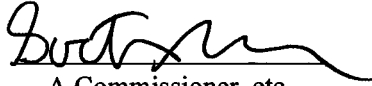


This is Exhibit "D" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to be "Jonathan Ptak", written over a horizontal line.

A Commissioner, etc.



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**Siskinds LLP Koskie Minsky LLP**

December 03, 2012 15:36 ET

**Siskinds LLP and Koskie Minsky LLP Announce \$117 Million Settlement with Ernst & Young LLP in Sino-Forest Class Action**

**TORONTO, ONTARIO and LONDON, ONTARIO--(Marketwire - Dec. 3, 2012)** - Siskinds LLP and Koskie Minsky LLP, class counsel in the Sino-Forest class action, are pleased to announce a \$117 million settlement with Ernst & Young LLP in the Sino-Forest class action. Ernst & Young LLP was Sino-Forest's auditor from August 16, 2007 until its resignation on April 4, 2012. The class action alleges that Sino-Forest, certain of its directors and officers, auditors and underwriters mislead investors concerning the business and accounting at the collapsed timber trader.

The settlement is the largest settlement by an auditor in Canadian history, by a large margin, and is one of the largest-ever auditor settlements worldwide.

"We are proud of this historic settlement," said Dimitri Lascaris, partner in the Siskinds securities class actions group, "it provides direct and immediate benefits to the Class Members."

"Our clients are pleased with this result and we look forward to aggressively prosecuting the action against the remaining defendants," said Kirk Baert, partner at Koskie Minsky.

The Siskinds securities class actions team has offices in London, Toronto and Montreal. The team, comprised of 12 lawyers admitted to practice in Ontario, Quebec, New York State, and the states of Queensland and Victoria in Australia, acts exclusively for investors. Siskinds' securities class actions team is complemented by lawyers in Siskinds' affiliate, Siskinds, Desmeules, based in Quebec City.

Koskie Minsky, based in Toronto, is Canada's leading labour and employment firm. Its class actions team, led by Mr. Baert, has been a leader in class actions since 1992 and has prosecuted many of the leading cases in the area.

The litigation continues against 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, BDO 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.

**Contact Information**

Media contacts:

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(519) 660-7844

dimitri.lascaris@siskinds.com

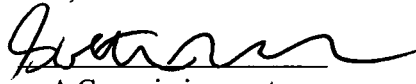
Koskie Minsky LLP

Kirk Baert

(416) 595-2117

kbaert@kmlaw.ca

This is Exhibit "E" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to be "Jonathan Ptak", written over a horizontal line.

A Commissioner, etc.

## E&Y settlement sets record for auditors

**ANDY HOFFMAN, JEFF GRAY**

The Globe and Mail

Published Monday, Dec. 03 2012, 7:39 PM EST

Last updated Monday, Dec. 03 2012, 7:42 PM EST

Representing the largest settlement ever by an auditor in a Canadian securities class-action case, Ernst & Young Canada agreed to pay \$117-million to investors of Sino-Forest Corp., the Chinese timber firm whose shares collapsed in 2011 amid sensational fraud allegations.

The precedent-setting agreement, which still requires court approval, already marks the largest compensation payment ever in a securities class-action case involving a company listed solely in Canada. Reached last Thursday and revealed in court documents on Monday, the deal sets a new high-water mark regarding the legal responsibilities of audit firms representing Canadian corporate clients.

"It raises the bar in Canada certainly. If auditors had thought prior to this case that they were largely immune from a large liability in cases where they are alleged to have failed to fulfill their professional responsibilities, I think that belief has been exploded," said Dimitri Lascaris, one of the lawyers representing Sino-Forest investors in the lawsuit.

Previously, the largest settlement made by an auditor in a case involving a Canadian company was a \$50.5-million (U.S.) payment by Deloitte and Touche LLP for its role as auditor of Hamilton-based Philip Services Corp. in 2007. The largest total compensation in a Canadian securities class-action case for a company listed solely in Canada was the \$85-million (Canadian) won by investors from defendants in the YBM Magnex International Inc. case in 2002.

In addition to E&Y, the \$9.2-billion potential Sino-Forest class-action suit also targets executives, directors and the underwriters who helped raise billions in debt and equity for the company.

Mr. Lascaris said he is confident the settlement will win approval by the courts handling the Sino-Forest Companies' Creditors Arrangement Act and securities class-action cases. "We are going to turn our full attention and resources to ensuring they are all held accountable. For us, this is just the beginning. It's a good beginning but it is far from over," he said.

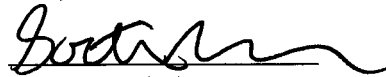
Officials with E&Y declined interview requests but in a statement said the civil settlement, "which is dependent on a series of court approvals and other conditions, will separately resolve all potential civil claims relating to Ernst & Young Canada's audits of Sino-Forest Corporation, and enable us to put the civil litigation behind us. The settlement is without admission of liability," the audit firm said.

However, legal sources, who spoke on the condition of anonymity, said the settlement agreement with E&Y could face opposition in court by other defendants in the class action including underwriters and directors who relied on the firm's audit statements. If approved, the settlement would prevent these parties from seeking compensation from the audit firm.

The settlement was made just days before the Ontario Securities Commission levelled allegations against E&Y Canada on Monday, accusing the firm of violating securities laws when it was the auditor of Sino-Forest's financial statements beginning in August, 2007, until it resigned in April, 2012. Mr. Lascaris said the OSC case would have had no impact on the size of the settlement had it been announced before the deal was reached.

"This is no surprise to us. We always knew this could happen. The allegations that the OSC is making are perfectly consistent with our rationale for settling the case at this level," he said.

This is Exhibit "F" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

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A Commissioner, etc.

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UPDATE 3-Canada's OSC takes Ernst & Young to task on Sino-Forest

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Mon Dec 3, 2012 5:22pm EST

\* OSC staff allege breach of Ontario Securities Act

- \* Ernst & Young says its work was up to standard
\* Sino-Forest collapsed after short-seller's allegations
\* Sino-Forest investors settle for C\$117 million

By Allison Martell and Solarina Ho

TORONTO, Dec 3 (Reuters) - Canadian regulators said on Monday Ernst & Young had conducted improper audits of Sino-Forest Corp in the years before fraud allegations brought down its client, and the accounting firm said it reached a settlement in a class-action suit by Sino shareholders.

Dimitri Lascaris, a partner at Siskinds LLP and co-lead counsel for the investor class action, said he believes the auditor settlement, at C\$117 million (\$118 million), was the biggest of its kind in Canadian history.

The news came on the same day as the Ontario Securities Commission announced formal allegations against the auditor and about a year and a half after short-seller Carson Block first accused Sino-Forest of grossly exaggerating its assets.

Block's report touched off a firestorm that led to the company's delisting and insolvency, as well as a flurry of regulatory actions and lawsuits.

The OSC's staff allege that Ernst & Young's audits for 2007 to 2010 failed to measure up to industry standards in verifying the ownership and, the regulator said. It also said the firm should have applied more professional skepticism to their audits.

