Monitor was aware that many of the Third Party Defendants remained focused on determining whether a resolution within the CCAA Proceedings was possible. Specifically, the Monitor notes the description of the ongoing settlement discussions between the Canadian Plaintiffs and Ernst & Young in the affidavit of Charles Wright sworn January 10, 2013 (the “**Wright Affidavit**”), which ultimately resulted in the Ernst & Young Settlement.

<sup>6</sup> The Third Party Defendants are: EY, BDO, the Underwriters, Allen Chan, Judson Martin, Kai Kit Poon, David Horsley, William Ardell, James Bowland, James Hyde, Edmund Mak, Simon Murray, Peter Wang and Garry West.

<sup>7</sup> See Appendix G for a copy of the Mediation Order.

## THE PLAN, MEETING OF CREDITORS AND SANCTION ORDER

### *The Plan and the Plan Filing and Meeting Order*

22. On August 14, 2012, the Company announced that it had filed a draft plan of compromise and reorganization (the “**August 14 Draft Plan**”) with the Court.<sup>8</sup> On August 15, 2012, the Company filed a draft information circular with the Court. In connection with the filing of the August 14 Draft Plan, the Company also brought a motion seeking approval of a plan filing and meeting order (the “**Meeting Order**”) which, among other things, provided for the calling of a meeting of creditors (the “**Meeting**”).<sup>9</sup> It was agreed that the Meeting Date would be subsequent to the completion of the Mediation.
23. The motion for the Meeting Order was returnable on August 28, 2012. Due to concerns raised by certain of the Third Party Defendants, the motion was postponed to determine whether the parties could agree to changes that would result in a mutually satisfactory proposed order, which was ultimately achieved. On August 31, 2012, the Court granted the Meeting Order.
24. On October 19, 2012, the Company filed a revised plan of compromise and reorganization and information statement. Further revised versions of the Plan were filed on November 28, 2012 and December 3, 2012. The December 3, 2012 version of the Plan (being the final version of the Plan that was put to creditors at the Meeting and the Court at the Sanction Hearing) included amendments relating to the Third Party Defendants including the new Article 11.1 which provided for a mechanism through which the release contemplated by the Ernst & Young Settlement could be achieved.<sup>10</sup>

### *The Meeting*

25. The details regarding the calling of the Meeting as well as the conduct of the Meeting are set out in detail in the Supplemental Report and therefore not repeated herein. Briefly, the Meeting Order provided for:

<sup>8</sup> A further draft of the Plan dated August 27, 2012 was filed prior to the return of the motion for the Meeting Order.

<sup>9</sup> See Appendix H for a copy of the Meeting Order.

<sup>10</sup> See Appendix B for a copy of the Plan.

- (a) notice and mailing of the Company's plan, supplements and amendments thereto;
  - (b) the solicitation of proxies;
  - (c) the calling of a meeting of creditors; and
  - (d) those Persons who were entitled to attend and vote on the plan at the meeting – specifically, holders of equity claims were not (in such capacity) entitled to attend the Meeting, nor were they entitled to vote on the Plan.
26. The Meeting was held at Gowlings' office on December 3, 2012, starting shortly after 10am. By the time the Meeting was conducted, the Company (with the assistance of others) had made considerable progress in obtaining support for its Plan. Notably, with those holding Voting Claims, there were only three (3) votes against the Plan (representing approximately .03% in value) and there was only one vote against the Plan in respect of Unresolved Claims (namely, BDO).
27. In accordance with the Meeting Order, persons who were entitled to vote submitted their proxies which were used to vote on the Plan in the form presented at the Meeting. As a result, the Plan received overwhelming approval by creditors with Voting Claims who voted in person or by proxy (99.96% in value and 98.81% in number) and even if the results of the votes on the Unresolved Claims counted towards the Required Majority, the Plan still would have received overwhelming approval (90.72% in value and 98.5% in number).<sup>11</sup> Further, as discussed below, subsequent to the Meeting and prior to the Sanction Hearing, BDO (the only party with Unresolved Claims that voted "no"), became a Named Third Party Defendant under the Plan and supported approval of the Plan at the Sanction Hearing. Lastly, as set out above, holders of equity claims (including the Canadian Plaintiffs) were not entitled to attend the Meeting or vote on the Plan.

#### *The Sanction Order*

28. The Sanction Hearing was held on December 7, 2012. At the Sanction Hearing, there were no claimants who filed Claims, D&O Claims or D&O Indemnity Claims (all as

<sup>11</sup> See paragraph 31 of the Supplemental Report (Appendix D) for a full summary of the voting results.

defined in the Claims Procedure Order) under the Claims Procedure Order and/or who voted at the Meeting who opposed the sanctioning of the Plan. Specifically, the following parties were supportive of the Plan:

- (a) the Company;
- (b) the Company's board of directors;
- (c) the Monitor;
- (d) the Initial Consenting Noteholders;
- (e) Ernst & Young;
- (f) the Underwriters; and
- (g) BDO.

29. There were also a number of parties, including counsel for the Canadian Plaintiffs and the U.S. Plaintiffs, who did not oppose the sanctioning of the Plan. The only parties who expressed any opposition to the sanctioning of the Plan were three shareholders of the Company, Invesco Canada Ltd., Northwest & Ethical Investments L.P. and Comité Syndical National De Retraite Batirente Inc. (collectively, the “**Objecting Shareholders**”), which were represented by Kim Orr, who served a notice of appearance on December 6, 2012, one (1) day prior to the Sanction Hearing in these CCAA Proceedings.<sup>12</sup> Notwithstanding the fact that Kim Orr acknowledged during the Sanction Hearing that it had been monitoring the CCAA Proceedings on behalf of its clients, none of the Objecting Shareholders had previously objected to the Claims Procedure Order, the Mediation Order, nor did any of them file Claims or D&O Claims under the Claims Procedure Order independent of the representative Claims and D&O Claims that were filed by the Canadian Plaintiffs as authorized by paragraphs 27 and 28 of the Claims

<sup>12</sup> See Appendix I for a copy of the notice of appearance of Kim Orr.

Procedure Order. The Court issued its endorsement on the Sanction Hearing and the Sanction Order was granted on December 10, 2012.<sup>13</sup>

30. A notice of motion for leave to appeal the Sanction Order has been served by Kim Orr.<sup>14</sup> However, in an exchange of correspondence between the Company and Kim Orr, Kim Orr confirmed that they did not intend to seek a stay of the implementation of the Plan pending appeal.<sup>15</sup>

#### *Plan Implementation*

31. Since the granting of the Sanction Order, the Company, with the assistance of the Monitor and the Initial Consenting Noteholders, has worked towards fulfilling all of the conditions precedent to the implementation of the Plan. On January 24, 2013, the Company announced that it anticipated that the Plan Implementation Date will occur on or about January 29, 2013 and, in any event, prior to the end of January 2013.<sup>16</sup>
32. Subsequent to the Sanction Order being granted,
- (a) Allen Chan, Kai Kit Poon and David Horsley have been added as “Named Third Party Defendants” to the Plan which means, among other things, that none of those three individuals will be entitled to receive any distributions under the Plan;<sup>17</sup>
  - (b) As a result of the addition of Mr. Chan, Mr. Poon and Mr. Horsley as Named Third Party Defendants to the Plan, the Unresolved Claims Reserve was reduced from Plan consideration sufficient to address \$162.5 million of Unresolved Claims to Plan consideration sufficient to address \$1.2 million of Unresolved Claims;

<sup>13</sup> See Appendices J and K for copies of the Sanction Order the Court’s endorsement.

<sup>14</sup> See Appendix L for a copy of the notice of motion seeking leave to appeal the Sanction Order.

<sup>15</sup> See Appendix M copies of correspondence from Bennett Jones to Kim Orr; a responding letter from Kim Orr to Bennett Jones; and a responding letter from Lenczner Slaght to Kim Orr all dated January 3, 2013.

<sup>16</sup> See Appendix O for a copy of the Company’s press release announcing that it anticipates that Plan implementation will occur on or about January 29, 2013.

<sup>17</sup> See Appendix P for letters dated January 11, 2013 and January 21, 2013.

- (c) On January 15, 2013, the Company obtained an Order of the Court with respect to certain document retention matters (the “**Document Retention Protocol Order**”); and
- (d) On January 21, 2013, the Company obtained an Order to approve certain administrative changes to the Plan including providing for the creation of an additional escrow to be maintained by the Monitor in connection with certain Hong Kong stamp duty matters.

### **THE ERNST & YOUNG SETTLEMENT**

#### *The Ernst & Young Settlement and Article 11 of the Plan*

33. As set out above, Ernst & Young is one of the Third Party Defendants named in the Canadian Class Actions (as well as the class action proceeding commenced in the U.S.). In turn, in connection with the claims process conducted pursuant to the Claims Procedure Order, Ernst & Young filed both Claims and D&O Claims against the Company, the Sino-Forest Subsidiaries and numerous individuals for indemnity, contractual damages and other matters. The Monitor notes that the Proof of Claim and D&O Proof of Claim (each as defined in the Claims Procedure Order) filed by Ernst & Young are attached as Exhibits C and D to the affidavit of Mike P. Dean sworn January 11, 2013.
34. Prior to the Meeting, the Canadian Plaintiffs reached a settlement with Ernst & Young pursuant to certain minutes of settlement dated November 29, 2012 (the “**Minutes of Settlement**”).<sup>18</sup> The Minutes of Settlement provided for the settlement of all claims against Ernst & Young and, in turn, resulted in amendments to the Plan and, in that context, Ernst & Young agreed, among other things, that it would not receive any consideration under the Plan, waived all rights to appeal and also resulted in Ernst & Young being supportive of and voting in favour of the Plan.

<sup>18</sup> See Appendix A for a copy of the Minutes of Settlement.

35. A detailed outline of the Ernst & Young Settlement is set out in the affidavit of Charles Wright sworn January 10, 2013 and therefore not repeated herein. In general terms, the Ernst & Young Settlement provides for the payment by Ernst & Young to a settlement trust of a \$117 million settlement amount (the “**Settlement Fund**”) upon the satisfaction of certain conditions including: (a) approval of the court of the Ernst & Young Settlement (the “**Ernst & Young Settlement Approval Order**”); and (b) recognition by the U.S. court of the Ernst & Young Settlement Approval Order pursuant to chapter 15 of title 11 of the United States Code.
36. In exchange for payment of the Settlement Fund, the Minutes of Settlement provide for the requirement that Ernst & Young receive a full release of all claims against it to be effected pursuant through the CCAA Plan mechanism. As such, amendments to the November 28 Plan were required in order to incorporate this structure. Details of the changes to the Plan relating to Ernst & Young are set out in the Supplemental Report. A brief description is as follows:
- (a) Any and all indemnification rights and entitlements of Ernst & Young and any indemnification agreement between Ernst & Young and the Company shall be deemed to be valid and enforceable in accordance with their terms for the purposes of determining whether the Claims of Ernst & Young for indemnification in respect of the Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) the Plan.<sup>19</sup>
  - (b) Ernst & Young shall not be entitled to any distributions under the Plan.
  - (c) The Sanction Order shall contain a stay against Ernst & Young between the Plan Implementation Date and the earlier of the Ernst & Young Settlement Date (as defined in the Plan) or such other date as may be ordered by the Court on a motion to the Court.

<sup>19</sup> Section 4.4(b) of the Plan, among other things, establishes the Indemnified Noteholder Class Action Limit.



- (d) Section 11.1 of the Plan contains provisions that provide a framework pursuant to which a release of the Ernst & Young Claims<sup>20</sup> under the Plan would happen if several conditions were met. That release will only be granted if all conditions are met including further court approval. A summary of those terms is as follows:
- (i) Notwithstanding anything to the contrary in the Plan, subject to (A) the granting of the Sanction Order; (B) the issuance of the Settlement Trust Order (as may be modified in a manner satisfactory to the parties to the Ernst & Young Settlement and the Company (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such modifications affect the Company, the Monitor or the Initial Consenting Noteholders, each acting reasonably); (C) the granting of an Order under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the Sanction Order and the Settlement Trust Order in the United States; (D) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (C) and (D) being collectively the “**Ernst & Young Orders**”); (E) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder; and (F) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge, Ernst & Young shall pay the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order (the “**Settlement Trust**”);
  - (ii) Upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming

<sup>20</sup> “Ernst & Young Claims” has the definition given to it in the Plan and does not include any proceedings or remedies that may be taken against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission and the jurisdiction of the Ontario Securities Commission is expressly preserved.

receipt of such settlement amount, the Monitor shall deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court;

- (iii) Notwithstanding anything to the contrary in the Plan, upon receipt by the Settlement Trust of the settlement amount in accordance with the Ernst & Young Settlement: (A) all Ernst & Young Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young; (B) section 7.3 of the Plan shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis* on the Ernst & Young Settlement Date; and (C) none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other Third Party Defendants that portion of any damages that corresponds to the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement; and
- (iv) In the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release will not become effective (and any claims against Ernst & Young will be assigned to the Litigation Trust).

37. The focus of Kim Orr's objections at the Sanction Hearing related to the inclusion of Article 11.1 relating to the Ernst & Young Settlement. At the Sanction Hearing, it was made clear by all parties that approval of the Ernst & Young Settlement (including the potential for a release under Article 7 of the Plan) was not being sought on that date and would be the subject of a further motion. However, the Company (and others) did take the view that the Plan, as a whole (not in part), was being considered for Court approval. Ultimately, the Court, in the Sanction Order, approved the Plan, in its entirety. In his endorsement, Justice Morawetz notes:

The Plan was presented to the meeting with Article 11 in place. This was the Plan that was subject to the vote and this is the Plan that is the subject

of this motion. The alternative proposed by the Funds was not considered at the meeting and, in my view, it is not appropriate to consider such an alternative on this motion.

38. The Monitor participated in the development of the Plan as a whole and is of the view that it is clearly reflected in the Court's endorsement that the Plan, as a whole, be approved.

*The E&Y Notice Order*

39. The parties took the view that this Court was the appropriate court for hearing the motion to approve the Ernst & Young Settlement. Upon direction from the Regional Senior Justice on December 13, 2012, it was determined that the Court would hear the motion for approval of the Ernst & Young Settlement. On December 21, 2012, the Court granted an order (the "**E&Y Notice Order**") approving the notice process regarding the approval of the Ernst & Young Settlement and scheduled the motion date for the Ernst & Young Settlement Motion to be February 4, 2013.<sup>21</sup>
40. The E&Y Notice Order set out the required methods for providing notice of the Ernst & Young Settlement as well as an objection process pursuant to which any person wishing to object to the approval of the Ernst & Young Settlement at the Ernst & Young Settlement Motion was required to file a notice of objection in the prescribed form on or prior to January 18, 2013. The Monitor was also required to attach all objections received to a report to court.
41. The Monitor has filed its Fourteenth Report that contained all Notices of Objections or other correspondence expressing objections received up to the date of the Fourteenth Report. The Monitor has or will provide any further Notices of Objection or other correspondence expressing objections in further supplements to the Fourteenth Report.

*The Benefits of Ernst & Young Settlement to the Company and the CCAA Proceedings*

<sup>21</sup> See Appendix N for a copy of the E&Y Notice Order.

42. Although the Ernst & Young Settlement resolves class action litigation claims against Ernst & Young, the settlement was reached in the context of the Company's CCAA Proceedings and has provided a benefit to the Company, the Plan and the CCAA Proceedings for the following reasons. In particular:
- (a) It eliminated the chance that Ernst & Young would seek leave to appeal the Equity Claims Decision to the Supreme Court of Canada which might have been costly and time consuming;
  - (b) Given that the Equity Claims Decision did not address the entirety of Ernst & Young's indemnity claims, the settlement results in the elimination of further litigation relating to the acceptance, disallowance or revision of the Claim and D&O Claim filed by Ernst & Young, which litigation could have been extensive, lengthy and costly;
  - (c) Ernst & Young has agreed to forego any distributions under the Plan which; and
  - (d) It eliminated the possibility that Ernst & Young would vote against the Plan, object to the Sanction Hearing and appeal the Sanction Order which could have caused delay in implementing the Plan and result in significant additional cost to the estate.
43. Further, the Monitor has consistently recognized the potential benefit of settlement within the CCAA Proceedings of the litigation claims surrounding the Company, including those against the Third Party Defendants. This view was evident not only in the Monitor's Reports but also through the Monitor's support of the Third Party Stay Motion as well as the bringing of the motion for Mediation. The Monitor has, throughout, encouraged the settlement of these claims within the CCAA framework which, in the Monitor's view, provides for an efficient legal regime through which such settlements may be effected.
44. The Monitor has also consistently expressed its views regarding urgency in the CCAA Proceedings and is of the view that the Ernst & Young Settlement has assisted in eliminating a potential delay in the implementation of the Plan.

**MONITOR'S RECOMMENDATION**

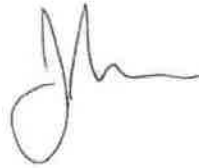
45. For the reasons set out above, the Monitor recommends approval of the Ernst & Young Settlement including the granting of the proposed release as set out in Articles 7 and 11 of the Plan.

Dated this 28<sup>th</sup> day of January, 2013.

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



Greg Watson  
Senior Managing Director



Jodi Porepa  
Managing Director

**APPENDIX "A" - THE MINUTES OF SETTLEMENT**

*(See Attached)*





# TAB 18



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

**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 AND  
ARRANGEMENT OF SINO-FOREST  
CORPORATION**

**APPLICANT**

---

**PLAN OF COMPROMISE AND REORGANIZATION**

**pursuant to the *Companies' Creditors Arrangement Act*  
and the *Canada Business Corporations Act*  
concerning, affecting and involving**

**SINO-FOREST CORPORATION**

---

**August 14, 2012**

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PLAN OF COMPROMISE AND REORGANIZATION

WHEREAS Sino-Forest Corporation (“SFC”) is insolvent;

AND WHEREAS, on March 30, 2012 (the “Filing Date”), the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “Court”) granted an initial Order in respect of SFC (as such Order may be amended, restated or varied from time to time, the “Initial Order”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) and the *Canada Business Corporation Act*, R.S.C. 1985, c. C-44, as amended (the “CBCA”).

AND WHEREAS, SFC hereby proposes this plan of compromise and reorganization pursuant to the CCAA and CBCA:

ARTICLE 1  
INTERPRETATION

**1.1 Definitions**

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**2013 Note Indenture**” means the indenture dated as of July 23, 2008, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

“**2014 Note Indenture**” means the indenture dated as of July 27, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

“**2016 Note Indenture**” means the indenture dated as of December 17, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

“**2017 Note Indenture**” means the indenture dated as of October 21, 2010, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

“**2013 Notes**” means the US\$345,000,000 of 5.00% Convertible Senior Notes Due 2013 issued pursuant to the 2013 Note Indenture.

“**2014 Notes**” means the US\$399,517,000 of 10.25% Guaranteed Senior Notes Due 2014 issued pursuant to the 2014 Note Indenture.

“**2016 Notes**” means the US\$460,000,000 of 4.25% Convertible Senior Notes Due 2016 issued pursuant to the 2016 Note Indenture.

**"2017 Notes"** means the US\$600,000,000 of 6.25% Guaranteed Senior Notes Due 2017 issued pursuant to the 2017 Note Indenture.

**"Accrued Interest"** means, in respect of any series of Notes, all accrued and unpaid interest on such Notes, at the regular rates provided in the applicable Note Indentures, up to and including the Filing Date.

**"Administration Charge"** has the meaning ascribed thereto in the Initial Order.

**"Administration Charge Reserve"** means the cash reserve to be established by SFC on the Plan Implementation Date in an amount acceptable to the Persons secured by the Administration Charge (having regard to, among other things, any retainers held by Persons secured by the Administration Charge), which cash reserve: (i) shall be maintained and administered by the Monitor, in trust, for the purpose of paying any amounts secured by the Administration Charge; and (ii) upon the termination of the Administration Charge pursuant to the Plan, shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.

**"Affected Claim"** means any Claim, D&O Claim or D&O Indemnity Claim that is not: an Unaffected Claim; a Retained D&O Claim; a Continuing Other D&O Claim; a Non-Released D&O Claim; or a Subsidiary Intercompany Claim, and "Affected Claim" includes any Class Action Indemnity Claim. For greater certainty, all of the following are Affected Claims: Affected Creditor Claims; Equity Claims; Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims against the Third Party Defendants and any Noteholder Class Action Claims that are Retained D&O Claims, Continuing Other D&O Claims or Non-Released D&O Claims); and Class Action Indemnity Claims.

**"Affected Creditor"** means a Person with an Affected Creditor Claim, but only with respect to and to the extent of such Affected Creditor Claim.

**"Affected Creditor Claim"** means any Ordinary Affected Creditor Claim or Noteholder Claim.

**"Affected Creditors Class"** has the meaning ascribed thereto in section 3.2(a) hereof.

**"Affected Creditors Equity Sub-Pool"** means an amount of Newco Shares representing 92.5% of the Newco Equity Pool.

**"Applicable Law"** means any applicable law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, Hong Kong, the PRC or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

**"Auditors"** means the former auditors of SFC that are named as defendants to the Class Actions Claims, including for greater certainty Ernst & Young LLP and BDO Limited.

**"BIA"** means the *Bankruptcy and Insolvency Act*, R. S. C. 1985, c. B-3.

**“Business Day”** means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario.

**“Canadian Tax Act”** means the *Income Tax Act* (Canada) and the *Income Tax Regulations*, in each case as amended from time to time.

**“CBCA”** has the meaning ascribed thereto in the recitals.

**“CCAA”** has the meaning ascribed thereto in the recitals.

**“CCAA Proceeding”** means the proceeding commenced by SFC under the CCAA on the Filing Date in the Ontario Superior Court of Justice (Commercial List) under court file number CV-12-9667-00CL.

**“Charges”** means the Administration Charge and the Directors’ Charge.

**“Claim”** means any right or claim of any Person that may be asserted or made against SFC, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including any Directors or Officers of SFC or any of the Subsidiaries) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable against SFC in bankruptcy within the meaning of the BIA had SFC become bankrupt on the Filing Date, or is an Equity Claim, a Noteholder Class Action Claim against SFC, a Class Action Indemnity Claim against SFC, a Restructuring Claim or a Lien Claim, provided, however, that “Claim” shall not include a D&O Claim or a D&O Indemnity Claim.

**“Claims Bar Date”** has the meaning ascribed thereto in the Claims Procedure Order.

**“Claims Procedure”** means the procedure established for determining the amount and status of Claims, D&O Claims and D&O Indemnity Claims pursuant to the Claims Procedure Order.

**“Claims Procedure Order”** means the Order under the CCAA of the Honourable Justice Morawetz dated May 14, 2012, establishing, among other things, a claims procedure in respect of SFC and calling for claims in respect of the Subsidiaries, as such Order may be amended, restated or varied from time to time.



**“Class Action Claims”** means, collectively, any rights or claims of any kind advanced or which may be advanced in the Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise, and for greater certainty includes any Noteholder Class Action Claims.

**“Class Actions”** means, collectively, the following proceedings: (i) *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP); (ii) *Guining Liu v. Sino-Forest Corporation et al.* (Quebec Superior Court, Court File No. 200-06-000132-111); (iii) *Allan Haigh v. Sino-Forest Corporation et al.* (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011); and (iv) *David Leopard et al. v. Allen T.Y. Chan et al.* (District Court of the Southern District of New York, Court File No. 650258/2012).

**“Class Action Court”** means, with respect to the Class Action Claims, the court of competent jurisdiction that is responsible for administering the applicable Class Action Claim.

**“Class Action Indemnity Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against SFC and/or any Subsidiary for indemnity, contribution, reimbursement or otherwise from or in connection with any Class Action Claim asserted against such Person.

**“Consent Date”** means May 15, 2012.

**“Continuing Noteholder Class Action Claim”** has the meaning ascribed thereto in section 4.4(b) hereof.

**“Continuing Other D&O Claims”** has the meaning ascribed thereto in section 4.9(b) hereof.

**“Court”** has the meaning ascribed thereto in the recitals.

**“D&O Claim”** means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers of SFC, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any monetary administrative or other monetary penalty or claim for costs asserted against any Officer or Director of SFC by any Government Entity) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers of SFC or otherwise with respect

to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date.

**“D&O Indemnity Claim”** means any existing or future right of any Director or Officer of SFC against SFC that arose or arises as a result of any Person filing a D&O Proof of Claim (as defined in the Claims Procedure Order) in respect of such Director or Officer of SFC for which such Director or Officer of SFC is entitled to be indemnified by SFC.

**“Defence Costs”** has the meaning ascribed thereto in section 4.8 hereof.

**“Director”** means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of such SFC Company.

**“Directors’ Charge”** has the meaning ascribed thereto in the Initial Order.

**“Directors’ Charge Reserve”** means the cash reserve to be established by SFC on the Plan Implementation Date in an amount acceptable to SFC, the Monitor, Osler Hoskin & Harcourt LLP and the Initial Consenting Noteholders, which cash reserve: (i) shall be maintained by the Monitor, in trust, for the purpose of paying any amounts secured by the Directors’ Charge; and (ii) upon the termination of the Directors’ Charge pursuant to the Plan, shall stand in place of the Directors’ Charge as security for the payment of any amounts secured by the Directors’ Charge.

**“Direct Registration Account”** means, if applicable, a direct registration account administered by the Transfer Agent in which those Persons entitled to receive Newco Shares and/or Newco Notes pursuant to the Plan will hold such Newco Shares and/or Newco Notes in registered form.

**“Direct Registration Transaction Advice”** means, if applicable, a statement delivered by the Monitor, the Trustees, the Transfer Agent or any such Person’s agent to any Person entitled to receive Newco Shares or Newco Notes pursuant to the Plan on the Initial Distribution Date and each subsequent Distribution Date, as applicable, indicating the number of Newco Shares and/or Newco Notes registered in the name of or as directed by the applicable Person in a Direct Registration Account.