"Investors rely on auditors to conduct their audits in accordance with professional standards, particularly when foreign companies are listing on Canadian exchanges," said Tom Atkinson, OSC's director of enforcement. "If auditors fail to abide by Canadian auditing standards and securities laws, we will hold them accountable."

In an emailed response, Ernst & Young Canada denied the allegations, saying it was confident its work on the Sino-Forest audits "met all professional standards." The firm resigned as Sino-Forest's auditor in April.

Separately, U.S. regulators charged the Chinese affiliates of five top accounting firms, including Ernst & Young, with violating U.S. securities law.

The Securities and Exchange Commission alleged that the firms refused to produce audit documents in connection with accounting fraud investigations into some U.S.-listed Chinese companies.

Sino is the most prominent in a series of North American-listed companies with Chinese operations

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whose accounting or disclosure practices came under suspicion last year. The scandals have hurt investor confidence and led to sharp declines in the equity valuations of many Chinese companies listed in the United States and Canada.

#### SHAREHOLDER SETTLEMENT

In addition to Ernst & Young, the class-action suit names Sino-Forest itself, company executives, financial institutions and others. The settlement requires court approval.

"We have many defendants left, and we are now going to focus our attentions on ensuring that all of them are held accountable for their role in this matter," he said.

In a separate statement on the class action, Ernst & Young said the settlement did not include any admission of liability, and confirmed that it was for C\$117 million.

"Upon approval, the settlement will reduce the uncertainty and future burden on our business, and allow us to focus on our people and our clients," it said.

The Sino-Forest affair has prompted criticism of Canada's regulatory regime as being lax in its oversight of companies listed in Canada.

On Monday, Lascaris, one of the country's leading securities class action lawyers, sounded an optimistic note.

"We finally have a legal regime in Ontario which provides a clear path to recovery against auditors and other experts," he said.

Changes to the Ontario Securities Act that came into effect in late 2005 make it easier to bring securities class actions, including those against auditors. But the lawsuits are still relatively rare in Canada, and the new law has faced few real-world tests.

#### REGULATORS SCHEDULE HEARING

OSC's Atkinson said in the release that a major focus in the Sino-Forest investigation has been whether auditors and other advisers acted properly.

While the investigation is not over, the regulator is unlikely to take action against any additional parties involved with Sino-Forest, spokeswoman Carolyn Shaw-Rimmington said.

"At this stage and based on the evidence presently available, we do not anticipate initiating proceedings against additional parties," she said.

The OSC said there would be a hearing on its allegations on Jan. 7, 2013. In cases like this one, staff at the regulator argue the case before OSC commissioners, who can choose to impose monetary penalties and other sanctions.

"The evidence we will present to the OSC will show that Ernst & Young Canada did extensive audit work to verify ownership and existence of Sino-Forest's timber assets," said the statement from Ernst & Young.

Trading in shares of Sino-Forest, once the biggest forestry company on the Toronto Stock Exchange, was halted in August 2011. The shares were formally delisted in May 2012, and the company is now insolvent.

Sino-Forest filed for protection under the Companies' Creditors Arrangement Act, the equivalent of U.S. Chapter 11 filing, in March.

On Monday, the company said its creditors had voted to approve its reorganization plan, under which the creditors will acquire all of its forestry assets.

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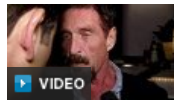
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**Obama, Boehner meet as hopes rise for "fiscal cliff" deal**

WASHINGTON - President Barack Obama and top Republican John Boehner met at the White House on Monday as hopes rose that Washington will be able to head off steep tax hikes and spending cuts that could push the economy into recession next year.

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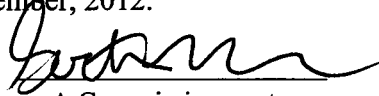
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This is Exhibit "G" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to be 'G. [unclear]', written over a horizontal line.

A Commissioner, etc.

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

**Sino-Forest Corporation**

**SUPPLEMENTAL REPORT TO THE  
THIRTEENTH REPORT OF THE MONITOR**

**December 4, 2012**

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

1. The purpose of this Supplemental Report to the Thirteenth Report (the “**Supplemental Report**”) is to supplement the Thirteenth Report of the Monitor dated November 22, 2012 (the “**Thirteenth Report**”) by:
  - (a) Reporting on amendments to the Plan since the October 19 Plan (defined below) that was described in the Thirteenth Report;
  - (b) to report on the results of the Meeting (defined below); and
  - (c) to provide the Monitor’s recommendation that the Court approve the Plan.
2. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Plan and, if not defined in the Plan, the Thirteenth Report. Paragraphs 5 and 6 of the Thirteenth Report are incorporated herein by reference.
3. The following appendices have been attached to this Supplemental Report:
  - (a) Appendix A – The Plan of Compromise and Reorganization dated December 3, 2012 (the “**Plan**”)

- (b) Appendix B – Blackline of the October 19 Plan to the Plan
- (c) Appendix C – Blackline of the November 28 Plan to the Plan
- (d) Appendix D – Copy of the Company’s press releases dated November 28, 2012, November 30, 2012 and December 3, 2012
- (e) Appendix E – Copy of the Emails to the Service List dated November 28, 2012, November 30, 2012 and December 3, 2012
- (f) Appendix F – Voting Procedures
- (g) Appendix G - Form of Resolution
- (h) Appendix H – Copy of the Minutes of the Meeting including Scrutineer’s Report
- (i) Appendix I – OSC Notice of Hearing and Statement of Allegations against EY
- (j) Appendix J – Letter from Wardle Daley Bernstein re Claim of David Horsley dated November 29, 2012 and responding letter of Bennett Jones LLP dated November 30, 2012
- (k) Appendix K – Proof of Claim (excluding Tab 1 and 2) of David Horsley for vacation pay, termination and severance dated November 1, 2012
- (l) Appendix L - Letter from Davis LLP re Kai Kit Poon dated November 28, 2012 and responding letter of Gowling Lafleur Henderson LLP dated November 29, 2012

## **AMENDMENTS TO THE PLAN**

### *Changes to the Plan (Non-Third Party Defendants)*

4. As result of numerous negotiations which have occurred since the October 19 Plan was filed, a number of changes to the Plan have been agreed upon. Certain of those changes relate specifically to certain Third Party Defendants and those changes are summarized in

the next section below. A summary of certain of the other changes contained in the Plan is as follows:

- (a) Reserves (which are also discussed in more detail below):
  - (i) the amount of the Administration Charge Reserve will be \$500,000 or such other amount as may be agreed to by the Monitor and the ICNs;
  - (ii) there will be no Directors' Charge Reserve nor will there be any amount in the Unresolved Claims Reserve set aside for OSC claims against Directors and Officers;
  - (iii) the Unresolved Claims Reserve will now consist of Plan consideration sufficient to make potential distributions under the Plan in respect of the following in the event that they become Proven Claims: (a) indemnity claims of Third Party Defendants for Indemnified Noteholder Class Action Claims up to the Indemnified Noteholder Class Action Limit; (b) Defence Costs Claims of up to \$12 million<sup>1</sup> or such other amount as may be agreed by the Monitor and the ICNs; and (c) other unresolved Affected Creditor Claims of up to \$500,000 or such other amount as may be agreed by the Monitor and the ICNs;
  - (iv) the Monitor's Post-Implementation Charge Reserve will be \$5 million or such other amount as may be agreed to by the Monitor and the ICNs; and
  - (v) The Unaffected Claims Reserve will be \$1.5 million or such other amount as may be agreed to by the Monitor, the Company and the ICNs.
- (b) Matters relating to the Litigation Trust:
  - (i) the amount of the Litigation Funding Amount is \$1 million; and

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<sup>1</sup> Please see the section below entitled "Additional Information Relating to the Reserves" for the Monitor's report on the adjustment to the calculation of the Defence Costs Claims Limit (defined below).

- (ii) at any date prior to the Plan Implementation Date, the Company and the ICNs may agree to exclude one or more claims, actions or causes of action from the Litigation Trust Claims that would otherwise be assigned to the Litigation Trust on Plan Implementation (“**Excluded Litigation Trust Claims**”).
- (c) Certain provisions relating to the creation of “Newco II” in connection with the implementation of the restructuring transaction have been incorporated throughout the Amended Plan. Newco II will be a wholly-owned subsidiary of Newco to which Newco will transfer the SFC Assets on the Plan Implementation Date. Following implementation of the Plan, Newco II will own the SFC Assets.
- (d) Unaffected Claims no longer includes Claims for termination pay or severance pay payable by the Company to any Person who ceased to be an employee, director or officer of the Company prior to the date of the Plan. Any claims in this regard will now be treated as Unresolved Claims.
- (e) Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claims and Goodmans LLP shall have standing in any such proceeding on behalf of the ICNs.
- (f) The due diligence condition precedent in favour of the ICNs now extends to the Plan Implementation Date with respect to any new material information or events arising or discovered on or after the date of the Sanction Hearing provided that any “new material information or events” does not include any information or events disclosed prior to the date of the Sanction Hearing in a press release or affidavit of the Company or a report of the Monitor that has been filed with the Court.
- (g) Within three (3) business days of the Plan Implementation Date, a foreign representative of the Company will commence a proceeding in the United States for the purpose of seeking recognition of the Plan and the Sanction Order and shall use its reasonable best efforts to obtain such recognition.



*Changes to the Plan (Third Party Defendants)*

5. In addition to the foregoing changes, the Plan was also amended to incorporate changes that relate specifically to the Underwriters and Ernst & Young as well as additional changes to provide a mechanism for a Plan release in the event that the Underwriters and BDO enter into settlements with the Class-Action Plaintiffs or the Litigation Trustee (on behalf of the Litigation Trust), all of which is discussed below.
6. Changes relating to the Underwriters:
  - (a) Claims of the Underwriters against the Company for indemnification in respect of any Noteholder Class Action Claims (other than claims against them for fraud or criminal conduct) shall, for the purposes of the Plan, be deemed to be valid and enforceable Class Action Indemnity Claims against the Company.
  - (b) The Underwriters shall not be entitled to any distributions under the Plan.
  - (c) All Causes of Action against the Underwriters by the Company or the Trustees are deemed to be Excluded Litigation Trust Claims.
  - (d) Any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than such claims for fraud or criminal conduct) that exceeds the Indemnified Noteholder Class Action Limit is released under the Plan.
  - (e) The Underwriters are Named Third Party Defendants (as discussed and defined below).
7. Changes relating to Ernst & Young (as defined in the Plan):
  - (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>2</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.
- (d) In addition to the foregoing, Ernst & Young has now entered into a settlement with the Ontario Plaintiffs and the Quebec Plaintiffs, which is still subject to several conditions and approval of the Ernst & Young Settlement itself, does not form part of the Sanction Order. Section 11.1 of the Plan contains provisions that provide a framework pursuant to which a release of the Ernst & Young Claims<sup>3</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 ICNs, as applicable, to the extent, if any, that such modifications affect the Company, the Monitor or the ICNs, 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

---

<sup>2</sup> Section 4.4(b) of the Plan, among other things, establishes the Indemnified Noteholder Class Action Limit.

<sup>3</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.

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 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).

8. Changes relating to Named Third Party Defendants:

- (a) The Plan now provides a mechanism that would provide the framework for any Eligible Third Party Defendants<sup>4</sup> to become a “Named Third Party Defendant” with the consent of such Third Party Defendant, the Monitor, the ICNs, counsel to the Ontario Plaintiffs and, if occurring prior to the Plan Implementation Date, the Company. As set out above, the Underwriters have become Named Third Party Defendants pursuant to the Plan.
- (b) The deadline for an Eligible Third Party Defendant to become a Named Third Party Defendant is 10am on December 6, 2012 or such later date as may be consented to by the Monitor, the Company (if on or prior to the Plan Implementation Date) and the ICNs. As set out above, the Underwriters have become Named Third Party Defendants.
- (c) Any Named Third Party Defendants will not be entitled to any distributions under the Plan.
- (d) If an Eligible Third Party Defendant becomes a Named Third Party Defendant, then any indemnification rights and entitlements of such party and any indemnity agreements between such party and by the Company shall be deemed valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of that Named Third Party Defendant for indemnification in respect of the Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) the Plan.

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<sup>4</sup> The Eligible Third Party Defendants are the Underwriters, BDO and, if the Ernst & Young Settlement is not completed, Ernst & Young.

- (e) The Plan now provides the framework pursuant to which a Named Third Party Defendant Settlement would be approved and such Named Third Party Defendant would obtain a release under the Plan as follows:
- (i) Notwithstanding anything to the contrary in the Plan, subject to: (A) the granting of the Sanction Order; (B) the granting of the applicable Named Third Party Defendant Settlement Order; and (C) the satisfaction or waiver of all conditions precedent contained in the applicable Named Third Party Defendant Settlement, the applicable Named Third Party Defendant Settlement shall be given effect in accordance with its terms;
  - (ii) Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Named Third Party Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received, the Monitor shall deliver to the applicable Named Third Party Defendant a Monitor's Named Third Party Defendant Settlement Certificate stating that (A) each of the parties to such Named Third Party Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (B) any settlement funds have been paid and received; and (C) immediately upon the delivery of the Monitor's Named Third Party Settlement Certificate, the applicable Named Third Party Defendant Release will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Named Third Party Settlement Certificate with the Court; and
  - (iii) Notwithstanding anything to the contrary in the Plan, upon delivery of the Monitor's Named Third Party Settlement Certificate, any claims and Causes of Action shall be dealt with in accordance with the terms of the applicable Named Third Party Defendant Settlement, the Named Third Party Defendant Settlement Order and the Named Third Party Defendant Release. To the extent provided for by the terms of the applicable Named

Third Party Defendant Release: (A) the applicable Causes of Action against the applicable Named Third Party Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Named Third Party Defendant; and (B) section 7.3 of the Plan shall apply to the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant *mutatis mutandis* on the effective date of the Named Third Party Defendant Settlement.