**“Direct Subsidiaries”** means, collectively, Sino-Panel Holdings Limited, Sino-Global Holdings Inc., Sino-Panel Corporation, Sino-Capital Global Inc., Sino-Forest International (Barbados) Corporation, Sino-Forest Resources Inc. Sino-Wood Partners, Limited.

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, excluding the Initial Distribution Date.

**“Distribution Record Date”** means the Plan Implementation Date, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

**“DTC”** means The Depository Trust Company, or any successor thereof.

**“Early Consent Equity Sub-Pool”** means an amount of Newco Shares representing 7.5% of the Newco Equity Pool.

**“Early Consent Noteholder”** means any Noteholder that:

- (a) (i) as confirmed by the Monitor on June 12, 2012, executed the (A) RSA, (B) a support agreement with SFC and the Direct Subsidiaries in the form of the RSA or (C) a joinder agreement in the form attached as Schedule C to the RSA; (ii) provided evidence satisfactory to the Monitor in accordance with section 2(a) of the RSA of the Notes held by such Noteholder as at the Consent Date (the **“Early Consent Notes”**), as such list of Noteholders and Notes held has been verified and is maintained by the Monitor on a confidential basis; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date; or
- (b) (i) has acquired Early Consent Notes; (ii) has signed the necessary transfer and joinder documentation as required by the RSA and has otherwise acquired such Early Consent Notes in compliance with the RSA; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date.

**“Effective Time”** means 12:01 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

**“Employee Priority Claims”** means the following Claims of employees and former employees of SFC:

- (a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if SFC had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date.

**“Encumbrance”** means any security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge, demand, action, liability or other claim, action, demand or liability of any kind whatsoever, whether proprietary, financial or monetary, and whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including: (i) any of the Charges; and (ii) any charge, security interest or claim evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

**“Equity Cancellation Date”** means the date that is the first Business Day 31 days after the Plan Implementation Date, or such other date after the Plan Implementation Date as may be agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

**“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 of the following:

- (c) any claim against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including the claims by or on behalf of current or former shareholders asserted in the Class Actions;
- (d) any indemnification claim against SFC related to or arising from the claims described in sub-paragraph (c), including any such indemnification claims against SFC by or on behalf of any and all of the Third Party Defendants (other than for Defence Costs, unless any such claims for Defence Costs have been determined to be Equity Claims subsequent to the date of the Equity Claims Order); and
- (e) any other claim that has been determined to be an Equity Claim pursuant to an Order of the Court.

**“Equity Claimant”** means any Person having an Equity Claim, but only with respect to and to the extent of such Equity Claim.

**“Equity Claimant Class”** has the meaning ascribed thereto in section 3.2(b).

**“Equity Claims Order”** means the Order under the CCAA of the Honourable Justice Morawetz dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein.

**“Equity Interest”** has the meaning set forth in section 2(1) of the CCAA.

**“Excluded SFC Assets”** means (i) the rights of SFC to be transferred to the Litigation Trust in accordance with section 6.3(n) hereof; (ii) any entitlement to insurance proceeds in respect of insured Claims and/or Retained D&O Claims; (iii) any secured property of SFC that is to be returned in satisfaction of a Lien Claim pursuant to section 4.2(c)(i) hereof; (iv) any input tax credits or other refunds received by SFC after the Effective Time; and (v) cash in the aggregate amount of (and for the purpose of): (A) the Litigation Funding Amount; (B) the Unaffected Claims Reserve; (C) the Administration Charge Reserve; (D) the Directors’ Charge Reserve; (E) the Expense Reimbursement; and (F) any amounts in respect of Lien Claims to be paid in accordance with section 4.2(c)(ii) hereof.

**“Existing Shares”** means all existing shares in the equity of SFC issued and outstanding immediately prior to the Effective Time and all warrants, options or other rights to acquire such shares, whether or not exercised as at the Effective Time.

**“Expense Reimbursement”** means the aggregate amount of the reasonable and documented fees and expenses of the Noteholder Advisors, pursuant to their respective engagement letters with SFC, and other advisors as may be agreed to by SFC and the Initial Consenting Noteholders, including an estimated amount for any such fees and expenses expected to be incurred in connection with the implementation of the Plan.

**“Filing Date”** has the meaning ascribed thereto in the recitals.

**“Fractional Interests”** has the meaning given in section 5.12 hereof.

“**FTI HK**” means FTI Consulting (Hong Kong) Limited.

“**Governmental Entity**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**Government Priority Claims**” means all Claims of Governmental Entities in respect of amounts that were outstanding as of the Plan Implementation Date and that are of a kind that could be subject to a demand under:

- (f) subsections 224(1.2) of the Canadian Tax Act;
- (g) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (h) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or
  - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“**Greenheart**” means Greenheart Group Limited.

“**Indemnified Noteholder Class Action Claims**” has the meaning ascribed thereto in section 4.4(b)(i) hereof.

“**Indemnified Noteholder Class Action Limit**” means an amount agreed to by SFC, the Monitor, the Initial Consenting Noteholders and counsel to the Ontario Class Action Plaintiffs, or such other amount as is determined by the Court.

**“Initial Consenting Noteholders”** means the Noteholders that executed the RSA on March 30, 2012.

**“Initial Distribution Date”** means a date no more than ten (10) Business Days after the Plan Implementation Date or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

**“Initial Order”** has the meaning ascribed thereto in the recitals.

**“Intellectual Property”** means: (i) patents, and applications for patents, including divisional and continuation patents; (ii) registered and unregistered trade-marks, logos and other indicia of origin, pending trade-mark registration applications, and proposed use application or similar reservations of marks, and all goodwill associated therewith; (iii) registered and unregistered copyrights, including all copyright in and to computer software programs, and applications for and registration of such copyright (including all copyright in and to the SFC Companies’ websites); (iv) world wide web addresses and internet domain names, applications and reservations for world wide web addresses and internet domain names, uniform resource locators and the corresponding internet sites; (v) industrial designs; and (vi) trade secrets and proprietary information not otherwise listed in (i) through (v) above, including all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded, or unrecorded.

**“Letter of Instruction”** means a form, to be completed by each Ordinary Affected Creditor and each Early Consent Noteholder, and that is to be delivered to the Monitor in accordance with section 5.1 hereof, which form shall set out:

- (i) the registration details for the Newco Shares and, if applicable, Newco Notes to be distributed to such Ordinary Affected Creditor or Early Consent Noteholder in accordance with the Plan; and
- (j) the address to which such Ordinary Affected Creditor’s or Early Consent Noteholder’s Direct Registration Transaction Advice or its Newco Share Certificates and Newco Note Certificates, as applicable, are to be delivered.

**“Lien Claim”** means any Proven Claim of a Person indicated as a secured creditor in Schedule “B” to the Initial Order (other than the Trustees) that is secured by a lien or encumbrance on any property of SFC, which lien is valid, perfected and enforceable pursuant to Applicable Law, provided that the Charges and any Claims in respect of Notes shall not constitute “Lien Claims”.

**“Lien Claimant”** means a Person having a Lien Claim, other than any Noteholder or Trustee in respect of any Noteholder Claim.

**“Litigation Funding Amount”** means a cash amount to be contributed by SFC to the Litigation Trustee for purposes of funding the Litigation Trust on the Plan Implementation Date in accordance with section 6.3(n) hereof.

**“Litigation Trust”** means the trust to be established on the Plan Implementation Date at the time specified in section 6.3(o) in accordance with the Litigation Trust Agreement pursuant to the laws of a jurisdiction that is acceptable to SFC and the Initial Consenting Noteholders, which trust will acquire the Litigation Trust Claims and the Litigation Funding Amount in accordance with the Plan.

**“Litigation Trust Agreement”** means the trust agreement dated as of the Plan Implementation Date, between SFC and the Litigation Trustee, establishing the Litigation Trust.

**“Litigation Trust Claims”** means any and all claims, actions, causes of action, demands, suits, rights, entitlements, litigation, arbitration, proceeding, hearing or complaint, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring before or after the Filing Date that have been or may be asserted by or on behalf of: (i) SFC against any and all third parties; or (ii) the Trustees, the Noteholders or any representative of the Noteholders against any and all Persons in connection with the Notes issued by SFC; provided, however, that in no event shall the Litigation Trust Claims include any claim, right or cause of action against any Person that is released pursuant to sections 7.1 or 7.2 hereof.

**“Litigation Trust Interests”** means the beneficial interests in the Litigation Trust to be created on the Plan Implementation Date.

**“Litigation Trustee”** means a Person to be determined by SFC and the Initial Consenting Noteholders prior to the Effective Time, with the consent of the Monitor, to serve as trustee of the Litigation Trust pursuant to and in accordance with the terms thereof.

**“Material”** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the SFC Companies (taken as a whole).

**“Material Adverse Effect”** means a fact, event, change, occurrence, circumstance or condition that, individually or together with any other event, change or occurrence, has or would reasonably be expected to have a material adverse impact on the assets, condition (financial or otherwise), business, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or operations of the SFC Companies (taken as a whole); provided, however, that a Material Adverse Effect shall not include and shall be deemed to exclude the impact of any fact, event, change, occurrence, circumstance or condition resulting from or relating to: (A) changes in Applicable Laws of general applicability or interpretations thereof by courts or Governmental Entities or regulatory authorities, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole), (B) any change in the forestry industry generally,

which does not have a Material disproportionate effect on the SFC Companies (taken as a whole) (relative to other industry participants operating primarily in the PRC), (C) actions and omissions of any of the SFC Companies required pursuant to the RSA or this Plan or taken with the prior written consent of the Initial Consenting Noteholders, (D) the effects of compliance with the RSA or this Plan, including on the operating performance of the SFC Companies, (E) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of the RSA or this Plan or the transactions contemplated thereby or hereby, (F) any change in U.S. or Canadian interest rates or currency exchange rates unless such change has a Material disproportionate effect on the SFC Companies (taken as a whole), and (G) general political, economic or financial conditions in Canada, the United States, Hong Kong or the PRC, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole).

**“Meeting”** means the meeting of Affected Creditors, and any adjournment or extension thereof, that is called and conducted in accordance with the Meeting Order for the purpose of considering and voting on the Plan.

**“Meeting Order”** means the Order that, among other things, sets the date for the Meeting and establishes the procedures for voting on the Plan, as such Order may be amended, restated or varied from time to time.

**“Monitor”** means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of SFC in the CCAA Proceeding.

**“Monitor’s Post-Implementation Reserve”** means the cash reserve to be established by SFC on the Plan Implementation Date in an amount acceptable to SFC, the Monitor, and the Initial Consenting Noteholders, which cash reserve shall be maintained and administered by the Monitor for the purpose of administering SFC, as necessary, from and after the Plan Implementation Date.

**“Named Directors and Officers”** means Andrew Agnew, William E. Ardell, James Bowland, Leslie Chan, Michael Cheng, Lawrence Hon, David J. Horsley, James M.E. Hyde, Richard M. Kimel, R. John (Jack) Lawrence, Jay A. Lefton, Edmund Mak, Tom Maradin, Judson Martin, Simon Murray, James F. O’Donnell, Kai Kit Poon, William P. Rosenfeld, Peter Donghong Wang, Garry West and Kee Y. Wong, in their respective capacities as Directors or Officers.

**“Newco”** means the new corporation to be incorporated pursuant to section 6.2 hereof under the laws of the Cayman Islands or such other jurisdiction as is acceptable to SFC and the Initial Consenting Noteholders.

**“Newco Equity Pool”** means all of the Newco Shares to be issued by Newco on the Plan Implementation Date pursuant to section 6.3(i) hereof.

**“Newco Note Certificate”** means a certificate evidencing Newco Notes.



**“Newco Notes”** means the new notes to be issued by Newco on the Plan Implementation Date pursuant to Section 6.3(i), on such terms and conditions as are satisfactory to the Initial Consenting Noteholders and SFC, acting reasonably.

**“Newco Promissory Note 1”**, **“Newco Promissory Note 2”**, **“Newco Promissory Note 3”** and **“Newco Promissory Notes”** have the meanings ascribed thereto in sections 6.3(j), 6.3(k), 6.3(m) and 6.3(p) hereof, respectively.

**“Newco Share Certificate”** means a certificate evidencing Newco Shares.

**“Newco Shares”** means common shares in the capital of Newco.

**“Non-Released D&O Claims”** has the meaning ascribed thereto in section 4.9(f) hereof.

**“Noteholder Advisors”** means Goodmans LLP, Hogan Lovells and Conyers, Dill & Pearman LLP in their capacity as legal advisors to the Initial Consenting Noteholders, and Moelis & Company LLC and Moelis and Company Asia Limited, in their capacity as the financial advisors to the Initial Consenting Noteholders.

**“Noteholder Claim”** means any Claim by a Noteholder (or a Trustee or other representative on the Noteholder’s behalf) in respect of or in relation to the Notes owned or held by such Noteholder, including all principal and Accrued Interest payable to such Noteholder pursuant to such Notes or the Note Indentures, but for greater certainty does not include any Noteholder Class Action Claim.

**“Noteholder Class Action Claim”** means any Class Action Claim or any other claim (whether advanced in a class action proceeding or otherwise), or any part thereof, against SFC, any of the Subsidiaries, any of the Directors and Officers of SFC or the Subsidiaries, any of the Auditors, any of the Underwriters and/or any other defendant to the Class Action Claims that relates to the purchase, sale or ownership of Notes.

**“Noteholder Class Action Claimant”** means any Person having or asserting a Noteholder Class Action Claim.

**“Noteholder Class Action Representative”** means an individual to be appointed by counsel to the Ontario Class Action Plaintiffs.

**“Noteholders”** means, collectively, the beneficial owners of Notes as of the Distribution Record Date, and **“Noteholder”** means any one of the Noteholders.

**“Note Indentures”** means collectively the 2013 Note Indenture, the 2014 Note Indenture, the 2016 Note Indenture, and the 2017 Note Indenture.

**“Notes”** means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes and the 2017 Notes.

**“Officer”** means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of such SFC Company.

**“Ontario Class Action Plaintiffs”** means the plaintiffs in the Ontario class action case styled as *Trustees of the Labourers’ Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP).

**“Order”** means any order of the Court made in connection with the CCAA Proceeding or this Plan.

**“Ordinary Affected Creditor”** means a Person with an Ordinary Affected Creditor Claim.

**“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).

**“Other Directors and/or Officers”** means any Directors and/or Officers other than the Named Directors and Officers.

**“Person”** means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person’s capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

**“Plan”** means this Plan of Compromise and Reorganization filed by SFC pursuant to the CCAA and the CBCA, as such Plan may be amended, supplemented or restated from time to time in accordance with the terms hereof or an Order.

**“Plan Implementation Date”** means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in section 9.2 hereof, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

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

**“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.

**“Pro-Rata”** means:

- (k) with respect to any Noteholder in relation to all Noteholders, the proportion of (i) the principal amount of Notes beneficially owned by such Noteholder as of the Distribution Record Date plus the Accrued Interest owing on such Notes as of the Filing Date, in relation to (ii) the aggregate principal amount of all Notes

outstanding as of the Distribution Record Date plus the aggregate of all Accrued Interest owing on all Notes as of the Filing Date;

- (l) with respect to any Early Consent Noteholder in relation to all Early Consent Noteholders, the proportion of the principal amount of Early Consent Notes beneficially owned by such Early Consent Noteholder as of the Distribution Record Date in relation to the aggregate principal amount of Early Consent Notes held by all Early Consent Noteholders as of the Distribution Record Date; and
- (m) with respect to any Affected Creditor in relation to all Affected Creditors, the proportion of such Affected Creditor's Affected Creditor Claim as at any relevant time in relation to the aggregate of all Proven Claims and Unresolved Claims of Affected Creditors as at that time.

**"Proven Claim"** means an Affected Creditor Claim to the extent that such Affected Creditor Claim is finally determined and valued in accordance with the provisions of the Claims Procedure Order, the Meeting Order or any other Order, as applicable.

**"Released Claims"** means all of the rights, claims and liabilities of any kind released pursuant to sections 7.1 and 7.2 hereof.

**"Released Parties"** means, collectively, those Persons released pursuant to sections 7.1 and 7.2 hereof, but only to the extent so released, and each such Person is referred to individually as a **"Released Party"**.

**"Required Majority"** means a majority in number of Affected Creditors with Proven Claims, and two-thirds in value of the Proven Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting.

**"Restructuring Claim"** means any right or claim of any Person that may be asserted or made in whole or in part against SFC, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Procedure Order.

**"Restructuring Transaction"** means the transactions contemplated by this Plan.

**"Retained D&O Claim"** means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any D&O Claim that qualifies as a Non-Released D&O Claim or a Continuing Other D&O Claim shall not constitute a Retained D&O Claim.

**"RSA"** means the Restructuring Support Agreement executed as of March 30, 2012 by SFC, the Direct Subsidiaries and the Initial Consenting Noteholders, and subsequently executed or otherwise agreed to by the Early Consent Noteholders, as such Restructuring Support Agreement may be amended, restated and varied from time to time in accordance with its terms.

**“Sanction Date”** means the date that the Sanction Order is granted by the Court.

**“Sanction Order”** means the Order of the Court sanctioning and approving this Plan.

**“SFC”** has the meaning ascribed thereto in the recitals.

**“SFC Advisors”** means Bennett Jones LLP, Appleby Global Group, King & Wood Mallesons and Linklaters LLP, in their respective capacities as legal advisors to SFC, Houlihan Lokey Howard & Zukin Capital, Inc., in its capacity as financial advisor to SFC, and Indufor Asia Pacific Limited and Stewart Murray (Singapore) Pte. Ltd, in their capacities as forestry advisors to SFC.

**“SFC Assets”** means all of SFC’s right, title and interest in and to all of SFC’s properties, assets and rights of every kind and description (including all restricted and unrestricted cash, contracts, real property, receivables or other debts owed to SFC, Intellectual Property, SFC’s corporate name and all related marks, all of SFC’s ownership interests in the Subsidiaries (including all of the shares of the Direct Subsidiaries and any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time), all of SFC’s ownership interest in Greenheart and its subsidiaries, and all SFC Intercompany Claims), other than the Excluded SFC Assets.

**“SFC Business”** means the business operated by the SFC Companies.

**“SFC Continuing Shareholder”** means the Litigation Trustee or such other Person as may be agreed to by the Monitor and the Initial Consenting Noteholders.

**“SFC Companies”** means, collectively, SFC and all of the Subsidiaries, and **“SFC Company”** means any of them.

**“SFC Intercompany Claim”** means any amount owing to SFC by any Subsidiary or Greenheart and any claim by SFC against any Subsidiary or Greenheart.

**“Subsidiaries”** means all direct and indirect subsidiaries of SFC, other than Greenheart and its direct and indirect subsidiaries, and **“Subsidiary”** means any one of the Subsidiaries.

**“Subsidiary Intercompany Claim”** means any Claim by any Subsidiary or Greenheart against SFC.

**“Tax”** or **“Taxes”** means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

**“Taxing Authorities”** means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, any similar revenue or taxing authority of the United States, the PRC, Hong Kong or other foreign state and any political subdivision thereof, and any Canadian, United States, Hong Kong, PRC or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation-making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities.

**“Third Party Defendants”** means any defendants to the Class Action Claims (present or future) other than SFC, the Subsidiaries or the Named Directors and Officers.

**“Transfer Agent”** means such other transfer agent as Newco may appoint, with the consent of the Monitor and the Initial Consenting Noteholders.

**“Trustees”** means, collectively, The Bank of New York Mellon in its capacity as trustee for the 2013 Notes and the 2016 Notes, and Law Debenture Trust Company of New York in its capacity as trustee for the 2014 Notes and the 2017 Notes, and **“Trustee”** means either one of them.

**“Unaffected Claim”** means any:

- (a) Claim secured by any of the Charges (provided that, following the discharge of the Charges on the Plan Implementation Date, such Claims shall be paid from and limited to recovery as against the Administration Charge Reserve or the Directors’ Charge Reserve, as applicable, in accordance with section 4.2(b) hereof);
- (b) Government Priority Claim;
- (c) Employee Priority Claim;
- (d) Lien Claim;
- (e) any other Claim of any employee, former employee, Director or Officer of SFC in respect of wages, vacation pay, bonuses, termination pay, severance pay or other remuneration payable to such Person by SFC;
- (f) rights or claims by the Trustees for reasonable outstanding fees and expenses, including reasonable legal fees, incurred by the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan; and
- (g) any trade payables that were incurred by SFC (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order or other Order issued in the CCAA Proceeding.

**“Unaffected Claims Reserve”** means the cash reserve to be established by SFC on the Plan Implementation Date and maintained by the Monitor, in escrow, for the purpose of paying certain Unaffected Claims in accordance with section 4.2 hereof.

**“Unaffected Creditor”** means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

**“Undeliverable Distribution”** has the meaning ascribed thereto in section 5.4.

**“Underwriters”** means any underwriters of SFC that are named as defendants in the Class Action Claims, including for greater certainty Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC).

**“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 finally (i) determined to be a Proven Claim or (ii) disallowed in accordance with the Claims Procedure Order, the Meeting Order or any other Order.

**“Unresolved Claims Reserve”** means the reserve of Newco Shares, Newco Notes and Litigation Trust Interests, if any, to be established pursuant to sections 6.3(i)(ii) and 6.3(q) hereof in respect of Unresolved Claims as at the Plan Implementation Date, which reserve shall be held and maintained by the Monitor, in escrow, for distribution in accordance with the Plan.

**“Website”** means the website maintained by the Monitor in respect of the CCAA Proceeding pursuant to the Initial Order at the following web address: <http://cfcanada.fticonsulting.com/sfc>.

## 1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to an Order, agreement, contract, instrument, indenture, release, exhibit or other document means such Order, agreement, contract, instrument, indenture, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;
- (b) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (c) 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;

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- (d) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
  - (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;
  - (f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
  - (g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and
  - (h) references to a specified “article” or “section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “article”, “section” or other portion of the Plan and include any documents supplemental hereto.

### **1.3 Currency**

For the purposes of this Plan, all amounts shall be denominated in Canadian dollars and all payments and distributions to be made in cash shall be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency shall be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

### **1.4 Successors and Assigns**

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Plan.

### **1.5 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the

#### 4.4 Noteholder Class Action Claimants

- (a) All Noteholder Class Action Claims against SFC, the Subsidiaries or the Named Directors or Officers (other than any Noteholder Class Action Claims against the Named Directors or Officers that are Retained D&O Claims or Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration as against all said Persons on the Plan Implementation Date. Subject to section 4.4(c) hereof, Noteholder Class Action Claimants shall not receive any consideration or distributions under the Plan in respect of their Noteholder Class Action Claims. Noteholder Class Action Claimants shall not be entitled to attend or to vote on the Plan at the Meeting in respect of their Noteholder Class Action Claims.
- (b) Notwithstanding anything to the contrary in section 4.4(a), Noteholder Class Action Claims as against the Third Party Defendants are not compromised, discharged, released, cancelled or barred, and shall be permitted to continue as against such Third Party Defendants and shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including as they relate to the joint and several liability of Third Party Defendants for any alleged liability of SFC), provided that:
- (i) in accordance with the releases set forth in section 7.2(e) hereof, the collective aggregate amount of all rights and claims asserted or that may be asserted against the Third Party Defendants in respect of any such Noteholder Class Action Claims for which any such Persons in each case have a valid and enforceable Class Action Indemnity Claim against SFC (the "**Indemnified Noteholder Class Action Claims**") shall not exceed, in the aggregate, the Indemnified Noteholder Class Action Limit, and in accordance with section 7.3 hereof, all Persons shall be permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from seeking to enforce any liability in respect of the Indemnified Noteholder Class Action Claims that exceeds the Indemnified Noteholder Class Action Limit; and
- (ii) subject to section 4.4(d), any Class Action Indemnity Claims against SFC by the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims shall be treated as Affected Creditor Claims against SFC, but only to the extent that any such Class Action Indemnity Claims that are determined to be properly indemnified by SFC, enforceable against SFC and are not barred or extinguished by the Claims Procedure Order, and further provided that the aggregate liability of SFC in respect of all such Class Action Indemnity Claims shall be limited to the lesser of: (A) the actual aggregate liability of the Third Party Defendants pursuant to any final judgment, settlement or other binding resolution in respect of the Indemnified Noteholder Class Action Claims (inclusive of any defence costs incurred by the Third Party Defendants in their defence of the Indemnified Noteholder Class Action Claims to the extent that SFC owes



a valid and enforceable indemnification obligation to any such Persons in respect of such defence costs); and (B) the Indemnified Noteholder Class Action Limit.

- (c) Each Noteholder Class Action Claimant shall be entitled to receive its share of the Litigation Trust Interests to be allocated to Noteholder Class Action Claimants in accordance with the terms of the Litigation Trust and section 4.11 hereof, as such Noteholder Class Action Claimant's share is determined by the applicable Class Action Court.
- (d) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek an Order that Class Action Indemnity Claims in respect of Noteholder Class Action Claims should receive the same treatment as is afforded to Class Action Indemnity Claims in respect of Equity Claims under the terms of this Plan.

#### **4.5 Equity Claimants**

All Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Equity Claimants shall not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meeting.

#### **4.6 Claims of the Trustees and Noteholders**

For purposes of this Plan, all claims filed by the Trustees in respect of the Noteholder Claims (other than any claims filed by the Trustees in respect of their fees and expenses) shall be treated as provided in section 4.1 and the Trustees and the Noteholders shall have no other entitlements in respect of the guarantees and share pledges that have been provided by the Subsidiaries, or any of them, all of which shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date as against the Subsidiaries pursuant to section 7.1 and 7.2.