*Other Changes that Relate to the Third Party Defendants*

9. Indemnified Noteholder Class Action Limit:

- (a) It has been clarified that in the event that a Third Party Defendant is found to be liable for or agrees to a settlement in respect of Noteholder Class Action Claims (other than for fraud or criminal conduct), and such amounts are paid by the Third Party Defendant, then the amount of the Indemnified Noteholder Class Action Limit applicable to the remaining Third Party Defendants shall be reduced by the amount of such judgement or settlement.<sup>5</sup>

10. Document Preservation.

- (a) Prior to Plan Implementation, the Company shall:<sup>6</sup>
  - (i) preserve or cause to be preserved copies of any documents (as such term is defined in the *Rules of Civil Procedure* (Ontario)) that are relevant to the issues raised in the Class Actions; and
  - (ii) make arrangements acceptable to SFC, the Monitor, the ICNs, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to any other Eligible Third Party Defendant if

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<sup>5</sup> Section 4.4(b)(iii)

<sup>6</sup> Section 8.2(x)

they become a Named Third Party Defendants to provide the parties to the Class Actions with access thereto, subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the *Securities Act* (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the *Rules of Civil Procedure* (Ontario) and the *Class Proceedings Act, 1992* (Ontario).

## **ADDITIONAL INFORMATION RELATING TO THE RESERVES**

### *The Cash Reserves*

11. Information relating to the purpose of the Administration Charge, the Unaffected Claims Reserve and the Monitor's Post-Implementation Reserve was contained in the Thirteenth Report. The Plan now provides for the amounts of these Reserves as follows:
  - (a) *Administration Charge Reserve (\$500,000)*. The Plan now provides for the payment of the final invoices of the beneficiaries of the Administration Charge Reserve as a condition to the implementation of the Plan. The amount of \$500,000 has been allocated to the Administration Charge Reserve as a safeguard in the event that there are miscellaneous amounts which are inadvertently missed upon the final payments prior to Plan implementation.
  - (b) *Monitor's Post-Implementation Reserve (\$5,000,000)*. The Monitor's Post-Implementation Reserve is intended to capture costs in administering the SFC estate and the Claims Process post-implementation.
  - (c) *The Unaffected Claims Reserve (\$1,500,000)*. Pursuant to the Plan, the following categories of Claims are Unaffected Claims under the Plan: (i) Claims secured by the Administration Charge; (ii) Government Priority Claims; (iii) Employee

Priority Claim; (iv) Lien Claims; (iv) any other Claims 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, other than any termination pay or severance pay payable by SFC to a Person who ceased to be an employee, Director or Officer of SFC prior to the date of this Plan; (v) Trustee Claims; and (vi) any trade payables that were incurred by SFC (A) after the Filing Date but before the Plan Implementation Date; and (B) in compliance with the Initial Order or other Order issued in the CCAA Proceeding. The Monitor and the Company have reviewed the categories of Unaffected Claims (other than those that are covered by the Administration Charge Reserve) taking into consideration the Company's incurred expenses post-filing, Lien Claims which may be asserted by parties with personal property security registrations, the fact that the Trustees are expected to be paid prior to Plan Implementation (see section 9.1(ee) of the Plan) and the maximum estimated employee related Claims for employees who did not cease to be an employee prior to the date of the Plan. Based on the foregoing, the Monitor and the Company estimate that any such Claims would not exceed \$1.5 million in the aggregate.

#### *The Unresolved Claims Reserve*

12. The Unresolved Claims Reserve now accounts for three categories of Unresolved Claims:
  - (a) Class Action Indemnity Claims by the Third Party Defendants in respect of Indemnified Noteholder Class Action Claims up to \$150 million (being the Indemnified Noteholder Class Action Limit). In light of the fact that the Plan provides for a release of any Third Party Defendants for any Indemnified Noteholder Class Action Claims beyond the Indemnified Noteholder Class Action Limit, the total potential maximum liability of the Company for any resulting Indemnified Noteholder Class Action Claims is thereby also limited to the Indemnified Noteholder Class Action Limit.



- (b) Defence Costs Claims of up to \$12 million (the “**Defence Costs Claims Limit**”). The basis for the calculation of the Defence Costs Claims Limit is discussed in the following paragraphs.
- (c) Other Affected Creditor Claims that are Unresolved Claims up to \$500,000 which represents the amount of Affected Creditor Claims as set out in the proofs of claims filed that are Unresolved Claims and not otherwise accounted for in the Unresolved Claims Reserve or otherwise provided for in the Plan.

*Basis for Calculating Reserve for Defence Costs Claims*

- 13. In accordance with the process established under the Claims Procedure Order, a number of claims have been filed by persons who seek indemnification for Defence Costs Claims<sup>7</sup> (in this capacity, “**Cost Claim Defendants**”). In light of the recent changes to the Plan which release the right of EY or the Underwriters to any distribution under the Plan, the amount of the Unresolved Claims Reserve to address Defence Costs Claims has been reduced to \$12 million.
- 14. As set out above, the Defence Costs Claims Limit has been established as part of the Unresolved Claims Reserve for Defence Costs Claims. All remaining Defence Costs Claims will be treated as Unresolved Claims until such time as they are disposed of or may become Proven Claims for Plan purposes.
- 15. The Company has requested the Monitor’s views concerning the quantum of the reserve for remaining Defence Costs Claims.
- 16. In considering this issue, the Monitor has taken account of a number of factors, including but not limited to the following:
  - (a) the amounts claimed as having been actually incurred;

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<sup>7</sup> Pursuant to section 4.8 of the Plan, Claims for “Defence Costs” are all Claims against SFC for indemnification of defence costs incurred by any Person (other than a Named Director or Officer) 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.

- (b) the specific nature of the claims to which the Cost Claim Defendants are responding;
  - (c) the anticipated synergies arising where multiple Cost Claim Defendants in similar legal and factual circumstances are represented by the same counsel;
  - (d) the experience of counsel to the Monitor in relation to the costs of other class proceedings;
  - (e) costs previously claimed as having been incurred and costs awarded by courts in other class proceedings, both on certification motions and following trial;
  - (f) the overlap in subject area between the class proceedings and regulatory or other proceedings in which the Cost Claim Defendants are involved; and
  - (g) the difficulties inherent in estimating costs to be incurred in the future which are contingent upon the actions of other parties and the course of complex litigation that is currently at an early stage.
17. Having weighed these factors, it is the Monitor's view that the aggregate amount of \$12 million would constitute a reasonable reserve for costs claimed in connection with the class proceedings by the Cost Claim Defendants (excluding EY, the Underwriters and the Named Directors and Officers who have waived any right to distributions under the Plan).
18. In forming its views concerning the amount to be reserved in connection with the Defence Costs Claims, the Monitor has made the following basic assumptions:
- (a) certification will be contested by all defendants, but ultimately granted;
  - (b) the Ontario class proceeding will be the only class proceeding to go to trial; and
  - (c) except for defendants represented by the same counsel, there will be no general cost sharing arrangements between defendants.

19. The establishment of the Unresolved Claims Reserve is not an admission by the Company, the Monitor or any other party (including the ICNs) as to the validity of any such Claims and all rights to dispute such Claims are reserved.

## **THE MEETING**

### *Meeting Date*

20. On November 28, 2012, the Company issued a press release (Appendix D) announcing it had further amended its plan dated October 19, 2012 (the “**October 19 Plan**”) and that, to provide creditors with time to review this amended plan (the “**November 28 Plan**”), the Meeting would be postponed to 10am on Friday November 30, 2012. The Company also announced the change in location of the meeting to the offices of Gowling Lafleur Henderson LLP (“**Gowlings**”) at 1 First Canadian Place, 100 King Street West, Suite 1600, Toronto, Ontario. The Monitor provided notice of these changes to the service list and posted the revised plan and the new time for the Meeting on its website (Appendix E).
21. On November 30, 2012, the Company issued a further press release (Appendix D) announcing that the Meeting would be postponed to 10am on Monday, December 3, 2012. The Monitor provided notice of the postponement of the Meeting to the service list and posted notice of the new time for the Meeting on its website (Appendix E).
22. On December 3, 2012, the Company issued a further press release (Appendix D) that it had further amended the November 28 Plan with the Plan. The Monitor provided a copy of the Plan to the CCAA service list (Appendix E) and the press release stated that the Plan would be posted on the Monitor’s website but that in the meantime, parties could contact the Monitor for a copy of the Plan.

### *Summary of Meeting*

23. The Meeting was held at Gowlings office on December 3, 2012, starting shortly after 10am.

24. In accordance with the Meeting Order, Greg Watson, an officer of FTI Consulting Canada Inc., acted as chair (the “**Chair**”) of the Meeting. Stephen McKersie of Gowlings acted as secretary of the Meeting and Jodi Porepa of FTI Consulting Canada Inc. acted as scrutineer (the “**Scrutineer**”).
25. Quorum for the purposes of the Meeting was one Affected Creditor with a Voting Claim present at the Meeting (in person or by proxy). The Scrutineer confirmed that there was at least one (1) Affected Creditor with a Voting Claim present at the Meeting (in person or by proxy). Accordingly, the Chair declared that the Meeting was properly constituted.
26. The Chair then provided an overview of the process for providing notice of the Plan and dispensed with the reading of the Notice to Affected Creditors (as set out in the Meeting Order) asked whether there was any person present with a Voting Claim or Unresolved Claim who had not submitted a proxy and who wished to vote at the Meeting. No such person responded.
27. The Chair then provided a brief overview of the CCAA proceedings and summarized the amendments to the Plan since the October 19 Plan. Upon conclusion of the summary of the Plan, the Chair asked whether anyone who was entitled to speak had any questions regarding the Plan. Ken Dekker of Affleck Greene McMurtry LLP, counsel for BDO, asked a question regarding the timeframe for further detail surrounding the mechanics regarding the implementation of the Plan and the continuation of the Class Actions including matters relating to documentary discovery and the impact of the release. Derrick Tay of Gowlings, counsel for the Monitor, replied that while discussions may take place prior to the Sanction Hearing, it was unlikely that all such issues would be resolved prior to the Sanction Hearing.
28. Upon conclusion of the discussion of the Plan, the Chair reviewed the process for voting on the Plan as set out in the Voting Procedures (Appendix F). The Chair then confirmed that: (a) the result of the proxy count would be announced after proposal and consideration of the motion and that results of both Voting Claims and Unresolved Claims would be announced; and (b) the CCAA requires a majority in number and 2/3 in

value of the voting class (present at the Meeting in person or by proxy) for approval of the Plan.

29. The Chair then read out the proposed resolution (Appendix G), as follows:

- (a) *“The plan of compromise and reorganization (the "CCAA Plan") under the Companies' Creditors Arrangement Act (Canada) and the Canada Business Corporations Act concerning, affecting and involving Sino-Forest Corporation ("SFC"), substantially in the form dated December 3, 2012 (as such CCAA Plan may be amended, varied or supplemented by SFC from time to time in accordance with its terms) and the transactions contemplated therein be and it is hereby accepted, approved, agreed to and authorized;*
- (b) *Notwithstanding the passing of this resolution by each Affected Creditor Class (as defined in the CCAA Plan) or the passing of similar resolutions or approval of the Ontario Superior Court of Justice (the "Court"), the board of directors of SFC, without further notice to, or approval of, the Affected Creditors (as defined in CCAA Plan), subject to the terms of the CCAA Plan, may decide not to proceed with the CCAA Plan or may revoke this resolution at any time prior to the CCAA Plan becoming effective, provided that any such decision after the issuance of a sanction order shall require the approval of the Monitor and the Court; and*
- (c) *Any director or officer of SFC be and is hereby authorized, for and on behalf of SFC, to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the CCAA Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or taking of any such actions.”*

30. Robert Chadwick of Goodmans LLP, holder of a number of proxies on behalf of Noteholders, then proposed the motion.

31. The Monitor then advised that it had tabulated the proxies indicating votes received for both Voting Claims and Unresolved Claims in connection with the Plan (as amended up to December 3, 2012). The following tables show:

- (a) the number of Voting Claims and their value for and against the Plan (table 1):

|                                    | Number of Votes | %       | Value of Votes   | %       |
|------------------------------------|-----------------|---------|------------------|---------|
| <b>Total Claims Voting For</b>     | 250             | 98.81%  | \$ 1,465,766,204 | 99.97%  |
| <b>Total Claims Voting Against</b> | 3               | 1.19%   | \$ 414,087       | 0.03%   |
| <b>Total Claims Voting</b>         | 253             | 100.00% | \$ 1,466,180,291 | 100.00% |

- (b) the number of votes for and against the Plan in connection with Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims up to the Indemnified Noteholder Limit (table 2):

|                               | Vote For | Vote Against | Total Votes |
|-------------------------------|----------|--------------|-------------|
| Class Action Indemnity Claims | 4        | 1            | 5           |

- (c) the number of Defence Costs Claims votes for and against the Plan and their value (table 3):

|                             | Number of Votes | %       | Value of Votes | %       |
|-----------------------------|-----------------|---------|----------------|---------|
| Total Claims Voting For     | 12              | 92.31%  | \$ 8,375,016   | 96.10%  |
| Total Claims Voting Against | 1               | 7.69%   | \$ 340,000     | 3.90%   |
| Total Claims Voting         | 13              | 100.00% | \$ 8,715,016   | 100.00% |

- (d) the overall impact on the approval of the Plan if the count were to include Total Unresolved Claims (including Defence Costs Claims) and if the entire \$150 million of the Indemnified Noteholder Class Action Limit had been voted a “no” vote (table 4):

|                             | Number of Votes | %       | Value of Votes   | %       |
|-----------------------------|-----------------|---------|------------------|---------|
| Total Claims Voting For     | 263             | 98.50%  | \$ 1,474,149,082 | 90.72%  |
| Total Claims Voting Against | 4               | 1.50%   | \$ 150,754,087   | 9.28%   |
| Total Claims Voting         | 267             | 100.00% | \$ 1,624,903,169 | 100.00% |

32. A copy of the Minutes of the Meeting including a copy of the scrutineer’s report is attached as Appendix H.
33. The motion was carried and Meeting was terminated at approximately 10:34am.