#### **4.7 Claims of the Third Party Defendants**

For purposes of this Plan, all claims filed by the Third Party Defendants against SFC and/or any of its Subsidiaries shall be treated as follows:

- (a) all such claims against the Subsidiaries shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with section 7.1 and 7.2 hereof;
- (b) all such claims against SFC that are Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims shall be treated as set out in section 4.4(b)(ii) hereof;
- (c) all such claims against SFC for indemnification of Defence Costs shall be treated in accordance with section 4.8 hereof; and

- (d) all other claims shall be treated as Equity Claims.

#### 4.8 Defence Costs

All Claims against SFC for indemnification of defence costs incurred by any Person in connection with defending against Shareholder Claims (as defined in the Equity Claims Order), Noteholder Class Action Claims or any other claims of any kind relating to SFC or the Subsidiaries (“Defence Costs”) shall be treated as follows:

- (a) as Equity Claims to the extent they are determined to be Equity Claims under any Order; and
- (b) as Affected Creditor Claims to the extent that they are not determined to be Equity Claims under any Order, provided that:
  - (i) if such Defence Costs were incurred in respect of a claim against the applicable Person that has been successfully defended and the Claim for such Defence Costs is otherwise valid and enforceable against SFC, the Claim for such Defence Costs shall be treated as a Proven Claim, provided that if such Claim for Defence Costs is a Class Action Indemnity Claim of a Third Party Defendant against SFC in respect of any Indemnified Noteholder Class Action Claim, such Claim for Defence Costs shall be treated in the manner set forth in section 4.4(b)(ii) hereof;
  - (ii) if such Defence Costs were incurred in respect of a claim against the applicable Person that has not been successfully defended or such Defence Costs are determined not to be valid and enforceable against SFC, the Claim for such Defence Costs shall be disallowed and no consideration will be payable in respect thereof under the Plan; and
  - (iii) until any such Claim for Defence Costs is determined to be either a Claim within section 4.8(b)(i) or a Claim within section 4.8(b)(ii), such Claim shall be treated as an Unresolved Claim,

provided that nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek an Order that Claims against SFC for indemnification of any Defence Costs should receive the same treatment as is afforded to Equity Claims under the terms of this Plan.

#### 4.9 D&O Claims

- (a) All D&O Claims against the Named Directors and Officers (other than Retained D&O Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.
- (b) All D&O Claims against the Other Directors and Officers shall not be compromised, released, discharged, cancelled or barred by this Plan and shall be

permitted to continue as against the applicable Other Directors and/or Officers (the “**Continuing Other D&O Claims**”), provided that any Indemnified Noteholder Class Action Claims against the Other Directors and/or Officers shall be limited as described in section 4.4(b)(i) hereof.

- (c) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Named Directors and Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date, except that any such D&O Indemnity Claims for Defence Costs shall be treated in accordance with section 4.8 hereof and any claims for indemnification held by the Named Directors and Officers properly the subject of the Directors' Charge, if any, shall be limited to the Directors' Charge Reserve.
- (d) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Other Directors and/or Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date, except that: (i) any such D&O Indemnity Claims for Defence Costs shall be treated in accordance with section 4.8 hereof; and (ii) any Class Action Indemnity Claim of an Other Director and/or Officer against SFC in respect of the Indemnified Noteholder Class Action Claims shall be treated in the manner set forth in section 4.4(b)(ii) hereof.
- (e) All Retained D&O Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that any Retained D&O Claims against the Named Directors and Officers shall be limited to recovery against any insurance proceeds payable in respect of such Retained D&O Claims pursuant to insurance policies held by SFC, and Persons with any such Retained D&O Claims against the Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including SFC, any of the Subsidiaries or Newco), other than enforcing such Persons' rights against SFC to be paid from such insurance proceeds.
- (f) All D&O Claims against the Directors and Officers of SFC or the Subsidiaries for fraud or criminal conduct shall not be compromised, discharged, released, cancelled or barred by this Plan and shall be permitted to continue as against all applicable Directors and Officers (“**Non-Released D&O Claims**”).
- (g) Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may commence an action for a Non-Released D&O Claim only if such Person has first obtained (i) the consent of the Monitor or (ii) leave of the Court on notice to the applicable Directors and Officers, SFC, the Monitor, the Initial Consenting Noteholders and any applicable insurers.

- (b) with respect to Early Consent Noteholders:
- (i) on the next Business Day following the Distribution Record Date the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each Early Consent Noteholder to the address of each such Early Consent Noteholder as confirmed by the Monitor on or before the Distribution Record Date;
  - (ii) each Early Consent Noteholder shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and
  - (iii) any such Early Consent Noteholder that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b)(ii) shall be deemed to have requested that such Early Consent Noteholder's Newco Shares be distributed or registered, as applicable, in accordance with the information as confirmed by the Monitor on or before the Distribution Record Date.

## 5.2 Distribution Mechanics with respect to Newco Shares and Newco Notes

- (a) To effect distributions of Newco Shares and Newco Notes, the Monitor shall deliver a direction at least two (2) Business Days prior to the Initial Distribution Date to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue on such Initial Distribution Date or subsequent Distribution Date:
- (i) in respect of the Ordinary Affected Creditors with Proven Claims:
    - (A) the number of Newco Shares that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof; and
    - (B) the amount of Newco Notes that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof,all of which Newco Shares and Newco Notes shall be issued to such Ordinary Affected Creditors and distributed in accordance with this Article 5;
  - (ii) in respect of the Ordinary Affected Creditors with Unresolved Claims:
    - (A) the number of Newco Shares that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(a) hereof had such Ordinary Affected Creditor's

Unresolved Claim been a Proven Claim on the Plan Implementation Date; and

- (B) the amount of Newco Notes that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(b) hereof had such Ordinary Affected Creditor's Unresolved Claim been a Proven Claim on the Plan Implementation Date,

all of which Newco Shares and Newco Notes shall be issued in the name of the Monitor for the benefit of the Persons entitled thereto under the Plan, which Newco Shares and Newco Notes shall comprise part of the Unresolved Claims Reserve and shall be held in escrow by the Monitor until released and distributed in accordance with this Article 5;

(iii) in respect of the Noteholders:

- (A) the number of Newco Shares that the Trustees are collectively required to receive such that, upon distribution to the Noteholders by the Trustees, each individual Noteholder receives the number of Newco Shares to which it is entitled in accordance with section 4.1(a) hereof; and
- (B) the amount of Newco Notes that the Trustees are collectively required to receive such that, upon distribution to the Noteholders by the Trustees, each individual Noteholder receives the amount of Newco Notes to which it is entitled in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Noteholders and distributed in accordance with this Article 5; and

(iv) in respect of Early Consent Noteholders, the number of Newco Shares that each such Early Consent Noteholder is entitled to receive in accordance with section 4.3 hereof, all of which Newco Shares shall be issued to such Early Consent Noteholders and distributed in accordance with this Article 5.

The direction delivered by the Monitor in respect of the applicable Ordinary Affected Creditors and Early Consent Noteholders shall: (A) indicate the registration and delivery details of each applicable Ordinary Affected Creditor and Early Consent Noteholder based on the information prescribed in section 5.1; and (B) specify the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes to be issued to each such Person on the applicable Distribution Date. The direction delivered by the Monitor in respect of the Noteholders shall: (C) indicate that the registration and delivery details with respect to the number of Newco Shares and amount of Newco Notes to be distributed to each Noteholder will be the same as the registration and

amount of Litigation Trust Interests to which each individual Noteholder is entitled in accordance with section 4.1(c) hereof; and

- (iii) with respect to any Litigation Trust Interests to be allocated in respect of the Unresolved Claims Reserve, the Litigation Trustee shall record such Litigation Trust Interests in the name of the Monitor, for the benefit of the Persons entitled thereto in accordance with this Plan, which shall held by the Monitor in escrow until released and distributed unless and until otherwise directed by the Monitor in accordance with this Plan;
- (b) with respect to the Noteholder Class Action Claimants, the Litigation Trustee shall maintain a record of the aggregate of all Litigation Trust Interests that the Noteholder Class Action Claimants are entitled to receive pursuant to sections 4.4(c) and 4.11(a) hereof, provided that such record shall be maintained in the name of the Noteholder Class Action Representative, to be allocated to individual Noteholder Class Action Claimants in any manner ordered by the applicable Class Action Court, and provided further that if any such Litigation Trust Interests are cancelled in accordance with section 4.11(b) hereof, the Litigation Trustee shall record such cancellation in its registry of Litigation Trust Interests.

#### **5.4 Treatment of Undeliverable Distributions**

If any distribution under sections 5.2 is undeliverable (an “**Undeliverable Distribution**”), it shall be returned to the Monitor, which shall hold such Undeliverable Distribution in escrow and administer it in accordance with this section 5.4. No further distributions in respect of an Undeliverable Distribution shall be made unless and until SFC and the Monitor are notified by the applicable Person of its current address, at which time all such distributions shall be made to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six months following the final Distribution Date, after which date the right to receive distributions under this Plan in respect of such Undeliverable Distributions shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, without any compensation therefore, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions held by the Monitor shall, be deemed to have been gifted by the owner of the Undeliverable Distribution gifted to Newco without consideration, and, in the case of Newco Shares, Newco Notes and Litigation Trust Interests, shall be cancelled by Newco and the Litigation Trustee, as applicable. Nothing contained in the Plan shall require SFC, the Monitor or any other Person to attempt to locate any owner of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Notes shall be deemed made when delivered to the applicable Trustee for subsequent distribution to the applicable Noteholders in accordance with section 5.2.

#### **5.5 Procedure for Distributions Regarding Unresolved Claims**

- (a) An Affected Creditor that has asserted an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of such Unresolved Claim or any portion thereof unless and until such Unresolved Claim becomes a Proven Claim.

- (b) Distributions in respect of any Unresolved Claim in existence at the Plan Implementation Date will be held in escrow by the Monitor in the Unresolved Claims Reserve until settlement or final determination of the Unresolved Claim in accordance with the Claims Procedure Order, the Meeting Order or this Plan, as applicable.
- (c) To the extent that Unresolved Claims become Proven Claims or are finally disallowed, the Monitor shall release from escrow and deliver (or in the case of Litigation Trust Interests, cause to be registered) the following from the Unresolved Claims Reserve (on the next Distribution Date, as determined by the Monitor with the consent of SFC and the Initial Consenting Noteholders):
- (i) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be Proven Claims, the Monitor shall release from escrow and deliver to such Affected Creditor that number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that such Affected Creditor is entitled to receive in respect of its Proven Claim pursuant to section 4.1 hereof;
  - (ii) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be disallowed, the Monitor shall release from escrow and deliver to all Affected Creditors with Proven Claims the number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that had been reserved in the Unresolved Claims Reserve for such Affected Creditor whose Unresolved Claims has been disallowed, Claims such that, following such delivery, all of the Affected Creditors with Proven Claims have received the amount of Newco Shares, Newco Notes and Litigation Trust Interests that they are entitled to receive pursuant to section 4.1 hereof.
- (d) As soon as practicable following the date that all Unresolved Claims have been finally resolved and any required distributions contemplated in section 5.5(c) have been made, the Monitor shall distribute (or in the case of Litigation Trust Interests, cause to be registered) any Litigation Trust Interests, Newco Shares and Newco Notes (and any income or proceeds therefrom), as applicable, remaining in the Unresolved Claims Reserve to the Affected Creditors with Proven Claims such that after giving effect to such distributions each such Affected Creditor has received the amount of Litigation Trust Interests, Newco Shares and Newco Notes that it is entitled to receive pursuant to section 4.1 hereof.
- (e) During the time that Newco Shares, Newco Notes and/or Litigation Trust Interests are held in escrow in the Unresolved Claims Reserve, any income or proceeds received therefrom or accruing thereon shall be added to the Unresolved Claims Reserve by the Monitor and no Person shall have any right to such income or proceeds until such Newco Shares, Newco Notes or Litigation Trust Interests, as applicable, are distributed (or in the case of Litigation Trust Interests, registered)

in accordance with section 5.5(c) and 5.5(d) hereof, at which time the recipient thereof shall be entitled to any applicable income or proceeds therefrom.

- (f) The Monitor may, in its sole discretion, cause an affiliate of the Monitor to hold and administer the Unresolved Claims Reserve at any time and from time to time, provided that any actions taken by such affiliate of the Monitor shall be in accordance with the Plan and the Monitor shall remain responsible for all activities and actions of such affiliate with respect to its administration of the Unresolved Claims Reserve.

#### **5.6 Tax Refunds**

Any input tax credits or tax refunds received by SFC after the Effective Time shall be paid into the Monitor's Post-Implementation Reserve and shall be treated in the same manner as cash held in the Monitor's Post-Implementation Reserve. If any such tax credits or tax refunds become payable to SFC after the final payments from the Monitor's Post-Implementation Reserve have been made, such input tax credits and tax refunds shall be paid directly by, or on behalf of, SFC to Newco without consideration.

#### **5.7 Final Distributions from Reserves**

- (a) If there is any cash remaining in: (i) the Unaffected Claims Reserve on the date that all Unaffected Claims have been finally paid or otherwise discharged; (ii) the Administration Charge Reserve on the date that all Claims secured by the Administration Charge Reserve have been finally paid or otherwise discharged; and/ or (iii) the Directors' Charge Reserve on the date that all claims secured by the Directors' Charge Reserve have been finally paid or otherwise discharged, the Monitor shall, in each case, forthwith transfer all such remaining cash to the Monitor's Post-Implementation Reserve.
- (b) The Monitor will not terminate the Monitor's Post-Implementation Reserve prior to the termination of each of the Unaffected Claims Reserve, the Administration Charge Reserve and the Directors' Charge Reserve. The Monitor may, at any time, from time to time and at its sole discretion, release amounts from the Monitor's Post-Implementation Reserve to Newco. Once the Monitor has determined that the cash remaining in the Monitor's Post-Implementation Reserve is no longer necessary for administering SFC, the Monitor shall forthwith transfer any such remaining cash to Newco.

#### **5.8 Other Payments and Distributions**

All other payments and distributions to be made pursuant to this Plan shall be made in the manner described in this Plan, the Sanction Order or any other Order, as applicable.

#### **5.9 Note Indentures to Remain in Effect Solely for Purpose of Distributions**

Following completion of the steps in the sequence set forth in section 6.3, all debentures, indentures, notes (including the Notes), certificates, agreements, invoices and other instruments



evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Any and all obligations of SFC and the Subsidiaries under and with respect to the Notes, the Note Indentures and any guarantees or indemnities with respect to the Notes or the Note Indentures shall be terminated and cancelled on the Plan Implementation Date and shall not continue beyond the Plan Implementation Date. Notwithstanding the foregoing and anything to the contrary in section 6.3 hereof, the Note Indentures shall remain in effect solely for the purpose of and only to the extent necessary to allow the Trustees to make distributions to Noteholders on the Initial Distribution Date and each subsequent Distribution Date thereafter and to maintain all of the protections afforded to the Trustees as against the Noteholders under the applicable Note Indentures, including their lien rights with respect to any distributions under this Plan, until all distributions provided for hereunder have been made to the Noteholders.

#### **5.10 Assignment of Claims for Distribution Purposes**

##### *(a) Assignment of Claims by Ordinary Affected Creditors*

Subject to any restrictions contained in Applicable Laws, an Ordinary Affected Creditor may transfer or assign the whole of its Affected Claim after the Meeting provided that neither SFC nor the Monitor shall be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Ordinary Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as SFC and the Monitor may reasonably require, has been received by SFC and the Monitor on or before the Plan Implementation Date, or such other date as SFC and the Monitor may agree, failing which the original transferor shall have all applicable rights as the "Ordinary Affected Creditor" with respect to such Affected Claim as if no transfer of the Affected Claim had occurred. Thereafter, such transferee or assignee shall, for all purposes in accordance with this Plan, constitute an Ordinary Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, SFC shall not recognize partial transfers or assignments of Claims.

##### *(b) Assignment of Notes*

Only those Noteholders who have beneficial ownership of one or more Notes as at the Distribution Record Date shall be entitled to receive a distribution under this Plan on the Initial Distribution Date or any Distribution Date. Noteholders who have beneficial ownership of Notes shall not be restricted from transferring or assigning such Notes prior to or after the Distribution Record Date (unless the Distribution Record Date is the Plan Implementation Date), provided that if such transfer or assignment occurs after the Distribution Record Date, SFC and its agents shall have no obligation to make distributions to any such transferee or assignee of Notes in respect of the Claims associated therewith, or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof. Noteholders who assign or acquire Notes after the Distribution Record Date shall be wholly responsible for ensuring that Plan distributions in respect of the Claims associated with such Notes are in fact delivered to the assignee, and the Trustees shall have no liability in connection therewith.

### 5.11 Withholding Rights

SFC, Newco, the Monitor, the Litigation Trustee and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Canadian Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign Tax laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the payor.

### 5.12 Fractional Interests

No fractional interests of Newco Shares or Newco Notes ("**Fractional Interests**") will be issued under this Plan. Recipients of Newco Shares or Newco Notes will have their entitlements adjusted downwards to the nearest whole number of Newco Shares or Newco Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

## ARTICLE 6 RESTRUCTURING TRANSACTION

### 6.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of SFC will occur and be effective as of the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date which will occur and be effective on such date, and in either case will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of SFC. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of SFC, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect, provided that, subject to sections 10.6 and 10.7 hereof, where any matter expressly requires the consent or approval of SFC, the Initial Consenting Noteholders or SFC's board of directors

pursuant to this Plan, such consent or approval shall not be deemed to be given unless actually given.

## 6.2 Incorporation of Newco

Newco shall be incorporated prior to the Plan Implementation Date. Newco shall be authorized to issue an unlimited number of Newco Shares and shall have no restrictions on the number of its shareholders. At the time that Newco is incorporated, Newco shall issue one Newco Share to the Monitor, as the sole shareholder of Newco, and the Monitor shall be deemed to hold the Newco Share in escrow for the benefit of those Persons entitled to receive distributions of Newco Shares and Newco Notes under the Plan. For greater certainty, the Monitor shall not hold such Newco Share as agent of or for the benefit of SFC, and SFC shall have no rights in relation to such Newco Share. Newco shall not carry on any business or issue any other Newco Shares or other securities until the Plan Implementation Date, and then only in accordance with section 6.3 hereof.

## 6.3 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected shall occur, and be deemed to have occurred in the following manner and order (sequentially, each step occurring five minutes apart, except that within such order steps (a) to (g) (Cash Payments) shall occur simultaneously and steps (s) to (v) (Releases) shall occur simultaneously) without any further act or formality, on the Plan Implementation Date beginning at the Effective Time (or in such other manner or order or at such other time or times as SFC, the Monitor and the Initial Consenting Noteholders may agree):

### *Cash Payments and Satisfaction of Lien Claims*

- (a) SFC shall pay required funds to the Monitor for the purpose of funding the Unaffected Claims Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying the Unaffected Claims pursuant to the Plan.
- (b) SFC shall pay the required funds to the Monitor for the purpose of funding the Administration Charge Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying Unaffected Claims secured by Administration Charge.
- (c) SFC shall pay the required funds to the Monitor for the purpose of funding the Directors' Charge Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying the Unaffected Claims secured by the Directors' Charge.
- (d) SFC shall pay the required funds to the Monitor for the purpose of funding the Monitor's Post-Implementation Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of administering SFC, as necessary, from and after the Plan Implementation Date.

- (e) SFC shall pay to the Noteholder Advisors each such Person's respective portion of the Expense Reimbursement.
- (f) SFC shall pay all fees and expenses owing to each of the SFC Advisors, Chandler Fraser Keating Limited and Spencer Stuart.
- (g) The Lien Claims shall be satisfied in accordance with section 4.2(c) hereof.

***Transaction Steps***

- (h) All accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration, and from and after the occurrence of this step, no Person shall have any entitlement to any such accrued and unpaid interest.
- (i) All of the Affected Creditors shall be deemed to assign, transfer and convey to Newco all of their Affected Creditor Claims, and from and after the occurrence of this step, Newco shall be the legal and beneficial owner of all Affected Creditor Claims. In consideration for the assignment, transfer and conveyance of the Affected Creditor Claims to Newco:
  - (i) with respect to Affected Creditor Claims that are Proven Claims at the Effective Time:
    - (A) Newco shall issue to each applicable Affected Creditor the number of Newco Shares that each such Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof;
    - (B) Newco shall issue to each applicable Affected Creditor the amount of Newco Notes that each such Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof;
    - (C) Newco shall issue to each of the Early Consent Noteholders the number of Newco Shares that each such Early Consent Noteholder is entitled to receive pursuant to section 4.3 hereof;
    - (D) such Affected Creditors shall be entitled to receive out of escrow the Litigation Trust Interests to be acquired by Newco in section 6.3(p) hereof, following the establishment of the Litigation Trust;
    - (E) such Affected Creditors shall be entitled to receive, at the time or times contemplated in sections 5.5(c) and 5.5(d) hereof, the Newco Shares, Newco Notes and Litigation Trust Interests that are subsequently distributed to Affected Creditors with Proven Claims pursuant to sections 5.5(c) and 5.5(d) hereof (if any),

and all such Newco Shares and Newco Notes shall be distributed in the manner described in section 5.2 hereof; and

- (ii) with respect to Affected Creditor Claims that are Unresolved Claims as at the Effective Time, Newco shall issue in the name of the Monitor, for the benefit of the Persons entitled thereto under the Plan, the Newco Shares and the Newco Notes that would have been distributed to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time; such Newco Shares, Newco Notes and Litigation Trust Interests acquired by Newco in section 6.3(p) and assigned to and registered in the name of the Monitor in accordance with section 6.3(q) shall comprise part of the Unresolved Claims Reserve and the Monitor shall hold all such Newco Shares, Newco Notes and Litigation Trust Interests in escrow for the benefit of those Persons entitled to receive distributions thereof pursuant to the Plan.
- (j) SFC shall be deemed to assign, transfer and convey to Newco all shares and other equity interests in the capital of (i) the Direct Subsidiaries and (ii) any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time (all such shares and other equity interests being the "**Direct Subsidiary Shares**") for a purchase price equal to the fair market value of the Direct Subsidiary Shares and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of the Direct Subsidiary Shares, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco in an amount equal to the fair market value of the Direct Subsidiary Shares (the "**Newco Promissory Note 1**"). At the time of such assignment, transfer and conveyance, all prior rights that Newco had to acquire the Direct Subsidiary Shares, under the Plan or otherwise, shall cease to be outstanding.
- (k) If the Initial Consenting Noteholders and SFC agree, there will be a set-off of any SFC Intercompany Claim so agreed against a Subsidiary Intercompany Claim owing between SFC and the same Subsidiary. In such case, the amounts will be set-off in repayment of both claims to the extent of the lesser of the two amounts, and the excess (if any) shall continue as an SFC Intercompany Claim or a Subsidiary Intercompany Claim, as applicable.
- (l) SFC shall be deemed to assign, transfer and convey to Newco all SFC Intercompany Claims for a purchase price equal to the fair market value of such SFC Intercompany Claims and, in consideration therefor, Newco shall be deemed to pay SFC consideration equal to the fair market value of the SFC Intercompany Claims, which consideration shall be comprised of the following: (i) the assumption by Newco of all of SFC's obligations to the Subsidiaries in respect of Subsidiary Intercompany Claims; and (ii) if the fair market value of the SFC Intercompany Claims exceeds the fair market value of the Subsidiary Intercompany Claims, Newco shall issue to SFC a U.S. dollar denominated

demand non-interest-bearing promissory note in an amount equal to such excess (the "Newco Promissory Note 2").

- (m) SFC shall be deemed to assign, transfer and convey to Newco all other SFC Assets excluding the Litigation Funding Amount, Newco Promissory Note 1 and Newco Promissory Note 2 (namely, all SFC Assets other than the Direct Subsidiary Shares and the SFC Intercompany Claims (which shall have already been transferred to Newco in accordance with sections 6.3(j) and 6.3(k) hereof), the Litigation Funding Amount, Newco Promissory Note 1 and Newco Promissory Note 2) for a purchase price equal to the fair market value of such other SFC Assets and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of such other SFC Assets, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco in an amount equal to the fair market value of such other SFC Assets (the "Newco Promissory Note 3").
- (n) SFC shall establish the Litigation Trust and shall contribute the Litigation Funding Amount to the Litigation Trustee for the benefit of the Litigation Trust. Immediately thereafter, SFC, the Subsidiaries and the Trustees (on behalf of the Noteholders) shall be deemed to convey, transfer and assign to the Litigation Trustee all of their respective rights, title and interest in and to the Litigation Trust Claims. The Litigation Funding Amount and Litigation Trust Claims shall be managed by the Litigation Trustee in accordance with the terms and conditions of the Litigation Trust Agreement.
- (o) The Litigation Trust shall be deemed to be effective from the time that it is established in section 6.3(n) hereof. Initially, all of the Litigation Trust Interests shall be held by SFC. Immediately thereafter, SFC shall assign, convey and transfer a portion of the Litigation Trust Interests to the Noteholder Class Action Claimants in accordance with the allocation set forth in section 4.11 hereof.
- (p) SFC shall settle and discharge the Affected Creditor Claims by assigning Newco Promissory Note 1, Newco Promissory Note 2 and Newco Promissory Note 3 (collectively, the "Newco Promissory Notes") and the remaining Litigation Trust Interests held by SFC to Newco. Such assignment shall constitute payment, by set-off, of the full principal amount of the Newco Promissory Notes and of a portion of the Affected Creditor Claims equal to the aggregate principal amount of the Newco Promissory Notes and the fair market value of the Litigation Trust Interests so transferred (with such payment being allocated first to the Noteholder Claims and then to the Ordinary Affected Creditor Claims). As a consequence thereof:
  - (i) Newco shall be deemed to discharge and release SFC of and from all of SFC's obligations to Newco in respect of the Affected Creditor Claims, and all of Newco's rights against SFC of any kind in respect of the

Affected Creditor Claims shall thereupon be fully, finally, irrevocably and forever compromised, released, discharged and cancelled; and

- (ii) SFC shall be deemed to discharge and release Newco of and from all of Newco's obligations to SFC in respect of the Newco Promissory Notes, and the Newco Promissory Notes and all of SFC's rights against Newco in respect thereof shall thereupon be fully, finally, irrevocably and forever released, discharged and cancelled.
- (q) Newco shall cause a portion of the Litigation Trust Interests it acquired in section 6.3(p) hereof to be assigned to and registered in the name of the Affected Creditors with Proven Claims as contemplated in section 6.3(i), and with respect to any Affected Creditor Claims that are Unresolved Claims as at the Effective Time, the remaining Litigation Trust Interests held by Newco that would have been allocated to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time shall be assigned and registered by the Litigation Trustee to the Monitor and in the name of the Monitor, in escrow for the benefit of Persons entitled thereto, and such Litigation Trust Interests shall comprise part of the Unresolved Claims Reserve. The Litigation Trustee shall record entitlements to the Litigation Trust Interests in the manner set forth in section 5.3.
- (r) Subject to section 5.9 hereof, all debentures, indentures, notes, certificates, agreements, invoices, guarantees, pledges and other instruments evidencing Affected Claims, including the Notes and the Note Indentures, will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and shall be cancelled and will thereupon be null and void. The Trustees shall be directed by the Court and shall be deemed to have released, discharged and cancelled any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.