## **ADDITIONAL UPDATES**

### *OSC Proceedings regarding EY*

34. On December 3, 2012, the OSC issued a statement of allegations and notice of hearing against EY (Appendix I). The hearing was set for January 7, 2013.

### *Appeal of the Equity Decision*

35. On November 28, 2012, the Underwriters provided notice of their intention to seek leave of the Supreme Court of Canada to appeal the Ontario Court of Appeal's decision dismissing the appeal of the Equity Claims Decision. The Underwriters have now advised of their decision to not further pursue leave of the Supreme Court of Canada.

#### **REMAINING OBJECTIONS TO THE PLAN**

36. The Company and the ICNs have made significant progress in resolving issues relating to the Plan such that, neither the Ontario Plaintiffs nor the Quebec Plaintiffs are opposed to the Plan; and both Ernst & Young and the Underwriters are supportive of the Plan. As of the date of this Report, the Monitor is aware of objections to the Plan from only from BDO and one former director and one former officer. The Company and the ICNs intend to continue to work to see if the objections of BDO can be resolved prior to the Sanction Hearing.
37. As of the date of this Supplemental Report, the former director and former officer referred to above have written letters indicating their intention to object to the Plan. For the reference of the Court, attached are the following documents:
- (a) Letter from Wardle Daley Bernstein re Claim of David Horsley dated November 29, 2012 and responding letter of Bennett Jones LLP dated November 30, 2012 (Appendix J);
  - (b) Proof of Claim (excluding Tab 1 and 2) of David Horsley for vacation pay, termination and severance pay dated November 1, 2012 (Appendix K); and
  - (c) Letter from Davis LLP re Kai Kit Poon dated November 28, 2012 and responding letter of Gowling Lafleur Henderson LLP dated November 29, 2012 (Appendix L).
38. Additionally, the Monitor is aware that an individual, Mr. Lam, who the Monitor understands was a purchaser of shares after the release of the MW Report (and therefore not part of the Class Actions) has requested changes to the Plan to, among other things, expressly preserve his claims against the Third Party Defendants. The Monitor has

written to Mr. Lam and indicated that it was not prepared to recommend any of the changes requested.

## **RECOMMENDATION AND CONCLUSIONS**

39. The Thirteenth Report contained the Monitor's analysis as to the reasonableness of the Plan. The Monitor remains of the view that liquidation or bankruptcy would not be more beneficial to the Company's Affected Creditors.
40. As set out above, a number of outstanding objections to the Plan have now been settled and an overwhelming majority in number and in value of Affected Creditors with Voting Claims present in person or by proxy at the Meeting voted in favour of the Plan.
41. Accordingly, for the reasons set out in the Thirteenth Report and this Supplemental Report, the Monitor believes that the Plan is fair and reasonable and respectfully recommends that this Honourable Court grant the Company's request for sanction of the Plan.



Dated this 4<sup>th</sup> day of December, 2012.

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

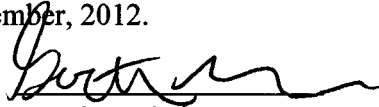


Greg Watson  
Senior Managing Director



Jodi Porepa  
Managing Director

This is Exhibit "H" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to be 'D. [unclear]', written over a horizontal line.

A Commissioner, etc.

THE HONOURABLE EDWARD THEN  
REGIONAL SENIOR JUSTICE  
SUPERIOR COURT OF JUSTICE

COURT HOUSE  
361 UNIVERSITY AVENUE  
TORONTO, ONTARIO M5G 1T3  
Tel: (416) 327-5094  
Fax: (416) 327-9931



L'HONORABLE EDWARD THEN  
JUGE PRINCIPAL RÉGIONAL  
COUR SUPÉRIEURE DE JUSTICE

PALAIS DE JUSTICE  
361, AVENUE UNIVERSITY  
TORONTO (ONTARIO) M5G 1T3  
Tél: (416) 327-5094  
Téléco: (416) 327-9931

December 13, 2012

Mr. Justice Morawetz  
361 University Avenue  
Toronto, Ontario M5G 1T3

Dear Mr. Justice Morawetz:

Re: Sino-Forest Corporation

Pursuant to s. 34 of the Class Proceedings Act, I assign Morawetz J. to hear the motion to approve the E & Y Settlement and ancillary matters related to the E & Y Settlement (referred to in the endorsements reported at 2012 ONSC 7041 and 2012 ONSC 7050) under the Class Proceedings Act, 1992 and the Companies' Creditors Arrangement Act.

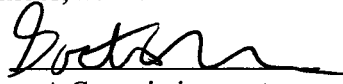
Yours truly,

Edward Then  
Regional Senior Justice

EFT:pmd

c. Justice Perell

This is Exhibit "I" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to read 'Jonathan Ptak', written over a horizontal line.

A Commissioner, etc.

Court File Number: CV-12-9667-00CL

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

SINO - Forest  
Plaintiff(s)  
AND  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

| Counsel | Telephone No: | Facsimile No: |
|---------|---------------|---------------|
|         |               |               |
|         |               |               |

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

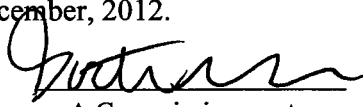
The E+7 Settlement approval motion will be heard by me on Friday January 4, 2013. Please see attached letter from RST Ther.

December 13, 2012  
Date

[Signature]  
Judge's Signature

Additional Pages \_\_\_\_\_

This is Exhibit "J" mentioned and referred to in the Affidavit of Jonathan Ptak, sworn before me at the City of Toronto, in the Province of Ontario, this 17<sup>th</sup> day of December, 2012.

A handwritten signature in black ink, appearing to be "Jonathan Ptak", written over a horizontal line.

A Commissioner, etc.

## **SINO-FOREST CORPORATION CLASS ACTION**

### **TO CURRENT AND FORMER SINO-FOREST SHAREHOLDERS AND NOTEHOLDERS**

#### **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/>.

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, sencl (“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”). The proposed settlement would settle all claims, globally, against Ernst & Young in relation to the allegations in the Proceedings. Ernst & Young does not admit to any wrongdoing or liability. The proposed settlement does not involve the resolution of any claims against Sino-Forest or any of the other defendants. 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 proposed settlement, if approved and its conditions fulfilled, provides that Ernst & Young will pay CAD\$117,000,000.00 for the benefit 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 regarding any allegations relating to the Proceedings.

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

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

On January 4, 2013 at 9 a.m., 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 January 4, 2013 (the “Ontario 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 Ontario Approval Motion is granted, then there may be additional hearings at later dates in the Quebec Superior Court (the “Quebec Motion”) and in the Southern District of New York (the “US Motion”) at which counsel to the plaintiffs in the Quebec Proceeding and the US Action, respectively, may seek the recognition and implementation of the Ontario Approval Motion and the Ernst & Young Settlement.

If the Ontario 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 Ontario Approval Motion and ask to make submissions regarding the proposed settlement with Ernst & Young.

**Any person who wishes to object to the Ernst & Young Settlement Agreement must provide written notice to Class Counsel at the addresses below by NO LATER THAN FOUR (4) DAYS BEFORE THE SETTLEMENT APPROVAL HEARING.**

### **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**

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**

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**

**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

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

The Trustees of the Labourers' Pension Fund of Central and Eastern Canada, et al. v. Sino-Forest Corporation, et al.

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF JONATHAN PTAK**

**KOSKIE MINSKY LLP**

900-20 Queen St. West  
Box 52

Toronto, ON M5H 3R3

**Kirk M. Baert**  
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Tel.: 416.595.2072

Fax: 416.204.2907

Lawyers for the  
Plaintiffs

**SISKINDS LLP**

680 Waterloo Street  
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London, ON N6A 3V8

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Tel.: 519.660.7844

Fax: 519.660.7845

Lawyers for the  
Plaintiffs

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) TUESDAY, THE 25<sup>TH</sup> DAY  
JUSTICE PERELL ) OF SEPTEMBER, 2012

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*

**ORDER**

**THIS MOTION** made by the Plaintiffs for an Order i) certifying this action as a class proceeding for settlement purposes as against Pöyry (Beijing) Consulting Company Limited (the "Settling Defendant"); ii) approving the settlement agreement made as of March 20, 2012, between the plaintiffs and the Settling Defendant (the "Settlement Agreement"); iii) approving the form of notice to class members of the certification of this action and the approval of the

Settlement Agreement ("Long-Form Approval Notice") and the summary notice to class members of the certification of this action and the approval of the Settlement Agreement ("Short-Form Approval Notice") (together, the "Approval Notices"); iv) approving the form of notice to class members of the Approval Notices ("Notice Plan"); and v) dismissing the action as against the Settling Defendant, was heard on September 21, 2012, in Toronto, Ontario.

**WHEREAS** the Plaintiffs and the Settling Defendant have entered into the Settlement Agreement in respect of the Plaintiffs' claims against the Settling Defendant.

**AND WHEREAS** notice of the Settlement Approval Hearing in this proceeding was provided pursuant to the Order dated May 17, 2012.

**AND WHEREAS** the defendant Sino-Forest Corporation ("Sino-Forest") has delivered to counsel for the plaintiffs a list of holders of Sino-Forest's securities as of June 2, 2011 (the "June 2, 2011 Shareholder List");

**AND ON READING** the materials filed, including the Settlement Agreement attached to this Order as Schedule "A", and on hearing submissions of counsel for the Plaintiffs, counsel for the Settling Defendant, and counsel for the Non-Settling Defendants (as defined in the Settlement Agreement):

1. **THIS COURT ORDERS** that the plaintiffs are granted leave to bring this motion.
2. **THIS COURT DECLARES** that for the purposes of this Order the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.

3. **THIS COURT ORDERS** that this proceeding be, and hereby is, certified as a class proceeding, for purposes of settlement only, pursuant to the *Class Proceedings Act, 1992*, SO 1992, c 6. ("CPA") sections 2 and 5.

4. **THIS COURT ORDERS** that the Settlement Class is defined as:

all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation common shares, notes, or other securities, as defined in the Ontario *Securities Act*, during the period from and including March 19, 2007 to and including June 2, 2011

(a) by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter or

(b) who are residents of Canada or were residents of Canada at the time of acquisition and who acquired Sino-Forest Corporation's securities outside of Canada,

excluding the defendants, 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 an individual defendant;

5. **THIS COURT ORDERS AND DECLARES** that 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 be and hereby are appointed as the representative plaintiffs for the Settlement Class.

6. **THIS COURT ORDERS AND DECLARES** that the claims asserted on behalf of the Settlement Class as against the Settling Defendant are: (a) negligence in connection with Sino-Forest's share and note offerings during the class period; (b) the statutory cause of action in section 130 of the *Securities Act*, R.S.O. 1990, c.S.5 ("OSA") for alleged

misrepresentations in Sino-Forest's June 2009 and December 2009 prospectuses; and (c) the statutory cause of action in Part XXIII.1 of the *OSA* in connection with Sino-Forest's continuous disclosure documents;

7. **THIS COURT ORDERS** that, for the purposes of settlement, the Ontario Proceeding be and hereby is certified on the basis of the following common issue:

Did the Settling Defendant make misrepresentations as alleged in this Proceeding during the Class Period concerning the assets, business or transactions of Sino-Forest. If so, what damages, if any, did Settlement Class Members suffer?

8. **THIS COURT ORDERS** that NPT Ricepoint Class Action Services be and is hereby appointed as the Opt-Out Administrator for purposes of the proposed settlement and for carrying out the duties assigned to the Opt-Out Administrator under the Settlement Agreement.
9. **THIS COURT ORDERS** that any putative Settlement Class Member may opt out of the Settlement Class in accordance with section 4.1 of the Settlement Agreement.
10. **THIS COURT ORDERS** that any Settlement Class Member who validly opts out of the Settlement Agreement in accordance with paragraph 9 of this Order is not bound by the Settlement Agreement and may no longer participate in any continuation or settlement of the within action.
11. **THIS COURT ORDERS** that the Settlement Agreement, in its entirety (including the Recitals, the Definitions set out in Section I, and the Schedules), forms part of this Order, shall be implemented in accordance with its terms subject to the terms of this Order, and is binding upon the Plaintiffs, the Settling Defendant, the Opt-Out Administrator and all

Settlement Class Members, including those persons who are minors or mentally incapable, who did not validly opt out of the Settlement Class in accordance with the Settlement Agreement, and that the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, RRO 1990, Reg 194 are dispensed with in respect of the within action. If there is any inconsistency between the terms of this Order and the Settlement Agreement, the terms of this Order govern.

12. **THIS COURT ORDERS AND DECLARES** that any Settlement Class Member who does not validly opt out of the Settlement Class in accordance with paragraph 9 of this Order shall be deemed to have elected to participate in the settlement and be bound by the terms of the Settlement Agreement and all related court Orders.
13. **THIS COURT ORDERS AND DECLARES** that each Settlement Class Member who does not opt out of the Settlement Class in accordance with paragraph 9 of this Order shall consent and shall be deemed to have consented to the dismissal, without costs and with prejudice, of any other action the Settlement Class Member has commenced against the Releasees, or any of them, in relation to a Released Claim (an "Other Action").
14. **THIS COURT ORDERS AND DECLARES** that each Other Action commenced in Ontario by any Settlement Class Member who does not opt out of the Settlement Class in accordance with paragraph 9 of this Order is dismissed against the Releasees, without costs and with prejudice.
15. **THIS COURT DECLARES** that, subject to the terms of this Order, the settlement as set forth in the Settlement Agreement is fair, reasonable and in the best interests of the Settlement Class Members.