### *Releases*

- (s) Newco shall be deemed to have no liability or obligation of any kind whatsoever for: any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Retained D&O Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares or other Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust,

the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing, provided only that Newco shall assume SFC's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.3(k) hereof.

- (t) Each of the Charges shall be discharged, released and cancelled.
- (u) The releases and injunctions referred to in Article 7 of the Plan shall become effective in accordance with the Plan.
- (v) Any contract defaults arising as a result of the CCAA Proceedings and/or the implementation of the Plan (including, notwithstanding anything to the contrary herein, any such contract defaults in respect of the Unaffected Claims) shall be deemed to be cured.

#### **6.4 Cancellation of Existing Shares and Notes**

Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, on the Equity Cancellation Date all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled, and the following steps will be implemented pursuant to the Plan as a plan of reorganization under section 191 of the *CBCA*, to be effected by articles of reorganization to be filed by SFC, subject to the receipt of any required approvals from the Ontario Securities Commission with respect to the trades in securities contemplated by the following:

- (a) SFC will create a new class of common shares to be called Class A common shares that are equivalent to the current Existing Shares except that they carry two votes per share;
- (b) SFC will amend the share conditions of the Existing Shares to provide that they are cancellable for no consideration at such time as determined by the board of directors of SFC;
- (c) prior to the cancellation of the Existing Shares, SFC will issue for nominal consideration one Class A common share of SFC to the SFC Continuing Shareholder;
- (d) SFC will cancel the Existing Shares for no consideration on the Equity Cancellation Date; and
- (e) SFC will apply to Canadian securities regulatory authorities for SFC to cease to be a reporting issuer effective on the Equity Cancellation Date or as soon as possible thereafter.



## 6.5 Transfers and Vesting Free and Clear

- (a) All of the SFC Assets (including for greater certainty the Direct Subsidiary Shares, the SFC Intercompany Claims and all other SFC Assets assigned, transferred and conveyed to Newco pursuant to section 6.3) shall be deemed to vest absolutely in Newco, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Retained D&O Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, causes of action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and the expunging and discharging that occurs by operation of this paragraph shall only apply to SFC's ownership interests in the Subsidiaries, Greenheart and Greenheart's subsidiaries; and (ii) except as provided for in the Plan (including this section 6.5(a) and sections 4.9(g), 6.3(k), 6.3(l), 7.1 and 7.2 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.
- (b) Any issuance, assignment, transfer or conveyance of any securities, interests, rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Affected Creditor Claims, will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected Claims, Retained D&O Claims, Continuing Other D&O Claims, Non-Released D&O Claims; Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, causes of action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco that occurs by operation of this paragraph shall only apply to SFC's direct and indirect ownership interests in the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries; and (ii) except as provided for in the Plan (including section 6.5(a) and sections 4.9(g), 6.3(j), 6.3(k), 7.1 and 7.2 hereof) and the Sanction Order, the assets, liabilities, business and property of the

Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

## ARTICLE 7 RELEASES

### 7.1 General Plan Releases

- (a) Subject to section 7.1(b) hereof, on the Plan Implementation Date, SFC, the Subsidiaries, Newco, the Named Directors and Officers of SFC and/or any of the Subsidiaries, the directors and officers of Newco, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Monitor, FTI HK, counsel for the Directors of SFC, counsel for the Monitor, the SFC Advisors, the Noteholder Advisors, and each and every present and former affiliate, subsidiary, director, officer, member (including members of any committee or governance council), partner or employee of any of the foregoing, shall be fully, finally, irrevocably and forever released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert (including any and all Affected Claims, Unaffected Claims, Retained D&O Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Class Action Claims, Class Action Indemnity Claims and any guarantees, indemnities, claims for contribution or Encumbrances with respect thereto), whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) that are in any way relating to, for, arising out of or in connection with any: Affected Claims; Unaffected Claims; Retained D&O Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; the Existing Shares; the RSA; the Plan; the CCAA Proceedings; the Litigation Trust; the business and affairs of SFC and the Subsidiaries (whenever or however conducted); the administration and/or management of SFC and the Subsidiaries; or any public filings, statements, disclosures or press releases relating to SFC; or the Subsidiaries, and any and all claims arising out of such actions or omissions shall be fully, finally, irrevocably and forever waived, compromised, released, discharged, cancelled and barred to the fullest extent permitted by Applicable Law.

- (b) Notwithstanding anything to the contrary in section 7.1(a) or section 7.2 hereof, nothing in this Plan shall waive, compromise, release, discharge, cancel or bar any of the following:
- (i) SFC of its obligations under the Plan and the Sanction Order;
  - (ii) SFC from or in respect of any Unaffected Claims (provided that recourse against SFC in respect of Unaffected Claims shall be limited in the manner set out in section 4.2 hereof);
  - (iii) any Directors or Officers of SFC or the Subsidiaries from any Non-Released D&O Claims or any Retained D&O Claims, provided that recourse against the Named Directors or Officers of SFC in respect of any Retained D&O Claims shall be limited in the manner set out in section 4.9(e) hereof;
  - (iv) any Other Directors and/or Officers from any Continuing Other D&O Claims, provided that recourse against the Other Directors and/or Officers in respect of the Indemnified Noteholder Class Action Claims shall be limited in the manner set out in section 4.4(b)(i) hereof;
  - (v) the Third Party Defendants from any claim, liability or obligation of whatever nature for or in connection with the Class Action Claims, provided that the maximum aggregate liability of the Third Party Defendants collectively in respect of the Indemnified Noteholder Class Action Claims shall be limited to the Indemnified Noteholder Class Action Limit pursuant to section 4.4(b)(i) hereof and the releases set out in section 7.2(e) hereof and the injunctions set out in section 7.3 hereof;
  - (vi) Newco from any liability to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims assumed by Newco pursuant to section 6.3(k) hereof;
  - (vii) the Subsidiaries from any liability to Newco in respect of the SFC Intercompany Claims conveyed to Newco pursuant to section 6.3(k) hereof;
  - (viii) SFC of or from any investigations by or non-monetary remedies of the Ontario Securities Commission, provided that, for greater certainty, all monetary rights, claims or remedies of the Ontario Securities Commission against SFC shall be treated as Affected Creditor Claims in the manner described in section 4.1 hereof and released pursuant to sections 7.1(a) and 7.2(b) hereof;
  - (ix) the Subsidiaries from their respective indemnification obligations (if any) to Directors or Officers of the Subsidiaries that relate to the ordinary course operations of the Subsidiaries and that have no connection with any of the matters listed in section 7.2(g) hereof;

- (x) insurers from their obligations under insurance policies; and
- (xi) any Released Party for fraud or criminal conduct.

## 7.2 Specific Plan Releases

Without limiting the generality of section 7.1 hereof, and subject to 7.1(b) hereof, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date:

- (a) all Affected Claims, including all Affected Creditor Claims, Equity Claims, D&O Claims (other than Retained D&O Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.2(d)) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims against the Third Party Defendants);
- (b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;
- (c) all Class Action Claims (including the Noteholder Class Action Claims) against or in respect of SFC; the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Retained D&O Claims or Non-Released D&O Claims);
- (d) all Class Action Indemnity Claims (including related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.2(f) hereof and the injunctions set out in section 7.3 hereof;
- (e) any portion or amount of or liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;
- (f) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit; and
- (g) any and all claims or rights of any kind against the Subsidiaries or liabilities of the Subsidiaries for or in connection with: any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Retained D&O Claim;

any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing.

### **7.3 Injunctions**

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

#### **7.4 Timing of Releases and Injunctions**

All releases and injunctions set forth in this Article 7 shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.3 hereof.

#### **7.5 Equity Class Action Claims Against the Third Party Defendants**

Notwithstanding anything in this Plan, except for the releases provided for the Named Directors or Officers pursuant to section 7.2(c)(iii), any Class Action Claim against the Third Party Defendants that relates to the purchase, sale or ownership of Existing Shares or Equity Interests: (a) is unaffected by this Plan; (b) is not discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Third Party Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including as it relates to the joint and several liability of those Third Party Defendants for any alleged liability of SFC); and (e) does not constitute an Equity Claim or an Affected Claim under this Plan.

### **ARTICLE 8 COURT SANCTION**

#### **8.1 Application for Sanction Order**

If the Plan is approved by the Required Majority, SFC shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set.

#### **8.2 Sanction Order**

The Sanction Order shall, among other things:

- (a) declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of SFC have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that SFC has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are approved, binding and effective as herein set out as of the Plan Implementation Date;
- (c) confirm the amount of each of the Unaffected Claims Reserve, the Administration Charge Reserve, the Directors' Charge Reserve and the Monitor's Post-Implementation Reserve;
- (d) declare that, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and

barred, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan;

- (e) declare that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;
- (f) declare that the steps to be taken, the matters that are deemed to occur and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 6.3, beginning at the Effective Time;
- (g) declare that, on the Plan Implementation Date, the SFC Assets vest absolutely in Newco in accordance with the terms of section 6.5(a) hereof;
- (h) provide that the Court has been informed that the Plan Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof for the issuance of the Newco Shares and Newco Notes and any other securities to be issued pursuant to the Plan;
- (i) declare that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco becomes a party as a result of the conveyance of the SFC Assets to Newco on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
  - (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
  - (ii) that SFC sought or obtained relief or has taken steps as part of the Plan or under the CCAA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of SFC;
  - (iv) of the completion of any of the transactions contemplated under the Plan, including the transfer, conveyance and assignment of the SFC Assets to Newco; or

- (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan;
- (j) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with in connection with any Released Claims;
- (k) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (l) direct and deem the Trustees to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures;
- (m) declare that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate of Plan Implementation stating that all of its duties in respect of SFC pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor; and
- (n) declare that, on the Plan Implementation Date, each of the Charges shall be discharged, released and cancelled, and that any obligations secured thereby shall satisfied pursuant to section 4.2(b) hereof, and that from and after the Plan Implementation Date: (i) the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge and; (ii) the Directors' Charge Reserve shall stand in place of the Directors' Charge as security for the payment of any amounts secured by the Directors' Charge;
- (o) declare that SFC and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;
- (p) order that releases and injunctions set forth in Article 7 of this Plan are effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.3 hereof; and
- (q) declare that section 95 to 101 of the BIA shall not apply to any of the transactions implemented pursuant to the Plan.



**ARTICLE 9**  
**CONDITIONS PRECEDENT AND IMPLEMENTATION**

**9.1 Conditions Precedent to Implementation of the Plan**

The implementation of the Plan shall be conditional upon satisfaction or waiver of the following conditions prior to or at the Effective Time, each of which is for the benefit of SFC and the Initial Consenting Noteholders and may be waived only by SFC and the Initial Consenting Noteholders collectively; provided, however, that the conditions in sub-paragraphs (g), (h), (y), (ee), (ff), (jj), and (kk) shall only be for the benefit of the Initial Consenting Noteholders and, if not satisfied on or prior to the Effective Time, may be waived only by the Initial Consenting Noteholders; and provided further that such conditions shall not be enforceable by SFC if any failure to satisfy such conditions results from an action, error, omission by or within the control of SFC and such conditions shall not be enforceable by the Initial Consenting Noteholders if any failure to satisfy such conditions results from an action, error, omission by or within the control of the Initial Consenting Noteholders:

*Plan Approval Matters*

- (a) the Plan shall have been approved by the Required Majority and the Court, and in each case the Plan shall have been approved in a form consistent with the RSA or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (b) the Sanction Order shall have been made and shall be in full force and effect prior to October 12, 2012 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders), and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;
- (c) the Sanction Order shall be in a form consistent with the Plan or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;
- (d) all filings under Applicable Laws that are required in connection with the Restructuring Transaction shall have been made and any regulatory consents or approvals that are required in connection with the Restructuring Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated; without limiting the generality of the foregoing, such filings and regulatory consents or approvals include:
  - (i) any required filings, consents and approvals of securities regulatory authorities in Canada;
  - (ii) a consultation with the Executive of the Hong Kong Securities and Futures Commission that is satisfactory to SFC, the Monitor and the Initial Consenting Noteholders confirming that implementation of the Restructuring Transaction will not result in an obligation arising for

Newco, its shareholders or any Subsidiary to make a mandatory offer to acquire shares of Greenheart;

- (iii) the submission by SFC and each applicable Subsidiary of a Circular 698 tax filing with all appropriate tax authorities in the PRC within the requisite time prior to the Plan Implementation Date, such filings to be in form and substance satisfactory to the Initial Consenting Noteholders; and
- (iv) if notification is necessary or desirable under the *Antimonopoly Law of People's Republic of China* and its implementation rules, the submission of all antitrust filings considered necessary or prudent by the Initial Consenting Noteholders and the acceptance and (to the extent required) approval thereof by the competent Chinese authority, each such filing to be in form and substance satisfactory to the Initial Consenting Noteholders;
- (e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Restructuring Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or prohibit) the Restructuring Transaction or any material part thereof or requires or purports to require a variation of the Restructuring Transaction, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of SFC, without personal liability on the part of such officer, certifying compliance with this Section 9.1(e) as of the Plan Implementation Date;

#### *Newco Matters*

- (f) the organization, incorporating documents, articles, by-laws and other constating documents of Newco (including any shareholders agreement, shareholder rights plan and classes of shares (voting and non-voting)) and any affiliated or related entities formed in connection with the Restructuring Transaction or the Plan, and all definitive legal documentation in connection with all of the foregoing, shall be acceptable to the Initial Consenting Noteholders and in form and in substance reasonably satisfactory to SFC;
- (g) the composition of the board of directors of Newco and the senior management and officers of Newco that will assume office, or that will continue in office, as applicable, on the Plan Implementation Date shall be acceptable to the Initial Consenting Noteholders;
- (h) the terms of employment of the senior management and officers of Newco shall be acceptable to the Initial Consenting Noteholders;
- (i) except as expressly set out in this Plan, Newco shall not have: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities

of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) become liable to pay any indebtedness or liability of any kind (other than as expressly set out in section 6.3 hereof); or (iv) entered into any Material agreement;

- (j) any securities that are formed in connection with the Plan, including the Newco Shares and the Newco Notes, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance and distribution thereof shall be exempt from all prospectus and registration requirements and resale restrictions of any applicable securities, corporate or other law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance, notice, policy or other pronouncement having the effect of law applicable in the provinces of Canada;
- (k) Newco shall not be a reporting issuer (or equivalent) in any province of Canada or any other jurisdiction;
- (l) all of the steps, terms, transactions and documents relating to the conveyance of the SFC Assets to Newco in accordance with the Plan shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders;
- (m) all of the following shall be in form and in substance acceptable to the Initial Consenting Noteholders and reasonably satisfactory to SFC: (i) the Newco Shares; (ii) the Newco Notes (including the aggregate principal amount of the Newco Notes); (iii) any trust indenture or other document governing the terms of the Newco Notes; and (iv) the number of Newco Shares and Newco Notes to be issued in accordance with this Plan;

#### *Plan Matters*

- (n) the Indemnified Noteholder Class Action Limit shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (o) the aggregate amount of Proven Claims held by Ordinary Affected Creditors shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (p) the amount of each of the Unaffected Claims Reserve, the Administration Charge Reserve, the Directors' Charge Reserve and the Monitor's Post-Implementation Reserve shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (q) the Litigation Funding Amount shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (r) the amount of each of the following shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders: (i) the aggregate amount of Lien Claims to be satisfied by the return to the applicable Lien Claimants of the applicable secured property in accordance with section 4.2(c)(i) hereof; and (ii) the aggregate amount

of Lien Claims to be repaid in cash on the Plan Implementation Date in accordance with section 4.2(c)(ii) hereof;

- (s) the aggregate amount of Unaffected Claims, and the aggregate amount of the Claims listed in each subparagraph of the definition of "Unaffected Claims" shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;
- (t) the aggregate amount of Unresolved Claims and the amount of the Unresolved Claims Reserve shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders and shall be confirmed in the Sanction Order;
- (u) Litigation Trust and the Litigation Trust Agreement shall be in form and in substance acceptable to SFC, the Monitor and the Initial Consenting Noteholders and SFC, each acting reasonably, and the Litigation Trust shall be established in a jurisdiction that is acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (v) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the proposed use of proceeds and payments relating to all aspects of the Restructuring Transaction and the Plan, including, without limitation, any change of control payments, consent fees, transaction fees, third party fees or termination or severance payments, in the aggregate of \$500,000 or more, payable by SFC or any Subsidiary to any Person (other than a Governmental Entity) in respect of or in connection with the Restructuring Transaction or the Plan, including without limitation, pursuant to any employment agreement or incentive plan of SFC or any Subsidiary;
- (w) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the status and composition of all liabilities, indebtedness and obligations of the Subsidiaries and all releases of the Subsidiaries provided for in the Plan and the Sanction Order shall be binding and effective as of the Plan Implementation Date;

***Plan Implementation Date Matters***

- (x) the steps required to complete and implement the Plan shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders;
- (y) the Noteholders and the Early Consent Noteholders shall receive, on the Plan Implementation Date, all of the consideration to be distributed to them pursuant to the Plan;
- (z) all of the following shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders: (i) all materials filed by SFC with the Court or any court of competent jurisdiction in the United States, Canada, Hong Kong, the PRC or any other jurisdiction that relates to the Restructuring Transaction; (ii) the terms of any court-imposed charges on any of the assets, property or undertaking

of any of SFC, including without limitation any of the Charges; (iii) the Initial Order; (iv) the Claims Procedure Order; (v) the Meeting Order; (vi) the Sanction Order; (vii) any other Order granted in connection with the CCAA Proceeding or the Restructuring Transaction by the Court or any other court of competent jurisdiction in Canada, the United States, Hong Kong, the PRC or any other jurisdiction; and (viii) the Plan (as it is approved by the Required Majority and the Sanction Order);

- (aa) any and all court-imposed charges on any assets, property or undertaking of SFC, including the Charges, shall be discharged on the Plan Implementation Date on terms acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;
- (bb) SFC shall have paid, in full, the Expense Reimbursement and all fees and costs owing to the SFC Advisors on the Plan Implementation Date, and Newco shall have no liability for any fees or expenses due to the SFC Advisors or the Noteholder Advisors either as at or following the Plan Implementation Date;
- (cc) SFC or the Subsidiaries shall have paid, in full all fees owing to each of Chandler Fraser Keating Limited and Spencer Stuart on the Plan Implementation Date, and Newco shall have no liability for any fees or expenses due to either Chandler Fraser Keating Limited and Spencer Stuart as at or following the Plan Implementation Date;
- (dd) SFC shall have paid all reasonable fees and expenses, including reasonable legal fees, of the Trustees in connection with the performance of their respective duties under the Note Indentures or this Plan that are outstanding as of the Plan Implementation Date, and the Initial Consenting Noteholders shall be satisfied that SFC has made adequate provision in the Unaffected Claims Reserve for the payment of the reasonable fees and expenses, including reasonable legal fees, to be incurred by the Trustees after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan;
- (ee) there shall not exist or have occurred any Material Adverse Effect, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of the Company, without any personal liability on the part of such officer, certifying compliance with this section 9.1(ee) as of the Plan Implementation Date;
- (ff) there shall have been no breach of the Noteholder Confidentiality Agreements (as defined in the RSA) by the Company or any of the Sino-Forest Representatives (as defined therein) in respect of the applicable Initial Consenting Noteholder;
- (gg) the Plan Implementation Date shall have occurred no later than November 30, 2012 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders);

***RSA Matters***

- (hh) all conditions set out in sections 6 and 7 of the RSA shall have been satisfied or waived in accordance with the terms of the RSA;
- (ii) the RSA shall not have been terminated;

***Other Matters***

- (jj) the Initial Consenting Noteholders shall have completed due diligence in respect of SFC and the Subsidiaries and the results of such due diligence shall be acceptable to the Initial Consenting Noteholders prior to the date of the hearing of the Sanction Order;
- (kk) if so requested by the Initial Consenting Noteholders, the Sanction Order shall have been recognized and confirmed as a binding and effective pursuant to an order of a court of competent jurisdiction in Canada, the United States, and any other jurisdiction requested by the Initial Consenting Noteholders, and all applicable appeal periods in respect of any such recognition order shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court; and
- (ll) all press releases, disclosure documents and definitive agreements in respect of the Restructuring Transaction or the Plan shall be in form and substance satisfactory to SFC and the Initial Consenting Noteholders, each acting reasonably.

**9.2 Monitor's Certificate**

Upon delivery of written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) of the satisfaction of the conditions set out in section 9.1, the Monitor shall deliver to Goodmans LLP and SFC a certificate stating that the Plan Implementation Date has occurred and that the Plan and the Sanction Order are effective in accordance with their respective terms. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

**ARTICLE 10  
GENERAL**

**10.1 Binding Effect**

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

## 10.2 Waiver of Defaults

- (a) From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of SFC then existing or previously committed by SFC, or caused by SFC, the commencement of the CCAA Proceedings by SFC, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and SFC, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse SFC from performing its obligations under the Plan or be a waiver of defaults by SFC under the Plan and the related documents.
- (b) Effective on the Plan Implementation Date, any and all agreements that are assigned to Newco as part of the SFC Assets shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations under, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand against Newco or any Subsidiary under or in respect of any such agreement with Newco or any Subsidiary, by reason of:
  - (i) any event that occurred on or prior to the Plan Implementation Date that would have entitled any Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of SFC);
  - (ii) the fact that SFC commenced or completed the CCAA Proceedings;
  - (iii) the implementation of the Plan, or the completion of any of the steps, transactions or things contemplated by the Plan; or
  - (iv) any compromises, arrangements, transactions, releases, discharges or injunctions effected pursuant to the Plan or this Order.

## 10.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.





# TAB 19



**IN THE MATTER OF  
SINO-FOREST CORPORATION**

BETWEEN:

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada,  
The Trustees of the International Union of Operating Engineers Local 793 Pension Plan for  
Operating Engineers in Ontario, Sjunde AP-Fonden, David Grant, Robert Wong, Guining Liu,  
and any other proposed representative plaintiffs in Ontario Superior Court Action No. CV-11-  
431153-00CP and in Quebec Superior Court No. 200-06-000132-111,

in their personal and proposed representative capacities (the "Plaintiffs")

-and-

Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms  
thereof ("EY", together with the Plaintiffs the "Parties")

**MINUTES OF SETTLEMENT**

1. These Minutes of Settlement represent the agreement between the Plaintiffs and EY reached on November 28, 2012 to resolve in accordance with the terms more particularly set out herein the actions, causes of action, claims and/or demands, on all counts howsoever arising and in all jurisdictions, made against EY or which could have been made concerning any claims related to Sino-Forest Corporation and its affiliates and subsidiaries, whether or not captured by the "Class" or the "Class Period", as variously defined, including the actions (the "Actions") listed on Schedule "A" hereto (the "Claims");
2. The terms of these Minutes of Settlement are binding on the Parties;
3. These Minutes of Settlement are and shall remain confidential, and neither party shall publicly disclose or include in a court filing the terms hereof without the prior written consent of the other;
4. EY makes no admissions of liability and waives no defences available to it with respect to the Claims or otherwise;
5. A settlement amount of CDN \$117,000,000 (the "Settlement Fund") shall be paid by EY in accordance with the applicable orders of the courts (Ontario Superior Court of Justice, Ontario Superior Court of Justice Commercial List (supervising CCAA judge), Province of Quebec Superior Court, United States District Court and the United States Bankruptcy Court) ("Courts") on the Effective Date (save for any amounts payable in advance of the Effective Date as set out in paragraph 7), being the date that all requisite approvals and orders are obtained from the Courts and are final and non-appealable;



6. The Settlement Fund represents the full monetary contribution or payment of any kind to be made by EY in settlement of the Claims, inclusive of claims, costs, interest, legal fees, taxes (inclusive of any GST, HST, or any other taxes which may be payable in respect of this settlement), any payments to Claims Funding International, all costs associated with the distribution of benefits, all costs of any necessary notice, all costs associated with the administration of the settlement and any other monetary costs or amounts associated with the settlement or otherwise;
7. No payment of the Settlement Fund shall be made by EY until all conditions herein and set out in Schedule B hereto have been met. However, with respect to notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, the Plaintiffs will incur and pay such costs up to \$200,000 (the "Initial Plaintiffs Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Effective Date. EY will incur and pay such notice and administration costs which are incurred in advance of the Effective Date, as a result of an Order of the Court, over and above the Initial Plaintiffs Costs up to a further \$200,000 (the "Initial EY Costs"). The Initial EY Costs shall be deducted from the amount of the Settlement Fund payable to the Plaintiffs. Should any costs in excess of the cumulative amount of the Initial Plaintiffs Costs and the Initial EY Costs, being a total of \$400,000, in respect of notice and administration be incurred prior to the Effective Date, as a result of an Order of the Court, such amounts are to be borne equally between the Plaintiffs and EY, which amounts are to be reimbursed or deducted as the case may be from the Settlement Fund, on the terms set out above in this section. Should the settlement not proceed, the Parties shall bear their respective costs paid to that time;
8. No further proceedings shall be commenced or continued by the Plaintiffs or their counsel against EY in respect of any Claims, other than as necessary to complete the settlement herein;
9. The Plaintiffs agree not to claim from the non-settling defendants in the Actions, that portion of any damages that corresponds to the proportionate share of liability of EY, proven at trial or otherwise, such that EY is not further exposed to the Claims;
10. It is the intention of the Parties that this settlement shall be approved and implemented in the Sino-Forest Corporation CCAA proceedings. The settlement shall be conditional upon full and final releases and claims bar orders in favour of EY and which satisfy and extinguish all Claims against EY, and without opt-outs, and as contemplated by the additional terms attached hereto as Schedule B hereto and incorporated as part of these Minutes of Settlement;
11. This settlement is conditional upon obtaining appropriate orders from the Ontario Superior Court of Justice Commercial List (supervising CCAA judge) and the United States Bankruptcy Court that provide that the payment of the Settlement Fund is in full satisfaction of any and all claims that could be brought in connection with the claims of any security holder or creditor of Sino-Forest Corporation, including claims over for contribution and indemnity or otherwise, howsoever arising in Canada and the United States;

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- 12. The releases in the Sino-Forest Corporation CCAA proceedings shall include Ernst & Young LLP (Canada) and Ernst & Young Global Limited and all member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but does not include any non-settling defendants in the Actions or their respective present or former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers or successors, administrators, heirs and assigns of each in their capacity as officers or directors of Sino-Forest Corporation ("EY Global"). The releases to be provided to EY by the Plaintiffs shall include EY Global and will release all Claims of the Plaintiffs' counsels' clients in all jurisdictions;
- 13. It is the intention of the Parties that the Settlement Fund shall be distributed in a claims process satisfactory to the CCAA Court, with a prior claims bar order;
- 14. The Parties shall use all reasonable efforts to obtain all Court approvals and/or orders necessary for the implementation of these Minutes of Settlement, including an order in the CCAA proceedings granting the plaintiffs appropriate representative status to effect the terms herein;
- 15. If the settlement between the Parties or any terms hereof are not approved by order(s) of the applicable Courts fulfilling all conditions precedent in paragraph 10 hereto the settlement between the Parties and these Minutes of Settlement are null and void;
- 16. These terms shall be further reduced to a written agreement reflecting the terms of the agreement between the Parties hereto with such additional terms agreed to by the Parties consistent herewith or as agreed to give efficacy in Quebec and the United States. Should the Parties be unable to agree on the form of written agreement, the Parties agree to appoint Clifford Lax as mediator/arbitrator to assist the Parties and his decision as arbitrator shall be final and binding on the Parties, in accordance with the terms herein but subject to the terms of Schedule B hereof, and not subject to appeal;
- 17. The Parties will agree on a level of disclosure by EY for the purposes of reasonably assisting in the approval process of the applicable Courts, consistent with the Parties' obligations under the relevant class proceedings legislation. Should the Parties be unable to agree on the level of disclosure after good faith efforts to do so, the Parties agree to appoint Clifford Lax as mediator to assist the Parties. If the Parties after mediation are still unable to reach an agreement, then either Party may terminate the settlement;
- 18. Pending the implementation of this settlement, including the distribution of the Settlement Fund, EY shall advise the plaintiffs of any agreements reached by it with the Ad Hoc Committee of Noteholders, Sino-Forest, the Litigation Trustee, or counsel or representatives of any of these parties, to pay any monetary consideration to any of them.

SIGNATURE LINES ON NEXT PAGE

Date: Nov 29, 2012

Cum for Koskie Minsky LLP

**KOSKIE MINSKY LLP**  
Lawyers for the Plaintiffs

Date: Nov 29, 2012

Cum for Siskinds LLP

**SISKINDS LLP**  
Lawyers for the Plaintiffs

Date: Nov 29, 2012

Cum for PRRR LLP

**PALIARE ROLAND ROSENBERG  
ROTHSTEIN LLP**  
Lawyers for the Plaintiffs

Date: November 29, 2012

Lenzner Slaght Royce Smith Griffin LLP

**LENCZNER SLAGHT ROYCE SMITH  
GRIFFIN LLP**  
Lawyers for Ernst & Young LLP, and on behalf  
of Ernst & Young Global Limited and all  
member firms thereof

*A*

**SCHEDULE "A"**

1. The Trustees of The Labourers' Pension Fund of Central and Eastern Canada, et al. v. Sino-Forest Corporation, et al., Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP
2. Guining Liu v. Sino-Forest Corporation, et al., Province of Quebec Superior Court, File No. 200-06-000132-111
3. David Leopard, et al. v. Allen T.Y. Chan, et al., United States New York Southern District Court, Case Number 1:2012-cv-01726-VM



**SCHEDULE "B"**

**Terms and Conditions of any Ernst & Young LLP (Settlement with Class Action Plaintiffs)**

A settlement unilaterally with E&Y will be conditional upon such settlement being made to a resolution that:

- a) is a settlement of all Claims, proceedings and potential claims against E&Y in all jurisdictions;
- b) reflects approval of appropriate Courts in relevant jurisdictions as described below; and
- c) accordingly must reflect the following elements in a form satisfactory to E&Y in its sole discretion, without which E&Y is at liberty to reject the settlement at any time:

**I. Court Proceedings**

(A) *CCAA*

- (i) Plan of Arrangement (in form consented to);
- (ii) Final Sanction Order;
- (iii) Both Plan and Sanction Order to include:
  - (a) a release of E&Y, and all affiliate firms, partners, staff, agents and assigns for any and all Claims (including cross-claims and third-party claims), and
  - (b) a claims bar (must expressly exclude all claims against all Pöyry entities).

(B) Ontario Class Action

- (i) Final Order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
- (ii) i) above requires:
  - (a) certification for settlement purposes with i) class definition agreeable to E&Y; ii) notice in all relevant jurisdictions

*R*



- 2 -

(including Canada, U.S., Hong Kong, Singapore and PRC);  
and iii) opt-out threshold agreeable to E&Y;

- (b) fairness hearing having been held to result in (i).
- (C) Quebec Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
- (D) U.S. Proceedings including Class Action
  - (i) Final order approving settlement containing satisfactory Pieringer terms and structure and dismissing action;
  - (ii) certification and settlement approval as in (B).
  - (iii) Undertaking of Company (Applicant) to bring Chapter 15 proceeding to enforce Canadian *CCAA* order;
  - (iv) final U.S. order, in compliance with U.S. laws, recognizing *CCAA* order.

## II. Releases and Undertakings

- (A) Full and Final Release and Claims Bar in both *CCAA* Plan and final Sanction Order;
- (B) Full and Final Release from Ontario Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;
- (C) Full and Final Release from Company, directors and officers, noteholders and others on satisfactory Pieringer terms and language;
- (D) Agreement from Ontario class counsel and from noteholders' counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction;
- (E) Full and Final Release from Quebec Class Action Representative Plaintiffs on their own behalf and in their representative capacities, including an agreement not to consult or cooperate with any other party in advancing Claims against E&Y;

- (F) Agreement from Quebec class counsel to not act for or consult with or assist any plaintiff/representative plaintiff in any jurisdiction;
- (G) Full and Final Release from U.S. Class Action Representative Plaintiffs on their own behalf and in their representative capacities including an agreement not to consult or cooperate with any other party advancing Claims against E&Y; and
- (H) Agreement from U.S. class counsel to not act for or consult with or assist any plaintiff/representative plaintiff/claimant in respect of any Claim or potential Claim against E&Y in any jurisdiction.



**TAB 20**





Suite 3000  
79 Wellington St. W.  
Box 270, TD Centre  
Toronto, Ontario  
M5K 1N2 Canada  
Tel 416.865.0040  
Fax 416.865.7380

[www.torys.com](http://www.torys.com)

David Bish  
Tel 416.865.7353  
[dbish@torys.com](mailto:dbish@torys.com)

**VIA EMAIL**

November 26, 2012

Gowling Lafleur Henderson LLP  
1 First Canadian Place  
100 King Street West  
Suite 1600  
Toronto, ON M5X 1G5

**Attention: Derrick Tay / Jennifer Stam**

Dear Sirs/Mesdames:

**Re: SINO-FOREST CORPORATION ("Sino-Forest")**

I am writing in connection with the Monitor's Thirteenth Report, the upcoming meeting of creditors of Sino-Forest (the Meeting) and the anticipated post-Meeting report.

As we agreed, the Third-Party Defendants (as that term is defined in the Thirteenth Report) have a number of questions relating to the Thirteenth Report which you have agreed the Monitor will answer in writing. Attached as Schedule "A" are the questions. We expect to have additional questions on the Thirteenth Report and the post-Meeting report which we will provide to you as soon as possible after we receive the post-Meeting report.

Yours truly,

A handwritten signature in cursive script that reads "David Bish".

David Bish

DB/en

cc: Sheila Block, John Fabello and Andrew Gray, *Torys LLP*  
Peter Griffin, Peter Osborne and Shara Roy  
Peter Greene and Ken Dekker  
Greg Watson and Jody Porepa

## Schedule "A"

1. Please confirm the dollar value of the claims (including, without limitation, the Defence Costs, as that term is defined in the Plan) that the Third Party Defendants will be permitted to vote at the meeting of creditors scheduled for November 29, 2012. Please confirm the basis for such determination and the identity of the person having determined the value of these claims (and, for greater certainty, where that person is a corporate entity, please specify the names of the individuals within the entity that have made this determination).
2. Confirm that all creditors of Sino-Forest have had equal access to financial and other information regarding the company. In particular, confirm that the Noteholders have not had access during the CCAA proceedings, whether from Sino-Forest or the Monitor, to information about Sino-Forest and its subsidiaries that was not made available in the data room established in connection with the Mediation referred to paragraph 31 of the Thirteenth Report.
3. Please produce copies of the letters of intent referred to in paragraph 25 of the Thirteenth Report.
4. Please produce copies of the opinions referred to in paragraph 49 of the Thirteenth Report. Please provide the further Monitor's conclusion and analysis of the validity and enforceability of the security and unsecured guarantees of each Series of notes and the extent of the overlap of security and guarantees between Series.
5. Please provide the expected pro forma opening balance sheet for both Newco and Newco II (as those entities are defined in the Thirteenth Report).
6. Please provide the Monitor's detailed opinion as to the value of Sino-Forest. Please produce copies of any valuation information generated by or in the possession of the Monitor, or otherwise confirm that all such information has previously been included in the data room.
7. Paragraph 62 of the Monitor's Tenth Report states that "...to date two subsidiaries have been identified as redundant and are in the process of being wound up. It is fully expected that additional subsidiaries will also be identified as redundant and will be wound up in the near term." Please identify the two subsidiaries specifically referenced above, and any additional subsidiaries that the Applicant has started to wind up since the date of the Tenth Report or intends to wind up, and provide full details of the assets and liabilities (including all intercompany amounts) of those entities.
8. The Indemnified Noteholder Class Action Limit (as defined in the Plan) only applies to Indemnified Noteholder Class Action Claims, which are claims for which there is a "valid and enforceable Class Action Indemnity Claim against SFC". Please confirm that the claims of the Underwriters and Auditors, as set out in the Proofs of Claim filed in these proceedings, excluding those claims that are or may ultimately be determined to be Equity Claims as defined in the CCAA Plan, are valid and enforceable Class Action Indemnity Claims against SFC. Please identify the persons that made this determination. If this determination has not been made, please identify when it will be made, by whom and the specific procedures and timeline for the making of this determination.

9. If it has been determined, please provide the identity of the Litigation Trustee.
10. If it has been determined, please provide the identity of the directors of Newco.
11. Please provide details of the Alternative Sale Transaction, including its status and a summary of its presently anticipated form, substance and details. Please also provide an explanation as to why this Alternative Sales Transaction is being pursued given the "failure" of the Sales Process, as set out in paragraph 101 of the Thirteenth Report.
12. The Thirteenth Report provides information (for the first time) that the Sales Process failed because none of the letters of intent received provided for the "Qualified Consideration". We renew our request that the Monitor provide full details of the bids received during the Sales Process, including the consideration offered by and terms of all submitted bids.
13. Please provide a detailed summary of all fees and expenses paid by Sino-Forest or accrued to date for payment by Sino-Forest on account of its or any other party's legal counsel, financial advisors and other parties, including any success fees or other compensation to which such parties will become entitled upon or in connection with the Plan approval and implementation (broken down in each case by each party).
14. The Tenth Report states at paragraph 63 states that the Sino-Forest Subsidiaries engaged the services of an independent consultant to assist management in its restructuring activities and to help prepare an action plan for the post-plan implementation period. We request that the Monitor clarify the nature and extent of the independent consultant's previous business or employment relationship with SFC or any of the Subsidiaries, including (but not limited to) whether (a) whether the independent consultant is a "Director" or "Officer" as defined under the Plan, (b) whether the independent consultant is an affiliate or a current or former officer, director, employee of any of the parties proposed to be released under section 7.1(g) or 7.1(h) of the Plan, or (c) whether the independent consultant is an affiliate or an officer, director or employee of any of the potential buyers of the Sino-Forest Business that were in contact with Houlihan Lokey or with the Applicant directly.
15. The Plan provides (in the definition of "Expense Reimbursement") for the payment of a work fee of up to \$5 million to the Initial Consenting Noteholders, and further specifies that such work fee may, at the request of the Monitor, be paid by any of the Subsidiaries instead of SFC. This provision was not in the original version of the Plan that was filed with the Company's August 14, 2012 motion materials. The Company, the Monitor and the advisors to the Initial Consenting Noteholders have consistently represented to the Third Party Defendants that none of the cash in the Subsidiaries is available to pay claims or expenses at the SFC level. None of the remainder of the \$330 million in the Subsidiaries is contemplated to be used to satisfy creditors. We request that the Monitor explain the purpose of this amendment and the circumstances in which the Monitor envisions that cash of the Subsidiaries would be available to pay amounts otherwise payable directly by SFC.
16. Please provide details of the time spent and interaction by the Monitor with the Ad Hoc Committee and/or its advisors.

17. Please provide copies of all insurance policies in favour of Sino-Forest and its directors and officers.
18. The Thirteenth Report provides no analysis of reviewable transactions, broadly defined, or the appropriateness of the Plan purporting to exempt Sino-Forest from the applicable law in this regard (i.e. BIA s. 38 and 95 to 101). Please provide the Monitor's assessment as to whether there have been any inappropriate or reviewable transactions and the appropriateness of the Plan in this respect.
19. Please provide the following information, updated to as close to the Meeting Date as possible detailed information, by legal entity or relevant group of legal entities within the Sino-Forest corporate group, with respect to:
  - (a) assets by major category (including as a minimum, cash, accounts receivable, and timber assets), direct third-party liabilities, and intercompany balances;
  - (b) employees, activities, and cash flows during this proceeding to date;
  - (c) direct and/or indirect liabilities and claims indicated during the claims process;
  - (d) any new subsidiaries incorporated, transfers of material assets between subsidiaries, security granted or guarantees provided by subsidiaries during this proceeding or during the period prior to this proceeding when the Applicant was negotiating the Support Agreement;
  - (e) any other information considered relevant by the Monitor with respect to the status of assets, operations and working capital at such legal entities, including the source of that information; and
  - (f) the status and results to date of the Applicant's surveys and analysis of its timber rights and title thereto.
20. Please produce copies of the Insurance Policies as listed and defined in the Plan



# TAB 21





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November 28, 2012

**SENT BY EMAIL**

**Jennifer Stam**  
Direct 416-862-5697  
Direct Fax 416-862-7661  
jennifer.stam@gowlings.com

Torys LLP  
Suite 3000  
79 Wellington Street West  
Box 270, TD Centre  
Toronto, Ontario  
M5K 1N2

Lenzner Slaght  
130 Adelaide Street West, Suite  
2600  
Toronto Ontario  
M5H 3P5

Affleck Greene McMurtry LLP  
365 Bay Street  
Suite 200  
Toronto, ON  
M5H 2V1

**Attention: David Bish/  
Sheila Block/  
John Fabello/  
Andrew Gray**

**Attention: Peter Griffin/  
Peter Osborne/ Shara Roy**

**Attention: Peter Greene/ Ken  
Dekker**

Dear Sirs/Mesdames:

**Re: Sino-Forest Corporation**

We are in receipt of your letter dated November 26, 2012. Attached as Appendix A are the responses of the Monitor, which we will also make available to the Service List and the Court.<sup>1</sup>

Sincerely,

**GOWLING LAFLEUR HENDERSON LLP**

Jennifer Stam

c. Derrick Tay/ Cliff Prophet (*Gowling LaFleur Henderson LLP*)  
Greg Watson/Jodi Porepa (*The Monitor*)

<sup>1</sup> Please note that the text in "italics" has been cut and paste from your November 26, 2012 letter.

## APPENDIX A

Capitalized terms used herein and not otherwise defined have the meaning given to them in the Thirteenth Report of the Monitor dated November 22, 2012.

1. *Please confirm the dollar value of the claims (including, without limitation, the Defence Costs, as that term is defined in the Plan) that the Third Party Defendants will be permitted to vote at the meeting of creditors scheduled for November 29, 2012. Please confirm the basis for such determination and the identity of the person having determined the value of these claims (and, for greater certainty, where that person is a corporate entity, please specify the names of the individuals within the entity that have made this determination).*

In accordance with the Plan, the Meeting Order and the Voting Procedures, EY, the Underwriters and BDO will be entitled to vote the following in respect of their Unresolved Claims:

- a. Each of EY, BDO and the Underwriters (and the other Third Party Defendants under the Plan) will be entitled to vote in respect of their Class Action Indemnity Claims relating to the Indemnified Noteholder Class Action Claims up to a global limit of \$150 million – pursuant to paragraph 51 of the Meeting Order, the Monitor will record the votes by the Third Party Defendants in respect of each of their Claims. The Monitor will report votes for and against. To the extent there are both votes for and against the Plan in respect of the Noteholder Class Action Limit, and the votes on the Noteholder Class Action Limit would otherwise impact whether the Plan was approved by the Required Majority, the Monitor, in consultation with the Company, will determine whether further directions from the Court are required at the Sanction Hearing.
- b. The amount of the Defence Costs Claims for voting purposes either has or will be communicated to each of EY, BDO and the Underwriters under separate cover.
- c. The Monitor is not prepared to provide the amount of the Defence Costs Claims, if any, in respect of any of the other Third Party Defendants in advance of the Meeting.
- d. For greater certainty each of EY, BDO and each of the Underwriters will receive one (1) vote.

This determination has been made by the Monitor. The names of the individuals involved in the making of this determination is irrelevant.

2. *Confirm that all creditors of Sino-Forest have had equal access to financial and other information regarding the company. In particular, confirm that the Noteholders have not had access during the CCAA proceedings, whether from Sino-Forest or the Monitor, to information about Sino-Forest and its subsidiaries that was not made available in the data room established in connection with the Mediation referred to paragraph 31 of the Thirteenth Report.*

The Monitor's response is as follows:

- a. The "Noteholders" who are not ICNS have been provided with limited or no information that is not publicly available.
- b. In dealing with the advisors to the ICNs, the Monitor has been cognizant of the RSA (which was filed as part of the initial application) including the obligations of SFC to provide information thereunder as well as the fact that the Noteholders are the majority stakeholder of the Company. Accordingly, information has been made available to the ICNs that have signed confidentiality agreements and/or their advisors on a continuous basis in that context.

3. *Please produce copies of the letters of intent referred to in paragraph 25 of the Thirteenth Report.*

The Monitor has previously confirmed results of the Sale Process including the fact that none of the letters of intent constituted Qualified Bids.

Both the Company and the ICNs have expressed concern as to the disclosure of further detail due to the commercial sensitivity of the information. As such, the Monitor is not prepared to produce this information to the Underwriters, who are contingent creditors of SFC.

4. *Please produce copies of the opinions referred to in paragraph 49 of the Thirteenth Report. Please provide the further Monitor's conclusion and analysis of the validity and enforceability of the security and unsecured guarantees of each Series of notes and the extent of the overlap of security and guarantees between Series.*

Attached as Appendix B is a copy of the memo of Gowling Lafleur Henderson LLP regarding the legal opinions referred to in paragraph 49 of the Thirteenth Report.

5. *Please provide the expected pro forma opening balance sheet for both Newco and Newco II (as those entities are defined in the Thirteenth Report).*

This Monitor does not have this information.

6. *Please provide the Monitor's detailed opinion as to the value of Sino-Forest. Please produce copies of any valuation information generated by or in the possession of the Monitor, or otherwise confirm that all such information has previously been included in the data room.*

The Monitor is of the view that a market test is the best test for value. As such, the Monitor was supportive of the Sale Process which was approved by the Court and conducted by the Company and HL. None of the letters of intent received in this Court approved Sale process were for Qualified Consideration, which was 85% of the amount outstanding under the Notes. Since the termination of the Sale Process, the Monitor has reported that it was aware that there was some ongoing interest expressed, but to date, no transaction has been successfully negotiated.

The Plan that is before the creditors is the only plan that is supported by the Noteholders, the majority creditor.

Accordingly, in these circumstances and for the reasons set out above, the Monitor determined that a valuation was not necessary.

7. *Paragraph 62 of the Monitor's Tenth Report states that "...to date two subsidiaries have been identified as redundant and are in the process of being wound up. It is fully expected that additional subsidiaries will also be identified as redundant and will be wound up in the near term." Please identify the two subsidiaries specifically referenced above, and any additional subsidiaries that the Applicant has started to wind up since the date of the Tenth Report or intends to wind up, and provide full details of the assets and liabilities (including all intercompany amounts) of those entities.*

This question does not pertain to matters reasonably arising from the Thirteenth Report. However, without prejudice to the Monitor's position in this regard, the Monitor provides the following response:

- a. The two subsidiaries that were wound up were Sino-Panel (Luzhai) Co., Ltd. and Sino-Panel (Beihai) Development Co., Ltd. Both of those subsidiaries related to Sino-Forest's manufacturing business (which accounts for less than 1% of Sino-Forest's overall reported net income for 2011). Both of these entities as well as the manufacturing business overall reported a loss for 2011.
  - b. There are approximately 5 other Sino-Forest Subsidiaries that are in the process of being wound up. None of these Sino-Forest Subsidiaries are material and all of them reported a loss for 2011. The assets and liabilities of all such entities are being wound up into other Sino-Forest Subsidiaries. As a result, there is no overall impact on the total amount of the assets and liabilities of the Sino-Forest Subsidiaries solely as a result of the winding up of those entities.
8. *The Indemnified Noteholder Class Action Limit (as defined in the Plan) only applies to Indemnified Noteholder Class Action Claims, which are claims for which there is a "valid and enforceable Class Action Indemnity Claim against SFC". Please confirm that the claims of the Underwriters and Auditors, as set out in the Proofs of Claim filed in these proceedings, excluding those claims that are or may ultimately be determined to be Equity Claims as defined in the CCAA Plan, are valid and enforceable Class Action Indemnity Claims against SFC. Please identify the persons that made this determination. If this determination has not been made, please identify when it will be made, by whom and the specific procedures and timeline for the making of this determination.*

The Claims of the Underwriters and the Auditors relating to their Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims have not been admitted as Voting Claims or Proven Claims. The Thirteenth Report specifically notes that the Company has reserved the right of the Company to bring a further motion regarding these claims (see

paragraph 53 of the Thirteenth Report). It should be noted those Claims covered in the response to question #1 will be treated as Unresolved Claims for the purposes of the Meeting.

9. *If it has been determined, please provide the identity of the Litigation Trustee.*

The Monitor does not have this information.

10. *If it has been determined, please provide the identity of the directors of Newco.*

This Monitor does not have this information.

11. *Please provide details of the Alternative Sale Transaction, including its status and a summary of its presently anticipated form, substance and details. Please also provide an explanation as to why this Alternative Sales Transaction is being pursued given the "failure" of the Sales Process, as set out in paragraph 101 of the Thirteenth Report.*

The Monitor does not have any information as to an Alternative Sale Transaction. We also refer you to paragraph 25 of the Thirteenth Report which confirms the same.

12. *The Thirteenth Report provides information (for the first time) that the Sales Process failed because none of the letters of intent received provided for the "Qualified Consideration". We renew our request that the Monitor provide full details of the bids received during the Sales Process, including the consideration offered by and terms of all submitted bids.*

See our response to #3 above.

13. *Please provide a detailed summary of all fees and expenses paid by Sino-Forest or accrued to date for payment by Sino-Forest on account of its or any other party's legal counsel, financial advisors and other parties, including any success fees or other compensation to which such parties will become entitled upon or in connection with the Plan approval and implementation (broken down in each case by each party).*

This question does not pertain to matters reasonably arising from the Thirteenth Report. However, the Monitor notes that a cash flow forecast (which set out a line item for professional fees) was filed with the application for the Initial Order as well as every subsequent request for an extension of the Stay Period. The Monitor has also provided its variance analysis in connection with all requests for an extension of the Stay Period.

14. *The Tenth Report states at paragraph 63 states that the Sino-Forest Subsidiaries engaged the services of an independent consultant to assist management in its restructuring activities and to help prepare an action plan for the post-plan implementation period. We request that the Monitor clarify the nature and extent of the independent consultant's previous business or employment relationship with SFC or any of the Subsidiaries, including (but not limited to) whether (a) whether the independent consultant is a "Director" or "Officer" as defined under the Plan, (b) whether the independent consultant is an affiliate or a current or former officer, director, employee of any of the parties proposed to be released under section 7.1(g)*

or 7.1(h) of the Plan, or (c) whether the independent consultant is an affiliate or an officer, director or employee of any of the potential buyers of the Sino-Forest Business that were in contact with Houlihan Lokey or with the Applicant directly.

This question does not pertain to matters reasonably arising from the Thirteenth Report. However, the Monitor notes the following:

- a. The independent consultation is not a director or officer under the Plan;
  - b. To the knowledge of the Monitor, the independent consultant is not an affiliate or a current or former officer, director or employee of any of the parties to be released under section 7.1(g) or 7.1(h) of the Plan; and
  - c. To the knowledge of the Monitor, the independent consultant is not an affiliate or an officer, director or employee of any of the potential buyers that were in contact with HL during the Sale Process.
15. *The Plan provides (in the definition of "Expense Reimbursement") for the payment of a work fee of up to \$5 million to the Initial Consenting Noteholders, and further specifies that such work fee may, at the request of the Monitor, be paid by any of the Subsidiaries instead of SFC. This provision was not in the original version of the Plan that was filed with the Company's August 14, 2012 motion materials. The Company, the Monitor and the advisors to the Initial Consenting Noteholders have consistently represented to the Third Party Defendants that none of the cash in the Subsidiaries is available to pay claims or expenses at the SFC level. None of the remainder of the \$330 million in the Subsidiaries is contemplated to be used to satisfy creditors. We request that the Monitor explain the purpose of this amendment and the circumstances in which the Monitor envisions that cash of the Subsidiaries would be available to pay amounts otherwise payable directly by SFC.*

It is the Monitor's view that prior to the implementation of the Plan, monies at the Sino-Forest Subsidiaries are not available for payment of SFC obligations. However, upon the approval of the Plan and in connection with the implementation of the Plan whereby the assets of the Sino-Forest Subsidiaries will directly or indirectly be transferred to Newco, the Sino-Forest Subsidiaries may make payments that are connected to Plan Implementation.

16. *Please provide details of the time spent and interaction by the Monitor with the Ad Hoc Committee and/or its advisors.*

This question is irrelevant. However, the Monitor has interacted with the ICNs who have signed confidentiality agreements (or their advisors) as it has deemed necessary and appropriate in light of, among other things, the RSA (which was filed in connection with the initial application), the fact that the Noteholders are the majority creditor of SFC and the Monitor's powers and duties under the Initial Order.

17. *The Thirteenth Report provides no analysis of reviewable transactions, broadly defined, or the appropriateness of the Plan purporting to except Sino-Forest from the applicable law in*



*this regard (i.e. BIA s. 38 and 95 to 101). Please provide the Monitor's assessment as to whether there have been any inappropriate or reviewable transactions and the appropriateness of the Plan in this respect.*

The Plan does not provide for the compromise or release of any of these claims other than with respect to the compromise under the Plan itself. We confirm that, in preparing the Thirteenth Report, the Monitor did consider those provisions and their non-applicability to the transactions under the Plan. The Thirteenth Report provides the Monitor's view that the Plan (which includes those provisions) is fair and reasonable.

18. *Please provide the following information, updated to as close to the Meeting Date as possible detailed information, by legal entity or relevant group of legal entities within the Sino-Forest corporate group, with respect to:*

- a. assets by major category (including as a minimum, cash, accounts receivable, and timber assets), direct third-party liabilities, and intercompany balances;*
- b. employees, activities, and cash flows during this proceeding to date;*
- c. direct and/or indirect liabilities and claims indicated during the claims process;*
- d. any new subsidiaries incorporated, transfers of material assets between subsidiaries, security granted or guarantees provided by subsidiaries during this proceeding or during the period prior to this proceeding when the Applicant was negotiating the Support Agreement;*
- e. any other information considered relevant by the Monitor with respect to the status of assets, operations and working capital at such legal entities, including the source of that information; and*
- f. the status and results to date of the Applicant's surveys and analysis of its timber rights and title thereto.*

This question does not pertain to matters reasonably arising from the Thirteenth Report. Without prejudice to the Monitor's position this regard, the Monitor notes that both the Sixth Report and the Tenth Report contained significant detail regarding the Sino-Forest Business. The Monitor confirms that it is not aware of any significant changes since the Tenth Report.

19. *Please produce copies of the Insurance Policies as listed and defined in the Plan.*

The Monitor understands that copies of all insurance policies responsive to the allegations against the company and its directors and officers arising from the Muddy Waters allegations or responsive to allegation in the Class Actions were made available in the Data Room (as defined in the Mediation Order). Any further requests should be directed to the Company.

**APPENDIX B – MEMO re OPINIONS**

## Memorandum

To: FTI Consulting Canada

Date: November 22, 2012

Re: Sino-Forest Corporation (the “Company”) - Review of Legal Opinions

---

### I. SCOPE OF REVIEW

We have reviewed the various legal opinions provided to us by Bennett Jones LLP that were delivered in connection with the Indentures, the Supplemental Indentures and the Security (all as defined below).

The purpose of our review was to determine if the customary legal opinions were given in connection with the Indentures (and guarantees thereunder), the Supplemental Indentures and the Security granted to the noteholders in connection with the Secured Indentures (as defined below). Our review was not exhaustive in that we focussed on the key opinions relating to validity and enforceability, and have considered the key opinions from the perspective of what would be required under Canadian law for a trustee in bankruptcy to conclude that the relevant security was enforceable against the estate.

With respect to the various share pledges and share charges that were entered into in connection with the Secured Indentures, we limited our review to the opinions relating to the amendment and restatement of the share pledges and share charges in October 2010, on the basis that the amended and restated agreements replaced all the prior agreements and the security interests were continued under the amended and restated agreements.

With respect to the Indentures, we have reviewed the opinions that were delivered upon the issuance of each of the Indentures and each of the Supplemental Indentures.

Overall, the issuance of the Indentures, the Security and the Supplemental Indentures are supported by legal opinions from the relevant jurisdictions and the opinions are generally satisfactory in form and scope for transactions of this nature and contain the customary assumptions and qualifications for such opinions. Where, in our view, the opinions were not phrased in customary terms or did not address matters customarily the subject of comparable opinions, legal opinions were obtained from independent local counsel addressing these matters, as noted in the attached Schedule D.

Please note that the review which we have conducted is not our firm’s legal opinion on any aspect of the Indentures, the Supplemental Indentures and/or the Security and this memorandum is provided for information purposes only.



Capitalized terms used in this memorandum and not otherwise defined herein have the meanings set out in the relevant Indenture.

## II. INDENTURES AND SECURITY

### A. Indentures

The Company has issued the following four indentures:

1. Indenture dated as of July 23, 2008 between the Company, the Entities listed in Schedule 1 thereto, as Subsidiary Guarantors, and The Bank of New York Mellon (“BNY”), as Trustee with respect to the 5.00% Convertible Senior Notes (the “**2013 Indenture**”);
2. Indenture dated as of July 27, 2009 between the Company, Law Debenture Trust Company of New York (“LDT”), as Trustee, and the Entities listed in Schedule 1 thereto, as Initial Subsidiary Guarantors with respect to the 10.25% Guaranteed Senior Notes (the “**2014 Indenture**”);
3. Indenture dated as of December 17, 2009 among Sino-Forest Corporation, the Entities listed in Schedule 1 thereto, as Subsidiary Guarantors, and BNY, as Trustee with respect to the 4.25% Convertible Senior Notes (the “**2016 Indenture**”); and
4. Indenture dated as of October 21, 2010 among Sino-Forest Corporation, LDT, as Trustee, and the Entities listed in Schedule 1 thereto, as Initial Subsidiary Guarantors with respect to the 6.25% Guaranteed Senior Notes (the “**2017 Indenture**”).

The foregoing Indentures are collectively referred to as the “**Indentures**”. The 2013 Indenture and the 2016 Indenture are collectively referred to as the “**Convertible Indentures**” and the 2014 Indenture and the 2017 Indenture are collectively referred to as the “**Secured Indentures**”.

### B. Guarantees

All of the Indentures are secured by guarantees from the Subsidiary Guarantors. The guarantors under the Secured Indentures are also guarantors under the Convertible Indentures. However, there are four additional guarantors under the Convertible Indentures that did not provide guarantees under the Secured Indentures. The four additional guarantors are comprised of three BVI entities and one Hong Kong entity (collectively, the “**Mandra Guarantors**”).

The “**Subsidiary Guarantors**” are comprised of the “**Initial Subsidiary Guarantors**” listed in the schedule to the relevant Indenture and any other future Subsidiary required to provide a guarantee under the Indenture, other than a Subsidiary organized under the PRC (in the case of the Convertible Indentures) or an Unrestricted Subsidiary (in the case of the Secured Indentures). An “**Unrestricted Subsidiary**” is: (i) any Subsidiary that is designated as such by the Board of Directors of the Company, (ii) any Subsidiary of such Unrestricted Subsidiary and (iii) any Initial Unrestricted Subsidiary (set out the Schedule to such Secured Indenture). The Unrestricted Subsidiaries currently are: (i) the “**Greenheart**” group of companies, being Greenheart Group Limited (Bermuda) and its

Subsidiaries (including Mega Harvest International Limited (BVI)) and (ii) the “Mandra” group of companies, being the Mandra Guarantors and their respective PRC Subsidiaries.

Any additional Subsidiary that subsequently became a Subsidiary Guarantor entered into a Supplemental Indenture whereby it became a party to the relevant Indenture (including the guarantee of the Company’s obligations), as described in (B) below. The entities that have provided guarantees under the Indentures are listed on the attached Schedule A. The Subsidiary Guarantors are essentially the BVI Subsidiaries (with a few exceptions, as noted below), the Hong Kong Subsidiaries, a Cayman Islands Subsidiary and a Barbados Subsidiary. Out of the five BVI Subsidiaries that did not provide a guarantee, two are inactive, one is to be de-listed, one was released as a Guarantor and is now an Unrestricted Subsidiary (Mega Harvest International Limited) and the other was designated an Unrestricted Subsidiary (Greenheart Resources Holdings Limited).

**C. Supplemental Indentures**

Supplemental indentures were issued pursuant to each of the Indentures under which additional Subsidiary Guarantors acceded to the relevant Indenture. The following supplemental indentures were issued (collectively, the “**Supplemental Indentures**”):

**1. 2013 Note Indenture**

- (a) 1<sup>st</sup> supplemental indenture dated July 20, 2009;
- (b) 2<sup>nd</sup> supplemental indenture dated November 16, 2009;
- (c) 3<sup>rd</sup> supplemental indenture dated January 15, 2010;
- (d) 4<sup>th</sup> supplemental indenture dated October 8, 2010; and
- (e) 5<sup>th</sup> supplemental indenture dated August 5, 2011.

**2. 2014 Note Indenture**

- (a) 1<sup>st</sup> supplemental indenture dated November 16, 2009;
- (b) 2<sup>nd</sup> supplemental indenture dated January 15, 2010;
- (c) 3<sup>rd</sup> supplemental indenture dated October 8, 2010; and
- (d) 4<sup>th</sup> supplemental indenture dated August 5, 2011.

**3. 2016 Note Indenture**

- (a) 1<sup>st</sup> supplemental indenture dated January 15, 2010;
- (b) 2<sup>nd</sup> supplemental indenture dated October 8, 2010; and
- (c) 3<sup>rd</sup> supplemental indenture dated August 5, 2011

4. *2017 Note Indenture*

- (a) 1
- <sup>st</sup>
- supplemental indenture dated August 5, 2011.

D. *Security*

Pursuant to the Secured Indentures, the Company entered into pledge agreements with respect to its shares in the Initial Subsidiary Guarantors, which are all of its direct Subsidiaries.<sup>1</sup> The “**Initial Subsidiary Guarantor Pledgors**”, as set out in the relevant schedule to such Secured Indenture, each pledged the shares it owned in any Initial Subsidiary Guarantor. The entities who have executed share pledges, each a “**Subsidiary Guarantor Pledgor**”, are set in Schedule B attached. The list of entities whose shares are subject to the share pledges are listed on Schedule C attached.

The Company and the Subsidiary Guarantor Pledgors each executed a “**BVI Pledge**” governed by New York law and/or a “**Share Charge**” governed by Hong Kong law. There are three distinct Share Charges: (i) a 2004 Share Charge, (ii) a 2006 Share Charge, and (iii) a 2009 Share Charge (each as amended and then subsequently each as amended and restated in October 21, 2010). Additionally, there is a share charge governed by Barbados law.

The following pledges and share charges were granted by the various Subsidiary Guarantor Pledgors as security for the obligations of the Company and the Subsidiary Guarantor Pledgors under both the 2014 Note Indenture and the 2017 Note Indenture (collectively, the “**Security**”):

1. *Second Amended and Restated Pledge Agreement dated as of October 21, 2010* between Sino-Forest Corporation, Sin-Panel Holdings Limited, Sino-Panel (Asia) Inc., Dynamic Profit Holdings Limited, Sino-Global Holdings Inc., Sino-Capital Global Inc., Sino-Forest International (Barbados) Corporation and Suri-Wood Inc. and Law Debenture Trust Company of New York, as Security Trustee (the “**BVI Share Pledge**”), governed by New York law.

Under the BVI Share Pledge, the Company and the relevant Subsidiary Guarantor Pledgors each pledge their interest in the shares of the Subsidiary Guarantors and any other shares of a Person owed by it, respectively that becomes a Restricted Subsidiary (and is not a PRC Subsidiary or an entity whose jurisdiction of incorporation prohibits the shares from being pledged).

**\*NOTE:** The BVI Share Pledge replaces the Pledge Agreement dated as of September 28, 2004 (as amended by amending agreements dated February 24, 2006, July 27, 2009 and February 5, 2010 and an amendment and restatement agreement dated October 8, 2010).

2. *Amendment and Restatement Deed dated October 21, 2010* between Sino-Forest Corporation, Sino-Wood Partners, Limited and Sino-Plantation Limited and Law Debenture Trust Company of New York, as Security Trustee (the “**2004 HK Share Charge**”), governed by Hong Kong law.

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<sup>1</sup> With the exception of Sino Panel Corporation (a Canadian entity).



Under the 2004 HK Share Charge, the Company and the relevant Subsidiary Guarantor Pledgors each charge their interest in the entities listed in Schedule 2 thereto and any additional future Restricted Subsidiaries which is, or whose holding company is, incorporated in Hong Kong.

**\*NOTE:** The 2004 HK Share Charge replaces the Share Charge dated as of September 28, 2004 (as amended by amending agreements dated February 24, 2006, July 27, 2009 and February 5, 2010).

3. *Amendment and Restatement Deed dated October 21, 2010* between Sino-Capital Global Inc. and Sinowood Limited and Law Debenture Trust Company of New York, as Security Trustee (the “**2006 HK Share Charge**”), governed by Hong Kong Law.

Under the 2006 HK Share Charge the Company and the relevant Subsidiary Guarantor Pledgors charge their interest in the entities listed in Schedule 3 thereto and any future Restricted Subsidiary incorporated in the Cayman Islands or BVI.

**\*NOTE:** The 2006 HK Share Charge replaces the Share Charge dated as of November 22, 2006 (as amended by amending agreements dated July 27, 2009 and February 5, 2010).

4. *Amendment and Restatement Deed dated October 21, 2010* by Suri-Wood Inc. and Law Debenture Trust Company of New York, as Security Trustee (the “**2009 HK Share Charge**”), governed by Hong Kong law.

Under the 2009 HK Share Charge the Company and relevant Subsidiary Guarantor Pledgors charge their interests in the entities listed in Schedule 3 thereto and any future Restricted Subsidiary incorporated in BVI.

**\*NOTE:** The 2009 HK Share Charge replaces the Share Charge dated as of July 27, 2009 (as amended by an amending agreement dated February 5, 2010).

5. *Amended and Restated Deed of Charge over Shares dated October 21, 2010* between Sino-Forest Corporation, Sino-Forest (Barbados) Corporation and Law Debenture Trust Company of New York, as Security Trustee (the “**Barbados Charge**”), governed by Barbados law.

### III. ORIGINAL OPINIONS REVIEWED

The key opinions that we reviewed fall under the following categories (collectively, the “**Original Opinions**”):

1. Opinions dated July 23, 2008 related to the issuance of the 2013 Note Indenture and guarantees thereunder.
2. Opinions dated July 27, 2009 related to the issuance of the 2014 Note Indenture, the guarantees thereunder and the Security issued in connection therewith.



3. Opinions dated December 17, 2009 related to the issuance of the 2016 Note Indenture and guarantees thereunder.
4. Opinions dated October 21, 2010 related to the issuance of the 2017 Note Indenture, the guarantees thereunder and the Security issued in connection therewith.
5. Opinions related to the Supplemental Indentures:
  - (a) Opinions dated July 20, 2009 relating to the accession of the new Subsidiary Guarantors to the 1<sup>st</sup> Supplemental Indenture for the 2013 Note Indenture (collectively, the **“July 2009 Opinions”**);
  - (b) Opinions dated November 16, 2009 relating to the accession of the new Subsidiary Guarantors to:
    - (i) 2<sup>nd</sup> Supplemental Indenture for the 2013 Note Indenture; and
    - (ii) 1<sup>st</sup> Supplemental Indenture for the 2014 Note Indenture(collectively, the **“November 2009 Opinions”**);
  - (c) Opinions dated January 15, 2010 relating to the accession of the new Subsidiary Guarantors to:
    - (i) 3<sup>rd</sup> Supplemental Indenture for the 2013 Note Indenture;
    - (ii) 2<sup>nd</sup> Supplemental Indenture for the 2014 Note Indenture; and
    - (iii) 1<sup>st</sup> Supplemental Indenture for the 2016 Note Indenture;(collectively, the **“January 2010 Opinions”**);
  - (d) Opinions dated October 8, 2010 relating to the accession of the new Subsidiary Guarantors to:
    - (i) 4<sup>th</sup> Supplemental Indenture for the 2013 Note Indenture;
    - (ii) 3<sup>rd</sup> Supplemental Indenture for the 2014 Note Indenture; and
    - (iii) 2<sup>nd</sup> Supplemental Indenture for the 2016 Note Indenture;(collectively, the **“October 2010 Opinions”**);
  - (e) Opinions dated August 5, 2011 relating to the accession of the new Subsidiary Guarantors to:
    - (i) 5<sup>th</sup> Supplemental Indenture for the 2013 Note Indenture;





- (ii) 4<sup>th</sup> Supplemental Indenture for the 2014 Note Indenture;
  - (iii) 3<sup>rd</sup> Supplemental Indenture for the 2016 Note Indenture; and
  - (iv) 1<sup>st</sup> Supplemental Indenture for the 2017 Note Indenture
- (collectively, the “August 2011 Opinions”).

The Original Opinions are listed on Schedule D hereto.

#### IV. COMMENTS ON ORIGINAL OPINIONS

We have no comments on the Original Opinions in respect of the issuance of each of the Indentures.

As the original share pledge agreement and original share charges comprising the Security were all amended and restated as of October 21, 2010, for purposes of determining whether the appropriate opinions were obtained in respect of the Security, our review focussed on those opinions delivered on October 21, 2010 (which was also the date the 2017 Indenture was issued) and referred to in item III.4 above (collectively, the “October 2010 Opinions”). We have the following comments on certain of the October 2010 Opinions relating to the Security.

##### A. Hong Kong Opinions

1. None of the Linklaters’ October 2010 Opinions relating to the 2004 HK Share Charge, the 2006 HK Share Charge or the 2009 HK Share Charge contain an opinion that the Security creates a valid security interest in the charged property (ie. the pledged shares of the Hong Kong entities). This issue is addressed by the Milbank HK Opinion (as defined hereafter) described in Section V.1(a) below.
2. The Linklaters’ Hong Kong October 2010 Opinion relating to the 2004 HK Share Charge contains the opinion that registration is not required to ensure the validity, binding effect and enforceability of the Security, except as set out in paragraph 6 of the opinion. Paragraph 6.16 says that registration may be required at the Companies Registry under section 80 of the Companies Ordinance (the “CO”) in relation to the entry of the 2004 HK Share Charge by each of the Hong Kong Chargors (as defined therein). It states that a signed copy of the 2004 HK Share Charge should be delivered for registration within 5 weeks of the date of such document, “*otherwise those charges may be void against the liquidator or creditor of the HK Chargors.*”. This opinion does not contain any confirmation of whether this registration was made. However, as noted in Section V.1(b) below, the Milbank HK Opinion confirms that the required registration was made.

##### B. Barbados Opinions

1. The Chancery Chambers October 2010 Opinion contains the required opinion that the Share Pledge creates a valid, perfected security interest in the charged collateral (paragraph 9), but this is subject to the required registrations being made as required under the *Companies Act*. Paragraph 7 of the opinion states that two copies of the Pledge Agreement, together with a

statement of charge outlining the particulars thereof, must be filed with the Registrar of Companies in Barbados with 28 days of the creation of the security interest thereunder which is necessary to “*ensure the validity of the security interests created thereby under the laws of Barbados...*”. There is no confirmation in the opinion that such filings were made. As noted in Section V.2 below, we subsequently received confirmation that the required registration was made within the applicable time frame.

**C. U.S. Opinion**

1. The Linklaters’ U.S. October 2010 Opinion contains an assumption in paragraph 3(d) that the BVI Share Pledge constitutes a legal, valid and binding agreement of SFC and each Subsidiary Guarantor Pledgor and is enforceable against each such party. This assumption should not have been made, as the BVI Pledge is governed by NY law. There is an opinion in paragraph 4.4 that the BVI Pledge constitutes a legal, valid and binding agreement, enforceable against each of SFC and the Subsidiary Guarantors, but the opinion is based on an assumption about the very subject matter of the opinion. Consequently, there is no validity and enforceability opinion regarding the BVI Share Pledge. However, as noted in Section V.3 below, the Milbank NY opinion (as defined hereafter) addresses this issue.

We had the following comments about certain of the opinions relating to the Supplemental Indentures.

**D. Supplemental Indentures: July 2009 Linklaters’ U.S. Opinion**

1. There is an assumption in paragraph 4(i) of the July 2009 Linklaters’ U.S. opinion that the 1<sup>st</sup> Supplemental Indenture to the 2013 Note Indenture constitutes a “legal valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.”. There is subsequently an opinion in paragraph 5.2. that the 1<sup>st</sup> Supplemental Indenture is “a valid and legally binding agreement of the Company ... and the New Subsidiary Guarantors, enforceable in accordance with its terms...”. Again, this opinion is based on an assumption about the very subject matter of the opinion. This assumption should not have been made as the validity and enforceability opinion with respect to the Company is properly the subject of a New York law opinion. As noted in Section V.4 below, the Milbank NY opinion addresses this issue.

**V. ADDITIONAL OPINIONS**

1. We obtained an opinion from Milbank, Tweed, Hadley & McCloy dated November 21, 2012 (the “**Milbank HK Opinion**”) in respect of the 2004 HK Share Charge, the 2006 HK Share Charge and the 2009 HK Share Charge. The Milbank HK Opinion contained the following opinions:
  - (a) each of the 2004 HK Share Charge, the 2006 HK Share Charge and the 2009 HK Share Charge is effective to create a fixed charge over the Shares and the Dividends (as such terms are defined in the respective share charges); and

- (b) based on the results of searches conducted at the Registrar of Companies: (i) the 2006 Chargors (as defined therein) were not required to register a copy of the 2006 Share Charge, (ii) the 2009 Chargors (as defined therein) were not required to register a copy of the 2009 Share Charge, and (iii) each HK Company (as defined therein) has complied with the requirements under section 80 of the CO with respect to the 2004 HK Share Charge.

These opinions address to our satisfaction the comments noted in IV A. 1 and 2 above.

2. Bennett Jones LLP provided us with a copy of the Certificate of Registration of Charge issued by the Registrar of Companies dated August 17, 2011 confirming that the Barbados Share Pledge was registered on November 10, 2010 with the Registrar of Companies. This addresses our comment in IV B.1.
3. We obtained an opinion from Milbank, Tweed, Hadley & McCloy LLP dated November 21, 2012 (the "**Milbank NY Opinion**") relating to the BVI Share Pledge. The Milbank NY Opinion contains an opinion that the BVI Pledge constitutes a legal, valid and binding obligation of each Pledgor (as defined therein), enforceable against each such Pledgor in accordance with its terms. This opinion addresses our comment in IV C.1.
4. The Milbank NY Opinion also contains an opinion that the 1st Supplemental Indenture constitutes a legal, valid and binding obligation of each Indenture Obligor (as defined therein), enforceable against each such Indenture Obligor in accordance with its terms. This opinion addresses our comment in IV.D.1.

The Milbank HK Opinion and the Milbank NY Opinion (collectively, the "**Additional Opinions**") are more fully described in Schedule E.

**SCHEDULE A**  
**Subsidiary Guarantors**

<b>Guarantor</b>		<b>Jurisdiction</b>
1.	Ace Supreme International Limited	BVI
2.	Alliance Max Limited	BVI
3.	Amplemax Worldwide Limited	BVI
4.	Brain Force Limited	BVI
5.	Cheer Gold Worldwide Limited	BVI
6.	Dynamic Profit Holdings Limited	BVI
7.	Elite Legacy Limited	BVI
8.	Expert Bonus Investments Limited	BVI
9.	Express Point Holdings Limited	BVI
10.	General Excel Limited	BVI
11.	Glory Billion International Limited	BVI
12.	Grandeur Winway Limited	BVI
13.	Harvest Wonder Worldwide Limited	BVI
14.	Homix Limited	BVI
15.	*Mandra Forestry Anhui Limited	BVI
16.	*Mandra Forestry Finance Limited	BVI
17.	*Mandra Forestry Holdings Limited	BVI
18.	*Mandra Forestry Hubei Limited	HK
19.	Poly Market Limited	BVI
20.	Prime Kinetic Limited	BVI
21.	Regal Win Capital Limited	BVI

<b>Guarantor</b>		<b>Jurisdiction</b>
22.	Rich Choice Worldwide Limited	BVI
23.	SFR (China) Inc.	BVI
24.	Sino Panel (Suzhou) Limited (formerly known as: Pacific Harvest Holdings Limited)	BVI
25.	Sino-Capital Global Inc.	BVI
26.	Sino-Forest Bio-Science Limited (formerly known as: Sino-Two Limited)	BVI
27.	Sino-Forest International (Barbados) Corporation	Barbados
28.	Sino-Forest Investments Limited	BVI
29.	Sino-Forest Resources Inc.	BVI
30.	Sino-Global Holdings Inc.	BVI
31.	Sino-Global Management Consulting Inc.	BVI
32.	Sino-Panel (Asia) Inc.	BVI
33.	Sino-Panel (China) Nursery Limited	BVI
34.	Sino-Panel (Fujian) Limited	BVI
35.	Sino-Panel (Gaoyao) Ltd.	BVI
36.	Sino-Panel (Guangxi) Limited	BVI
37.	Sino-Panel (Guangzhou) Limited	BVI
38.	Sino-Panel (Guizhou) Limited	BVI
39.	Sino-Panel (Huaihua) Limited	BVI
40.	Sino-Panel (Hunan) Limited (formerly known as: Comtech Universal Limited)	BVI
41.	Sino-Panel (North Sea) Limited	BVI
42.	Sino-Panel (North-East China) Limited	BVI

Guarantor		Jurisdiction
43.	Sino-Panel (Qinzhou) Limited (formerly known as: Sino-Panel (Jaiyu) Ltd.)	BVI
44.	Sino-Panel (Russia) Limited	BVI
45.	Sino-Panel (Shaoyang) Limited	BVI
46.	Sino-Panel (Xiangxi) Limited (formerly known as: Rich Base Worldwide Limited)	BVI
47.	Sino-Panel (Yongzhou) Limited	BVI
48.	Sino-Panel (Yunnan) Limited	BVI
49.	Sino-Panel Holdings Limited	BVI
50.	Sino-Panel Trading Limited	BVI
51.	Sino-Plantation Limited	HK
52.	Sinowin Investments Limited	BVI
53.	Sino-Wood (Fujian) Limited	HK
54.	Sino-Wood (Guangdong) Limited	HK
55.	Sino-Wood (Guangxi) Limited	HK
56.	Sino-Wood (Jiangxi) Limited	HK
57.	Sinowood Limited	Cayman Islands
58.	Sino-Wood Partners, Limited	HK
59.	Sino-Wood Trading Limited	BVI
60.	Smart Sure Enterprises Limited	BVI
61.	Suri-Wood Inc.	BVI
62.	Trillion Edge Limited	BVI
63.	Value Quest International Limited	BVI
64.	Well Keen Worldwide Limited	BVI

*\*Guarantor for Convertible Notes only*

**SCHEDULE B**

**Pledgors**

	<b>Pledgor</b>	<b>Jurisdiction</b>	<b>BVI Share Pledge</b>	<b>Hong Kong Share Charge</b>	<b>Barbados Charge</b>
1.	Sino-Forest Corporation	Canada	✓	✓	✓
2.	Sino-Panel Holdings Limited	BVI	✓		
3.	Sino-Panel (Asia) Inc.	BVI	✓		
4.	Sino-Global Holdings Inc.	BVI	✓		
5.	Dynamic Profit Holdings Limited	BVI	✓		
6.	Sino-Wood Partners, Limited	HK		✓	
7.	Sino-Capital Global Inc.	BVI	✓	✓	
8.	Sino-Forest International (Barbados) Corporation	Barbados	✓		✓
9.	Sinowood Limited	Cayman Islands		✓	
10.	Sino-Plantation Limited	HK		✓	
11.	Suri-Wood Inc.	BVI	✓	✓	

7. U.S. Opinion from Linklaters addressed to Banc of America Securities LLC and Credit Suisse Securities (USA) LLC dated October 21, 2010.
  8. U.S. Reliance Letter from Linklaters addressed to Law Debenture Trust Company of New York dated October 21, 2010 re opinion referred to in #7 above.
  9. Hong Kong Opinion from Linklaters addressed to Banc of America Securities LLC and Credit Suisse Securities (USA) LLC dated October 21, 2010 re Note Indenture.
  10. Hong Kong Opinion from Linklaters addressed to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Law Debenture Trust Company of New York dated October 21, 2010 re Amended and Restated 2004 HK Share Charge.
  11. Hong Kong Opinion from Linklaters addressed to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Law Debenture Trust Company of New York dated October 21, 2010 re Amended and Restated 2006 HK Share Charge.
  12. Hong Kong Opinion from Linklaters addressed to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Law Debenture Trust Company of New York dated October 21, 2010 re Amended and Restated 2009 HK Share Charge.
  13. English Opinion from Linklaters addressed to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and Law Debenture Trust Company of New York dated October 21, 2010.
  14. People's Republic of China Opinion from Jingtian & Gongcheng addressed to Sino-Forest Corporation dated October 21, 2010.
  15. Canadian Tax Opinion from Stikeman Elliott LLP addressed to Banc of America Securities LLC and Credit Suisse Securities (USA) LLC dated October 21, 2010.
- E. July 2009 Opinions re Supplemental Indenture**
1. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated July 20, 2009.
  2. Cayman Islands Opinion from Appleby addressed to The Bank of New York Mellon dated July 20, 2009.
  3. Hong Kong Opinion from Linklaters addressed to The Bank of New York Mellon dated July 20, 2009.
  4. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated July 20, 2009.
- F. November 2009 Opinions relating to accession of New Subsidiary Guarantors**
1. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated November 16, 2009 re 2013 Note Indenture.



2. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated November 16, 2009 re 2013 Note Indenture.
3. BVI Opinion from Appleby addressed to Law Debenture Trust Company of New York dated November 16, 2009 re 2014 Note Indenture.
4. Hong Kong Opinion from Linklaters addressed to Law Debenture Trust Company of New York dated November 16, 2009 re 2014 Note Indenture.
5. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated November 16, 2009 re 2014 Note Indenture.

**G. January 2010 Opinions relating to accession of New Subsidiary Guarantors**

1. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated January 15, 2010 re 2013 Note Indenture.
2. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated January 15, 2010 re 2013 Note Indenture.
3. BVI Opinion from Appleby addressed to Law Debenture Trust Company of New York dated January 15, 2010 re 2014 Note Indenture.
4. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated January 15, 2010 re 2014 Note Indenture.
5. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated January 15, 2010 re 2016 Note Indenture.
6. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated January 15, 2010 re 2016 Note Indenture.

**H. October 2010 Opinions relating to accession of New Subsidiary Guarantors**

1. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated October 8, 2010 re 2013 and 2016 Note Indentures.
2. BVI Opinion from Appleby addressed to Law Debenture Trust Company of New York dated October 8, 2010 re 2014 Note Indenture.
3. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated October 8, 2010 re 2013 Note Indenture.
4. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated October 8, 2010 re 2014 Note Indenture.
5. U.S. Opinion from Linklaters addressed to The Bank of New York Mellon dated October 8, 2010 re 2016 Note Indenture.

- I. August 2011 Opinions relating to accession of New Subsidiary Guarantors
1. BVI Opinion from Appleby addressed to The Bank of New York Mellon dated August 5, 2011 re 2013 and 2016 Note Indenture.
  2. BVI Opinion from Appleby addressed to Law Debenture Trust Company of New York dated August 5, 2011 re 2014 and 2017 Note Indentures (Elite Legacy Limited).
  3. BVI Opinion from Appleby addressed to Law Debenture Trust Company of New York dated August 5, 2011 re 2014 and 2017 Note Indentures (Sino-Capital Global Inc.).
  4. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated August 5, 2011 re 2013 Note Indenture.
  5. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated August 5, 2011 re 2014 Note Indenture.
  6. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated August 5, 2011 re 2016 Note Indenture.
  7. U.S. Opinion from Linklaters addressed to The Law Debenture Trust Company of New York dated August 5, 2011 re 2017 Note Indenture.

**SCHEDULE E**  
**Additional Opinions**

1. U.S. opinion from Milbank, Tweed, Hadley & McCloy LLP addressed to FTI Consulting Canada Inc. dated November 21, 2012 re: BVI Share Pledge and 1<sup>st</sup> Supplemental Indenture to 2013 Indenture.
2. Hong Kong opinion from Milbank, Tweed, Hadley & McCloy addressed to FTI Consulting Canada Inc. dated November 21, 2012 re: 2004 HK Share Charge, 2006 HK Share Charge, 2009 HK Share Charge.



**TAB 22**





montréal • ottawa • toronto • hamilton • waterloo region • calgary • Vancouver • Beijing • Moscow • London

December 5, 2012

**SENT BY EMAIL**

**Jennifer Stam**  
Direct 416-862-5697  
jennifer.stam@gowlings.com

TO THE SERVICE LIST

Dear Sirs/Mesdams:

**Re: Sino-Forest Corporation (CV-12-9667-00CL)**

We refer to the Monitor's Supplemental Report to the Thirteenth Report dated December 4, 2012 (the "**Supplemental Report**"). Capitalized terms used herein and not otherwise defined have the meaning given to them in the Supplemental Report or the Plan, as applicable.

At the request of counsel to the Ontario Plaintiffs, we write to confirm the intent of the parenthetical at the end of paragraph 7(d)(iv) of the Supplemental Report. Paragraph 7(d)(iv) of the Supplemental Report is as follows: "in the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release will not become effective (and any claims against Ernst & Young will be assigned to the Litigation Trust)."

The intent of the parenthetical at the end of paragraph 7(d)(iv) of the Supplemental Report was to convey that if the Ernst & Young Settlement was not completed in accordance with its terms, then any Causes of Action of the Company and Trustees against Ernst & Young would be assigned to the Litigation Trust (and are not Excluded Litigation Trust Claims). The intent was not to imply that, in those circumstances, any Class Action Claims would be assigned to the Litigation Trust.

This letter will also be filed with the Court.

Sincerely,

**GOWLING LAFLEUR HENDERSON LLP**

Jennifer Stam

JS

TOR\_LAW\8055056\1





**TAB 23**





Bennett Jones LLP  
3400 One First Canadian Place, PO Box 130  
Toronto, Ontario, Canada M5X 1A4  
Tel: 416.863.1200 Fax: 416.863.1716

Robert W. Staley  
Direct Line: 416.777.4857  
e-mail: staleyr@bennettjones.com

January 3, 2013

**Sent By Email**

Mr. Won J. Kim  
Kim Orr Barristers P.C.  
200 Front Street West  
Suite 2300  
Toronto ON M5V 3K2

Dear Mr. Kim:

**Re: Sino-Forest Corporation ("Sino-Forest") CCAA Proceeding**

I am writing to confirm our telephone conversation of January 2, 2013.

On behalf of your clients you have served a notice of motion for leave to appeal to the Court of Appeal for Ontario from the December 10, 2012 order of Justice Morawetz sanctioning Sino-Forest's CCAA Plan. I confirm your advice that your clients are not seeking a stay pending appeal, nor an expedited appeal, of the Plan sanction order. I also confirm that your advice that your clients are not seeking to prevent the implementation of Sino-Forest's CCAA Plan.

The Plan currently is scheduled to be implemented on or by January 15, 2013. In light of the foregoing, as the Plan sanction order has not been stayed, Sino-Forest (with the consent and support of the Initial Consenting Noteholders and the Monitor) intends to proceed to implement the Plan.

Yours truly,

Robert W. Staley

RWS/jm

cc: Service List

WSLegal\059250\00008\8497684v1



**TAB 24**





# KIM·ORR

Won J. Kim P.C.  
Tel: (416) 349-6570  
E-mail: wjk@kimorr.ca

January 3, 2013

**VIA EMAIL**

Mr. Robert W. Staley  
Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Dear Mr. Staley:

**RE: Sino-Forest Corp. CCAA Proceeding**

Thank you for your letter of January 3, 2012.

We confirm that the proposed appeal only concerns Article 11 of the Plan of Compromise and Reorganization ("Plan") and sections 40 and 41 of the Plan Sanction Order. Since Article 11 does not appear to be connected or integral to the Plan, we do not intend to seek a stay of the Plan Implementation.

Please note that our office has moved to 19 Mercer Street, 4<sup>th</sup> Floor, Toronto, Ontario, M5V 3K2.

Yours truly,

Won J. Kim P.C.

cc. Service List





**TAB 25**





130 Adelaide St W  
Suite 2600  
Toronto, ON  
Canada M5H 3P5  
T 416-865-9500  
F 416-865-9010  
www.litigate.com

January 3, 2013

Peter Griffin  
Direct line: 416-865-2921  
Direct fax: 416-865-3558  
Email: pgriffin@litigate.com

**SENT BY EMAIL**

---

Mr. Won J. Kim  
Kim Orr Barristers P.C.  
4th Floor  
19 Mercer Street  
Toronto, ON M5V 1H2

---

**RE: Sino-Forest Corporation**

Dear Mr. Kim:

I have seen your letter of January 3, 2013 to Mr. Staley.

While I do not think that you could reasonably expect that others would necessarily share the views expressed in paragraph two of your letter, we acknowledge your advice that you do not intend to seek a stay of Plan Implementation.

Yours very truly,



Peter Griffin

PHG/jl

cc: Robert Staley

cc: The Service List



**TAB 26**



This opt-out is submitted on condition that, and is intended to be effective only to the extent that, any defendant in this proceeding does not receive an order in this proceeding, which order becomes final, releasing any claim against such defendant, which includes a claim asserted on an opt-out basis by Invesco Canada Ltd. Otherwise, this opt out right would be wholly illusory.

# SINO-FOREST CLASS ACTION SETTLEMENT OPT OUT FORM

Must be Postmarked  
No Later Than  
January 15, 2013

**THIS FORM IS NOT A REGISTRATION FORM OR A CLAIM FORM.  
THIS FORM EXCLUDES YOU FROM PARTICIPATION IN THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT.  
DO NOT USE THIS FORM IF YOU WANT TO REMAIN IN THE CLASS.**

Last Name	First Name
I N V E S C O C A N A D A L T D .	

Current Address	
5 1 4 0 Y O N G E S T R E E T	
S U I T E 8 0 0	

City	Prov./State	Postal Code/Zip Code
T O R O N T O	O N	M 2 N 6 X 7

Social Insurance Number/Social Security Number/Unique Tax Identifier
N / A

Telephone Number (Work)	Telephone Number (Home)
4 1 6 - 2 2 8 - 3 6 7 0	

Total number of Sino-Forest securities purchased during the Class Period (March 19, 2007 to June 2, 2011):	4 4 9 9 3 8 5
--	---------------

You must also accompany your Opt-Out form with brokerage statements, or other transaction records, listing all of your purchases of Sino-Forest common shares between March 19, 2007 to June 2, 2011, inclusive (the "Class Period").

Identification of person signing this Opt Out Form (please check):

I represent that I purchased Sino-Forest Corporation ("Sino-Forest") securities and am the above identified Class Member. I am signing this Form to EXCLUDE myself from the participation in the Sino-Forest Class Action Settlement Agreement reached between the Class and Pöyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)"), the Settling Defendant.

Purpose for Opting Out (check only one):

My current intention is to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings.

I am opting out of the class action for a reason other than to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings. I am opting out for the following reason(s):

I UNDERSTAND THAT BY OPTING OUT I WILL NEVER BE ELIGIBLE TO RECEIVE BENEFITS OBTAINED BY WAY OF THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT, AND WILL BE UNABLE TO PARTICIPATE IN ANY FUTURE SETTLEMENT OR JUDGEMENT WITH OR AGAINST ANY OF THE REMAINING DEFENDANTS.

Signature: [Signature] Date Signed: Jan. 11, 2013

Please mail your Opt Out Form to:  
Sino-Forest Class Action  
PO Box 3355  
London, ON N6A 4K3







# TAB 27



This opt-out is submitted on condition that, and is intended to be effective only to the extent that, any defendant in this proceeding does not receive an order in this proceeding, which order becomes final, releasing any claim against such defendant, which includes a claim asserted on an opt-out basis by Comité Syndical National de Retraite Bâtirente Inc. Otherwise, this opt out right would be wholly illusory.

# SINO-FOREST CLASS ACTION SETTLEMENT OPT OUT FORM

Must be Postmarked  
No Later Than  
January 15, 2013

THIS FORM IS NOT A REGISTRATION FORM OR A CLAIM FORM.  
THIS FORM EXCLUDES YOU FROM PARTICIPATION IN THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT.  
DO NOT USE THIS FORM IF YOU WANT TO REMAIN IN THE CLASS.

Last Name: COMITÉ SYNDICAL NATIONAL DE  
First Name: RETRAITE BÂTIRENTE INC.

Current Address: 203-2175 BOUL DE MAISONNEUVE E

City: MONTREAL Prov./State: QC Postal Code/Zip Code: H2K 4S3

Social Insurance Number/Social Security Number/Unique Tax Identifier: N/A

Telephone Number (Work): 514-525-5065

Telephone Number (Home):

Total number of Sino-Forest securities purchased during the Class Period (March 19, 2007 to June 2, 2011): 87250

You must also accompany your Opt-Out form with brokerage statements, or other transaction records, listing all of your purchases of Sino-Forest common shares between March 19, 2007 to June 2, 2011, inclusive (the "Class Period").

Identification of person signing this Opt Out Form (please check):  
 I represent that I purchased Sino-Forest Corporation ("Sino-Forest") securities and am the above identified Class Member. I am signing this Form to EXCLUDE myself from the participation in the Sino-Forest Class Action Settlement Agreement reached between the Class and Pöyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)"), the Settling Defendant.

Purpose for Opting Out (check only one):  
 My current intention is to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings.  
 I am opting out of the class action for a reason other than to begin individual litigation against Pöyry (Beijing) in relation to the matters alleged in the Proceedings. I am opting out for the following reason(s):

I UNDERSTAND THAT BY OPTING OUT I WILL NEVER BE ELIGIBLE TO RECEIVE BENEFITS OBTAINED BY WAY OF THE PÖYRY (BEIJING) SETTLEMENT AGREEMENT AND WILL BE UNABLE TO PARTICIPATE IN ANY FUTURE SETTLEMENT OR JUDGEMENT WITH OR AGAINST ANY OF THE REMAINING DEFENDANTS.  
Signature: [Handwritten Signature] Date Signed: 01/11/2013

Please mail your Opt Out Form to:  
Sino-Forest Class Action  
PO Box 3355  
London, ON N6A 4K3





**TAB 28**



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

**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**

Court File No.: CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND  
EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING  
ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and  
ROBERT WONG**

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED  
(formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W.  
JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E.  
ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON  
MURRAY, PETER WANG, GARRY J. WEST, PÖYRY (BEIJING)  
CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES  
(CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES  
CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL  
INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC.,  
CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC.,  
CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE,  
FENNER & SMITH INCORPORATED (successor by merger to Banc of America  
Securities LLC)**

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**NOTICE OF MOTION**  
**(returnable February 4, 2013)**

**TAKE NOTICE** that the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), will make a motion to a Judge of the Commercial List on February 4, 2013 at 10:00 a.m., 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, or at such other time and place as the Court may direct.

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

**THE MOTION IS FOR:**

- (a) an order, in the form attached as Schedule "A" to this notice of motion,
  - (i) if necessary, validating and abridging the time for service and filing of this motion and motion record, and dispensing with any further service thereof;
  - (ii) appointing the Ontario Plaintiffs as representatives on behalf of the Securities Claimants as defined in the draft order;
  - (iii) declaring that the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of the Applicant under the *Companies' Creditors Arrangement Act* dated December 3, 2012 (the "Plan") and as provided for in section 11.1 of the Plan, such Plan having been approved by this Honourable Court by Order dated December 10, 2012) is fair and reasonable in all the circumstances and for the purposes of both proceedings;
  - (iv) approving the Ernst & Young Settlement and the Ernst & Young Release (as defined in the Plan) for all purposes and implementing them in accordance with their terms;



- (v) establishing a settlement trust for the purposes of the Ernst & Young Settlement and irrevocably channeling all Ernst & Young Claims (as defined in the Plan) to the settlement trust in accordance with the terms of the order;
  - (vi) directing that the entire Settlement Amount (net of class counsel fees, disbursements and taxes, including, without limitation, notice and administration costs and payments to Claims Funding International) shall be distributed to and for the benefit of the Securities Claimants for their claims against Ernst & Young; and
  - (vii) requesting the recognition of the courts and other bodies in Canada or the United States to give effect to the order;
- (b) an order for the preservation and production of certain documents in the power, possession or control of Ernst & Young LLP; and
  - (c) Such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) On July 20, 2012, the Ontario Plaintiffs commenced the Ontario Action against Sino-Forest, Ernst & Young LLP and other defendants;
- (b) Guining Liu (the "Quebec Plaintiff") brought a similar class proceeding against Sino-Forest, Ernst & Young LLP and other defendants in Quebec;
- (c) David Leopard and others (the "New York Plaintiffs") have brought a proceeding in the United States New York Southern District Court against Sino-Forest, Ernst & Young LLP and other defendants;
- (d) the Ontario Plaintiffs allege that the defendants made misrepresentations in Sino-Forest's public filings, including its financial statements and offering documents;

- (e) the Ontario Plaintiffs allege that Ernst & Young LLP misrepresented that (a) Sino-Forest's 2007, 2008, 2009 and 2010 annual financial statements were prepared in accordance with generally accepted accounting principles; and (b) Ernst & Young LLP had conducted its 2007, 2008, 2009 and 2010 audits of Sino-Forest in accordance with generally accepted auditing standards;
- (f) Ernst & Young LLP denies these allegations;
- (g) On March 30, 2012, Sino-Forest filed for protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA");
- (h) On May 8, 2012, the CCAA Court stayed the class actions against the third party defendants, including Ernst & Young LLP, to allow all stakeholders to focus on Sino-Forest's restructuring;
- (i) On May 14, 2012, the CCAA Court issued a claims procedure order, which required any person with a claim against Sino-Forest Corporation, its directors or officers, or its subsidiaries to file proofs of claim and permitted the Ontario Plaintiffs to file a proof of claim on behalf of the entire class;
- (j) Ernst & Young LLP filed two proofs of claim on June 20, 2012. Its proofs of claims stated that Ernst & Young LLP had claims against Sino-Forest, its directors and officers and 136 subsidiaries. These claims included contractual indemnities from the subsidiaries;
- (k) On July 25, 2012, the CCAA Court ordered that the Parties (as defined in that order) participate in mediation, including the Ontario Plaintiffs and Ernst & Young LLP;
- (l) An early draft of the Plan was first filed with the CCAA court on August 14, 2012. There have been amendments to the Plan since then, but the Plan has always provided for releases for Sino-Forest subsidiaries and

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certain of Sino-Forest directors and officers, who are third parties to the Plan. The releases of these subsidiaries was considered necessary to the restructuring of Sino-Forest;

- (m) The court-ordered mediation amongst all Parties proceeded in September, but did not result in a settlement at that time;
- (n) The Ontario Plaintiffs and Ernst & Young continued settlement discussions, including bi-lateral mediation in late November, 2012;
- (o) Continued discussions to resolve the issues of the various stakeholders was encouraged by the CCAA Court;
- (p) Until late November 2012, Ernst & Young LLP maintained its opposition to releases for the subsidiaries as the subsidiaries were neither debtors in the CCAA proceedings nor resident in Canada. Ernst & Young LLP had claims against the subsidiaries and it would challenge the fairness or legal basis of any Plan that provided for such releases;
- (q) On November 29, 2012, the Ontario Plaintiffs, the Quebec Plaintiff and Ernst & Young LLP, on behalf of itself, Ernst & Young Global Limited and all member firms thereof (collectively "Ernst & Young"), entered into Minutes of Settlement in order to resolve claims against Ernst & Young relating to Sino-Forest, its affiliates and subsidiaries;
- (r) Following the execution of the Minutes of Settlement, Ernst & Young negotiated the inclusion of the mechanics for and framework of the Ernst & Young Settlement and the Ernst & Young Release in the Plan;
- (s) In return, Ernst & Young agreed to abandon all objections to and support the Plan and the CCAA restructuring including the release of the subsidiaries, and agreed to forego any distributions under the Plan;

- (t) The Ernst & Young Settlement provided the framework for settlements with other defendant (as set out in Article 11.2 of the Plan), which in part led other stakeholders of Sino-Forest to support the Plan;
- (u) This support meant that the Plan was unopposed by stakeholders who had participated to December 2012 in the CCAA Proceedings and materially contributed to Sino-Forest being able to meet its intended January 15, 2013 Plan Implementation Date (as defined in the Plan);
- (v) On December 3, 2012, the creditors of Sino-Forest, including Ernst & Young, overwhelmingly voted in favour of the Plan, which incorporated a framework for the implementation of the Ernst & Young Settlement;
- (w) On December 10, 2012, the court approved the Plan;
- (x) The Ernst & Young Settlement provides that Ernst & Young shall pay CDN \$117 million (the "Settlement Amount") in exchange, among other things, for a comprehensive release of claims against Ernst & Young in respect of Sino-Forest;
- (y) The settlement is fair, reasonable and in the best interests of Securities Claimants, particularly in light of the inherent risks, costs and delay associated with continued litigation;
- (z) The settlement is fair and reasonable in all of the circumstances of these CCAA Proceedings;
- (aa) The Ontario Plaintiffs and the Quebec Plaintiffs support the approval of the Ernst & Young Settlement;
- (bb) Counsel for the Ad Hoc Committee of Purchasers of the Applicant's Securities support the approval of the Ernst & Young Settlement and do so on the basis of
  - (i) extensive investigations in Canada, Hong Kong and China;

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- (ii) input from accounting experts and legal experts in China;
  - (iii) reviews of public documents;
  - (iv) the Ontario Securities Commission proceedings against Sino-Forest and Ernst & Young LLP including the allegations in those proceedings;
  - (v) reviews of non-public documents provided by Sino-Forest relating to Ernst & Young LLP's audits;
  - (vi) Ernst & Young LLP's responsive insurance policies;
  - (vii) the risks relating to recovery in the class actions from Ernst & Young LLP, including risks in establishing liability and the severe limits on recoverable damages for statutory claims. In essence, while damages may be in the billions of dollars, recovery against Ernst & Young may be less than the Settlement Amount if certain of Ernst & Young's defences and arguments are successful at trial; and
  - (viii) the practical likelihood of recovery from Ernst & Young LLP even if a large judgment were made.
- (cc) Based on information available in the public domain, the Settlement Amount would be the largest settlement paid by a Canadian auditing firm in a securities class action lawsuit;
- (dd) the *Class Proceedings Act, 1992*, S.O. 1992, c. 6;
- (ee) the *Companies' Creditors Arrangement Act*;
- (ff) the *Rules of Civil Procedure*; and
- (gg) such further grounds as counsel may advise and this Honourable Court may consider.

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

- (a) Affidavit of Charles Wright sworn January 10, 2013;
- (b) Affidavit of Joseph Redshaw sworn January 10, 2013;
- (c) Affidavit of Serge Kolloghlian sworn January 10, 2013;
- (d) Affidavit of Adam Pritchard sworn January 9, 2013;
- (e) Affidavit of Frank Torchio sworn January 11, 2013; and
- (f) such further or other material as counsel may advise and this Honourable Court may permit.

January 11, 2013

**KOSKIE MINSKY LLP**

20 Queen Street West Suite 900 Box 52  
Toronto, ON M5H 3R3

**Kirk Baert**

**Jonathan Ptak**

**Jonathan Bida**

Tel: 416.977.8353 / Fax: 416.977.3316

Email: [kbaert@kmlaw.ca](mailto:kbaert@kmlaw.ca)

Email: [jptak@kmlaw.ca](mailto:jptak@kmlaw.ca)

Email: [jbida@kmlaw.ca](mailto:jbida@kmlaw.ca)

**SISKINDS LLP**

Barristers & Solicitors

680 Waterloo Street

P.O. Box 2520

London, ON N6A 3V8

**A. Dimitri Lascaris**

**Charles Wright**

Tel: 519.672.2121 / Fax: 519.672.6065

Email: [dimitri.lascaris@siskinds.com](mailto:dimitri.lascaris@siskinds.com)

Email: [Charles.wright@siskinds.com](mailto:Charles.wright@siskinds.com)

**PALIARE ROLAND ROSENBERG ROTHSTEIN  
LLP**

155 Wellington St West 35<sup>th</sup> Floor

- 9 -

Toronto, ON M5V 3H1

**Ken Rosenberg**

**Massimo Starnino**

Tel: 416.646.4300 / Fax: 416.646.4301

Email: [ken.rosenberg@paliareroand.com](mailto:ken.rosenberg@paliareroand.com)

Email: [max.starnino@paliareroand.com](mailto:max.starnino@paliareroand.com)

**Lawyers for the Ad Hoc Committee of  
Purchasers of the Applicant's Securities,  
including the Representative Plaintiffs in the  
Ontario Class Action**

**TO: SERVICE 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

Court File No: CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto, Ontario

**NOTICE OF MOTION  
(Returnable February 4, 2013)**

**PALLARE ROLAND ROSENBERG**

**ROTHSTEIN LLP**

250 University Avenue, Suite 501  
Toronto, ON M5H 3E5

**Ken Rosenberg**

**Massimo Starnino**

Tel: 416.646.4300 / Fax: 416.646.4301

**KOSKIE MINSKY LLP**

20 Queen Street West, Suite 900

Toronto, ON M5H 3R3

**Kirk Baert**

**Jonathan Ptak**

Tel: 416.977.8353 / Fax: 416.977.3316

**SISKINDS LLP**

680 Waterloo Street

London, ON N6A 3V8

**A. Dimitri Lascaris**

**Charles M. Wright**

Tel: 519.672.2121 / Fax: 519.672.6065

**Lawyers for the Ad Hoc Committee of Purchasers of  
the Applicant's Securities, including the Representative  
Plaintiffs in the Ontario Class Action**



## SCHEDULE A

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

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

THE HONOURABLE ) MONDAY, THE  
 )  
 MR. JUSTICE MORAWETZ )  
 4TH DAY OF FEBRUARY, 2013

**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 AND**  
**ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No.: CV-11-431153-00CP

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

BETWEEN:

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND**  
**EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF**  
**OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING**  
**ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT**  
**WONG**

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly**  
**known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON**  
**MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES**  
**P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER**  
**WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY**  
**LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC.,**  
**DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC.,**  
**SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH**  
**CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS**  
**CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH,**  
**PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of**  
**America Securities LLC)**

Defendants

**ORDER**

**THIS MOTION** made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest" or the "Applicant") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively), in their own and proposed representative capacities, for an order giving effect to the Ernst & Young Release and the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of the Applicant under the *Companies' Creditors Arrangement Act* ("CCAA") dated December 3, 2012 (the "Plan") and as provided for in section 11.1 of the Plan, such Plan having been approved by this Honourable Court by Order dated December 10, 2012 (the "Sanction Order")), was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

**WHEREAS** the Ontario Plaintiffs and Ernst & Young (as defined in the Plan) entered into Minutes of Settlement dated November 29, 2012.

**AND WHEREAS** this Honourable Court issued the Sanction Order containing the framework and providing for the implementation of the Ernst & Young Settlement and the Ernst & Young Release, upon further notice and approval;

**AND WHEREAS** the Supervising CCAA Judge, the Honourable Justice Morawetz, in this proceeding was designated on December 13, 2012 by Regional Senior Justice Then to hear this motion for settlement approval pursuant to both the CCAA and the *Class Proceedings Act, 1992*;

**AND WHEREAS** this Honourable Court approved the form of notice and the plan for distribution of the notice to any Person with an Ernst & Young Claim, as defined in the Plan, of this settlement approval motion by Order dated December 21, 2012 (the "Notice Order");

**AND ON READING** the Ontario Plaintiffs' Motion Record, including the affidavits of Charles Wright, counsel to the plaintiffs, and the exhibits thereto, and of [●], and the exhibits thereto, and on reading the ● Report of FTI Consulting Canada Inc., in its capacity as Monitor of

the Applicant (in such capacity, the "Monitor") dated ● including any notices of objection received, and on hearing the submissions of counsel for the Ontario Plaintiffs, Ernst & Young LLP, the Ad Hoc Committee of Sino-Forest Noteholders and the Applicant and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn ●, 2013 and such other notice as required by the Notice Order,

#### **Sufficiency of Service and Definitions**

1. **THIS COURT ORDERS** that the time for service and manner of service of the Notice of Motion and the Motion Record and the ● Report of the Monitor on any Person are, respectively, hereby abridged and validated, and any further service thereof is hereby dispensed with so that this Motion is properly returnable today in both proceedings set out in the styles of cause hereof.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in the Plan.
3. **THIS COURT FINDS** that all applicable parties have adhered to, and acted in accordance with, the Notice Order and that the procedures provided in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all Persons shall be and are hereby forever barred from objecting to the Ernst & Young Settlement or the Ernst & Young Release.

#### **Representation**

4. **THIS COURT ORDERS** that Ontario Plaintiffs are hereby recognized and appointed as representatives on behalf of those Persons described in **Appendix "A"** hereto (collectively, the "Securities Claimants") in these insolvency proceedings in respect of the Applicant (the "CCAA Proceedings") and in the Ontario Class Action, including for the purposes of and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release.
5. **THIS COURT ORDERS** that Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP are hereby recognized and appointed as counsel for the Securities

Claimants for all purposes in these proceedings and as contemplated by section 11.1 of the Plan, and more particularly the Ernst & Young Settlement and the Ernst & Young Release (“CCAA Representative Counsel”).

6. **THIS COURT ORDERS** that the steps taken by CCAA Representative Counsel pursuant to the Orders of this Court dated May 8, 2012 (the “Claims Procedure Order”) and July 25, 2012 (the “Mediation Order”) are hereby validated as of the date thereof and that CCAA Representative Counsel is and was authorized to negotiate and support the Plan on behalf of the Securities Claimants, to negotiate the Ernst & Young Settlement, to bring this motion before this Honourable Court to approve the Ernst & Young Settlement and to take any other necessary steps to effectuate the Ernst & Young Settlement, including bringing any necessary motion before the court, and as contemplated by section 11.1 of the Plan.

#### **Approval of the Settlement & Release**

7. **THIS COURT ORDERS** that the Ernst & Young Settlement is fair and reasonable in all the circumstances and for the purposes of both proceedings.
8. **THIS COURT ORDERS** that the Ernst & Young Settlement and the Ernst & Young Release be and hereby are approved for all purposes and as contemplated by s. 11.1 of the Plan and paragraph 40 of the Sanction Order and shall be implemented in accordance with their terms, this Order, the Plan and the Sanction Order.
9. **THIS COURT ORDERS** that this Order, the Ernst & Young Settlement and the Ernst & Young Release are binding upon each and every Person or entity having an Ernst & Young Claim, including those Persons who are under disability, and any requirements of rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 are dispensed with in respect of the Ontario Class Action.

#### **Payment, Release, Discharge and Channelling**

10. **THIS COURT ORDERS** that upon satisfaction of all the conditions specified in section 11.1(a) of the Plan, Ernst & Young shall pay CDN \$117,000,000 (the “Settlement Fund”)

into the Settlement Trust (as defined in paragraph 16 below) less any amounts paid in advance as set out in paragraph 15 of this order or the Notice Order.

11. **THIS COURT ORDERS** that upon confirmation to the Monitor in writing by Ernst & Young of the fulfillment of all conditions precedent to the Ernst & Young Settlement and the payment contemplated by paragraph 10 hereof of the Settlement Fund to the Settlement Trust, the Monitor shall deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate (as defined in the Plan) substantially in the form attached hereto as **Appendix "B"**. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.
12. **THIS COURT ORDERS** that pursuant to the provisions of section 11.1(b) of the Plan, on the Ernst & Young Settlement Date,
  - a. all Ernst & Young Claims, including but not limited to the claims of the Securities Claimants, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young in accordance with section 11.1(b) of the Plan;
  - b. section 7.3 of the Plan shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis*;
  - c. none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other defendants that portion of any damages that corresponds with the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement ("Ernst & Young's Proportionate Liability");
  - d. Ernst & Young shall have no obligation to participate in and shall not be compelled to participate in any disputes about the allocation of the Settlement Fund from the Settlement Trust and any and all Ernst & Young Claims shall be irrevocably channeled to the Settlement Fund held in the Settlement Trust in accordance with paragraphs 16 and 17 of this order and the Claims and Distribution Protocol and forever discharged and released against Ernst &

Young in accordance with paragraph 12(a) of this order, regardless of whether the Claims and Distribution Protocol is finalized as at the Ernst & Young Settlement Date;

- e. all Class Actions, as defined in the Plan, including the Ontario Class Action shall be permanently stayed as against Ernst & Young; and
- f. the Ontario Class Action shall be dismissed against Ernst & Young.

13. **THIS COURT ORDERS** that on the Ernst & Young Settlement Date, any and all claims which Ernst & Young may have had against any other defendant in the Ontario Class Action, or against any other defendant in any Class Actions in a jurisdiction in which this order has been recognized by a court of competent jurisdiction, any other defendant's insurers or any other Persons who may claim over against the other defendants or the other defendants' insurers, in respect of contribution, indemnity or other claims over which relate to the allegations made in the Class Actions, are hereby fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished (save and except for those claims in the Ontario Class Action as against Poyry Beijing Consulting Company Limited which were dealt with in the Order of Justice Perell J. dated September 25, 2012 in the Ontario Class Action).

14. **THIS COURT ORDERS** that nothing in this order shall fetter the discretion of any court to determine Ernst & Young's Proportionate Liability at the trial or other disposition of an action for the purposes of paragraph 12(c) above, whether or not Ernst & Young appears at the trial or other disposition (which Ernst & Young has no obligation to do) and Ernst & Young's Proportionate Liability shall be determined as if Ernst & Young were a party to the action and any determination by the court in respect of Ernst & Young's Proportionate Liability shall only apply in that action to the proportionate liability of the remaining defendants in those proceedings and shall not be binding on Ernst & Young for any purpose whatsoever and shall not constitute a finding against Ernst & Young for any purpose in any other proceeding.

15. **THIS COURT ORDERS** that the Ontario Plaintiffs shall incur and pay notice and administration costs that are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, up to a maximum of the first \$200,000 thereof (the "Initial Plaintiffs' Costs"), which costs are to be immediately reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Ernst & Young shall incur and pay such notice and administration costs which are incurred in advance of the Ernst & Young Settlement Date, as a result of an order of this Honourable Court, over and above the Initial Plaintiffs' Costs up to a maximum of a further \$200,000 (the "Initial Ernst & Young Costs"). Should any costs in excess of the cumulative amount of the Initial Plaintiffs' Costs and the Initial Ernst & Young Costs, being a total of \$400,000, in respect of notice and administration as ordered by this Honourable Court be incurred prior to the Ernst & Young Settlement Date, such amounts are to be borne equally between the Ontario Plaintiffs and Ernst & Young. All amounts paid by the Ontario Plaintiffs and Ernst & Young as provided herein are to be deducted from or reimbursed from the Settlement Fund after the Ernst & Young Settlement Date. Should the settlement not proceed, the Ontario Plaintiffs and Ernst & Young shall each bear their respective costs paid to that time.

#### **Establishment of the Settlement Trust**

16. **THIS COURT ORDERS** that a trust (the "Settlement Trust") shall be established under which a claims administrator, to be appointed by CCAA Representative Counsel with the consent of the Monitor or with approval of the court, shall be the trustee for the purpose of holding and distributing the Settlement Fund and administering the Settlement Trust.
17. **THIS COURT ORDERS** that after payment of class counsel fees, disbursements and taxes (including, without limitation, notice and administration costs and payments to Claims Funding International) and upon the approval of a Claims and Distribution Protocol, defined below, the entire balance of the Settlement Fund shall, subject to paragraph 18 below, be distributed to or for the benefit of the Securities Claimants for their claims against Ernst & Young, in accordance with a process for allocation and distribution among Securities Claimants, such process to be established by CCAA Representative Counsel and approved by further order of this court (the "Claims and Distribution Protocol").

18. Notwithstanding paragraph 17 above, the following Securities Claimants shall not be entitled to any allocation or distribution of the Settlement Fund: any Person or entity that is as at the date of this order a named defendant to any of the Class Actions (as defined in the Plan) and their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of the following Persons: Allen T.Y. Chan a.k.a. Tak Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Boland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung.
19. **THIS COURT ORDERS** that the fees and costs of the claims administrator and CCAA Representative Counsel shall be paid out of the Settlement Trust, and for such purpose, the claims administrator and the CCAA Representative Counsel may apply to the court to fix such fees and costs in accordance with the laws of Ontario governing the payment of counsel's fees and costs in class proceedings.

#### **Recognition, Enforcement and Further Assistance**

20. **THIS COURT ORDERS** that the Court in the CCAA proceedings shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Ernst & Young Settlement and the Ernst & Young Release and matters related to the Settlement Trust including any disputes about the allocation of the Settlement Fund from the Settlement Trust. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Ernst & Young Settlement and the Ernst & Young Release shall be determined by the court, and that, except with leave of the court first obtained, no Person or party shall commence or continue any proceeding or enforcement process in any other court or tribunal, with respect to the performance or effect of, or any other aspect of the Ernst & Young Settlement and the Ernst & Young Release.
21. **THIS COURT ORDERS** that the Ontario Plaintiffs and Ernst & Young with the assistance of the Monitor, shall use all reasonable efforts to obtain all court approvals and orders necessary for the implementation of the Ernst & Young Settlement and the Ernst & Young Release and shall take such additional steps and execute such additional agreements and



documents as may be necessary or desirable for the completion of the transactions contemplated by the Ernst & Young Settlement, the Ernst & Young Release and this order.

22. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States or elsewhere, to give effect to this order and to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, the Monitor as an officer of this Court, the CCAA Representative Counsel and Ernst & Young LLP, as may be necessary or desirable to give effect to this order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Monitor, the CCAA Representative Counsel and Ernst & Young LLP and their respective agents in carrying out the terms of this order.
23. **THIS COURT ORDERS** that each of the Applicant, the Monitor, CCAA Representative Counsel and Ernst & Young LLP be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this order, or any further order as may be required, and for assistance in carrying out the terms of such orders.
24. **THIS COURT ORDERS** that the running of time for the purposes of the Ernst & Young Claims asserted in the Ontario Class Action, including statutory claims for which the Ontario Plaintiffs have sought leave pursuant to Part XXIII.1 of the *Ontario Securities Act*, R.S.O. 1990, c. S-5 and the concordant provisions of the securities legislation in all other provinces and territories of Canada, shall be suspended as of the date of this order until further order of this CCAA Court.
25. **THIS COURT ORDERS** that in the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Settlement and paragraphs 7-14 and 16-19 of this order shall become null and void and are without prejudice to the rights of the parties in the Ontario Class Action or in any proceedings and any agreement between the

parties incorporated into this order shall be deemed in the Ontario Class Action and in any proceedings to have been made without prejudice.

---

Morawetz, J.

**APPENDIX "A" TO SETTLEMENT APPROVAL ORDER  
DEFINITION OF SECURITIES CLAIMANTS**

"Securities Claimants" are all Persons and entities, wherever they may reside, who acquired any securities of Sino-Forest Corporation including securities acquired in the primary, secondary and over-the-counter markets.

For the purpose of the foregoing,

"Securities" means common shares, notes or other securities defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

**APPENDIX "B" TO SETTLEMENT APPROVAL ORDER  
MONITOR'S ERNST & YOUNG SETTLEMENT CERTIFICATE**

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

**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 AND  
ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No.: CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N :**

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND  
EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING  
ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT  
WONG**

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly  
known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON  
MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES  
P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRY, PETER  
WANG, GARRY J. WEST, PÖYRY (BEIJING) CONSULTING COMPANY  
LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC.,  
DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC.,  
SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH  
CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS  
CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH,  
PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of  
America Securities LLC)**

Defendants

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Court dated February [4], 2013 (the “**Ernst & Young Settlement Approval Order**”) which, *inter alia*, approved the Ernst & Young Settlement and the Ernst & Young Release and established the Settlement Trust (as those terms are defined in the plan of compromise and reorganization dated December 3, 2012 (as the same may be amended, revised or supplemented in accordance with its terms, the “**Plan**”) of Sino-Forest Corporation (“**SFC**”), as approved by the Court pursuant to an Order dated December 10, 2012).

Pursuant to section 11.1 of the Plan and paragraph 11 of the Ernst & Young Settlement Approval Order, FTI Consulting Canada Inc. (the “**Monitor**”) in its capacity as Court-appointed Monitor of SFC delivers to Ernst & Young LLP this certificate and hereby certifies that:

1. Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement;
2. ■, being the trustee of the Settlement Trust has confirmed that such settlement amount has been received by the Settlement Trust; and
3. The Ernst & Young Release is in full force and effect in accordance with the Plan.

DATED at Toronto this \_\_\_ day of \_\_\_\_\_, 201■.

**FTI CONSULTING CANADA INC.** solely  
in its capacity as Monitor of Sino-Forest  
Corporation and not in its personal capacity

\_\_\_\_\_  
Name:

Title:

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

**TAB 29**

Court of Appeal File No.:  
S.C.J. Court File No.: CV-12-9667-00CL

**COURT OF APPEAL FOR ONTARIO**

**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**

Court of Appeal File No.:  
S.C.J. Court File No.: CV-11-431153-00CP

**COURT OF APPEAL FOR ONTARIO**

**BETWEEN:**

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND  
EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING  
ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and  
ROBERT WONG**

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED  
(formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W.  
JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E.  
ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON  
MURRAY, PETER WANG, GARRY J. WEST, PÓYRY (BEIJING) CONSULTING  
COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD  
SECURITIES INC., DUNDEE SECURITIES  
CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC.,  
CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC.,  
CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC.,  
CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE,  
FENNER & SMITH INCORPORATED (successor by merger to Banc of America  
Securities LLC)**

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**NOTICE OF APPEAL**

**THE OBJECTORS (APPELLANTS) APPEAL** to the Court of Appeal from the  
order dated March 20, 2013 ("Settlement Approval Order") of the Honourable Mr. Justice



Morawetz approving the Ernst & Young LLP Settlement ("E&Y Settlement") and third party release of Ernst & Young LLP ("E&Y Release").

The Appellants also appeal the order dated March 20, 2013 ("Representation Dismissal Order") of Justice Morawetz dismissing the Appellants' motion for a representation order and dismissing their request for relief from the binding effect of the representation order appointing certain other persons (the Ontario Plaintiffs) as representatives, as part of the restructuring proceedings of Sino-Forest Corporation ("Sino-Forest" or the "applicant").

**THE APPELLANTS ASK:**

1. that an Order be granted setting aside the Settlement Approval Order;
2. that an Order be granted setting aside the Representation Dismissal Order;
3. such further and other relief as this Honourable Court may deem just.

**THE GROUNDS OF APPEAL** are as follows:

1. Justice Morawetz erred in entering the Settlement Approval Order approving the E&Y Settlement and E&Y Release under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") in connection with the Plan of Compromise and Reorganization of Sino-Forest Corporation (the "Plan"), particularly in that:

(a) Justice Morawetz, the Supervising CCAA Judge in this proceeding, was designated on December 13, 2012, by Regional Senior Justice Then to hear the motion for approval of the E&Y Settlement pursuant to both the CCAA and the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 ("CPA");

(b) the Settlement Approval Order in effect avoided or rejected application of the CPA in determining whether to approve the E&Y Settlement;

(c) the Settlement Approval Order in effect refused to certify the class proceeding against E&Y under the *CPA*;

(d) the Settlement Approval Order in effect entered judgment on common issues or entered an aggregate assessment of monetary relief on the claims asserted under the *CPA* against E&Y, by fully and finally releasing E&Y from liability to class members upon satisfaction of the conditions of the settlement;

(e) the Ontario Plaintiffs did not appropriately and adequately represent the members of the class whose claims against E&Y are proposed to be settled and released;

(f) the *CPA* provides an adequate and appropriate alternative framework for the proposed settlement of the class action claims asserted against E&Y;

(g) the terms of the E&Y Settlement do not provide any assurance that settlement consideration would flow to the parties whose claims are proposed to be settled and released;

(h) the terms of the E&Y Settlement were construed by the Court not to provide opt out rights to the members of the class whose claims against E&Y are proposed to be settled and released;

(i) no-opt-out class action settlements are not permissible under the *CPA*; and,

(j) the Court did not address or decide whether the amount of consideration in the proposed E&Y Settlement was fair, reasonable, and adequate;

2. Justice Morawetz erred in entering the Representation Dismissal Order, particularly in that the Appellants would have more appropriately and adequately represented the interests of the members of the class who are equity claimants and/or the members who objected to the proposed E&Y Settlement, without any conflict of interest, and the interests

of justice would have been served thereby. The combined effect of the Representation Dismissal Order and Settlement Approval Order denied the Appellants their right to representation by counsel of their choice;

3. The Appellants have moved for leave to act as the representative party on this appeal;
4. Rules 10 and 61 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;
5. Sections 6 and 134 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
6. Sections 5, 9, 17, 19, 24, 29, 30(3), 30(5) and 34 of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6; and,
7. Such further and other grounds as counsel may advise.

**THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:**

1. The orders appealed from are final orders of a Judge of the Superior Court of Justice disposing of the rights of class members. Accordingly, the appeal lies directly to the Court of Appeal;
2. Section 6(1)(b) of the *Courts of Justice Act*, R.S.O. 1990, c. C-43; and,
3. Sections 30(3) and 30(5) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6.

The Appellants request that this appeal be heard at Toronto.

April 18, 2013

**KIM ORR BARRISTERS P.C.**  
19 Mercer Street, 4<sup>th</sup> Floor  
Toronto, Ontario  
M5V 1H2

Michael C. Spencer (LSUC #59637F)  
Won J. Kim (LSUC #32918H)  
Megan B. McPhee (LSUC #48351G)

Tel: (416) 596-1414  
Fax: (416) 598-0601

Lawyers for the Objectors (Appellants),  
Invesco Canada Ltd., Northwest & Ethical  
Investments L.P., Comité Syndical National  
de Retraite Bâtirente Inc., Matrix Asset  
Management Inc., Gestion Férique and  
Montrusco Bolton Investments Inc.

**TO: THE SERVICE LIST**

Court of Appeal File No.:  
Commercial Court File No.: CV-12-9667-00CL

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

Court of Appeal File No.:  
Superior Court File No.: CV-10-414302CP

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND  
EASTERN CANADA, et al.  
Plaintiffs

-and- SINO-FOREST CORPORATION, et al.

Defendants

**COURT OF APPEAL FOR ONTARIO**

(Proceeding Commenced at Toronto)

NOTICE OF APPEAL

**KIM ORR BARRISTERS P.C.**

19 Mercer Street, 4<sup>th</sup> Floor  
Toronto, Ontario M5V 1H2

Michael C. Spencer (LSUC #59637F)

Won J. Kim (LSUC #32918H)

Megan B. McPhee (LSUC #48351G)

Tel: (416) 596-1414

Fax: (416) 598-0601

Lawyers for the Objectors (Appellants), Invesco Canada  
Ltd., Northwest & Ethical Investments L.P., Comité  
Syndical National de Retraite Bâtirente Inc., Matrix Asset  
Management Inc., Gestion Férique and Montrusco Bolton  
Investments Inc.