16. **THIS COURT ORDERS** that, subject to the terms of this Order, the Settlement Agreement be and is hereby is approved pursuant to s. 29 of the *CPA* and that it shall be implemented in accordance with its terms.
17. **THIS COURT ORDERS** that the form and content of the Long-Form Approval Notice, the Short-Form Approval Notice, and the opt out forms attached hereto as Schedules "B", "C", and "D" respectively, be and are hereby approved and shall be published, subject to the right of the plaintiff and the Settling Defendant to make minor non-material amendments to such forms, by mutual agreement, as may be necessary or desirable, or for the purpose of creating an online opt out form at the Opt-Out Administrator's website.
18. **THIS COURT ORDERS** that the Approval Notices shall be disseminated as follows:
- (a) A copy of the Long-Form Approval Notice will be provided by Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, senecl (together, "Class Counsel") and the Opt-Out Administrator to all individuals or entities that have contacted Class Counsel regarding this action, and to any person that requests it;
  - (b) Within 10 days of the Order of the Québec Court approving the Settlement Agreement (the "Québec Approval Order"), the Long-Form Approval Notice will be posted on the websites of Sino-Forest Corporation (on its main page), Class Counsel, and the Opt-Out Administrator;
  - (c) Within 20 days of the Québec Approval Order, the Long-Form Approval Notice will be sent directly to the addresses of class members listed on the June 2, 2011 Shareholder List;
  - (d) Within 20 days of the Québec Approval Order, the Long-Form Approval Notice will be sent to a list of all brokers known to the Opt-Out Administrator, with a cover letter containing the following statement:

Nominee purchasers are directed, within ten (10) days of the receipt of this Notice (a) to provide the Opt-Out Administrator with lists of names and addresses of beneficial owners; or (b) to request additional copies of the Notice from the Opt-Out Administrator, to mail the Notice to the beneficial owners. Nominee purchasers who elect to send the Notice to their beneficial owners shall send a statement to the Opt-Out Administrator that the mailing was completed as directed

- (e) Within 30 days of the Québec Approval Order, the Short-Form Approval Notice will be published in the following print publications:
- (i) *The Globe and Mail*, in English, in one weekday publication;
  - (ii) *National Post*, in English, in one weekday publication;
  - (iii) *La Presse*, in French, in one weekday publication; and
  - (iv) *Le Soleil*, in French, in one weekday publication.

19. **THIS COURT ORDERS** that the cost of distributing the Approval Notices shall be borne solely by the Settling Defendant up to \$100,000 and equally between the plaintiffs and the Settling Defendant for any costs in excess of \$100,000, subject to review or readjustment by agreement between the plaintiffs and the Settling Defendant.
20. **THIS COURT ORDERS** that no Settlement Class Member may opt out of this class proceeding after the date which is sixty (60) days after the date on which the Approval Notices are first published (the "Opt-Out Deadline") except with leave of this court.
21. **THIS COURT ORDERS** that, within fifteen (15) days of the Opt-Out Deadline, the Opt-Out Administrator shall serve on the parties and file with the court an affidavit listing all persons or entities that have opted out.
22. **THIS COURT ORDERS AND DECLARES** that the Court shall retain jurisdiction over the Plaintiffs, the Opt-Out Administrator, the Settlement Class Members, the Pöyry Parties (as defined in paragraph 27 hereof), Pöyry PLC and Pöyry Finland OY for all matters relating to the within proceeding, including the administration, interpretation, effectuation, and/or enforcement of the Settlement Agreement and this Order and that all of these parties are hereby declared to have attorned to the jurisdiction of this Court in relation thereto.

23. **THIS COURT ORDERS AND DECLARES** that approval of the Settlement Agreement is contingent upon the issuance by the Superior Court of Québec of an Order approving the Settlement Agreement. If such Order is not secured in Québec, this Order shall be null and void and without prejudice to the rights of the parties to proceed with this action and any agreement between the parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.
24. **THIS COURT ORDERS AND ADJUDGES** that upon the date the Settlement Agreement becomes final, the Releasors fully, finally, and forever release the Releasees from the Released Claims.
25. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 30 below, all claims for contribution, indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the *OSA* or other statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Released Claims, which were or could have been brought in the within proceedings or otherwise, or could in the future be brought on the basis of the same events, actions and omissions underlying the within proceedings or otherwise, by any Non-Settling Defendant or any Party or any Releasor against all or any of the Releasees are barred, prohibited, and enjoined in accordance with the terms of the Settlement Agreement and this Order (the "Bar Order").
26. **THIS COURT ORDERS AND DECLARES** that if the Court determines that there is a right of contribution and indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the *OSA* or other

statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Released Claims:

- (a) the Settlement Class Members shall not be entitled to claim or recover from the Non-Settling Defendants that portion of any damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs that corresponds to the Proportionate Liability of the Releasees proven at trial or otherwise; and
- (b) this Court shall have full authority to determine the Proportionate Liability of the Releasees at the trial or other disposition of this action, whether or not the Releasees appear at the trial or other disposition and the Proportionate Liability of the Releasees shall be determined as if the Releasees are parties to this action and any determination by this Court in respect of the Proportionate Liability of the Releasees shall only apply in this action and shall not be binding on the Releasees in any other proceedings.

27. **THIS COURT ORDERS AND DECLARES** that, after all appeals or times to appeal from the certification of this action against the Non-Settling Defendants have been exhausted, any Non-Settling Defendant is entitled to the following:

- (a) documentary discovery and an affidavit of documents in accordance with the *Rules of Civil Procedure* from any and all of the Settling Defendant, Pöyry (Beijing) Consulting Company Ltd. - Shanghai Branch, Pöyry Management Consulting (Singapore) Pte. Ltd., Pöyry Forest Industry Ltd., Pöyry Forest

Industry Pte. Ltd, Pöyry Management Consulting (Australia) Pty. Ltd., Pöyry Management Consulting (NZ) Ltd., JP Management Consulting (Asia-Pacific) Ltd., and any successor entities (collectively, the “Pöyry Parties”, each a “Pöyry Party”);

- (b) oral discovery of a representative of any Pöyry Party in accordance with the *Rules of Civil Procedure*, the transcript of which may be read in at trial solely by the Non-Settling Defendants as part of their respective cases in defending the Plaintiffs’ allegations concerning the Proportionate Liability of the Releasees and in connection with any potential claim by a Non-Settling Defendant against a Pöyry Party for contribution and indemnity that may arise out of an Order made under paragraph 30 below;
- (c) leave to serve a request to admit on any Pöyry Party in respect of factual matters and/or documents in accordance with the *Rules of Civil Procedure*;
- (d) the production of a representative of any Pöyry Party to testify at trial in accordance with the *Rules of Civil Procedure*, with such witness or witnesses to be subject to cross-examination by counsel for the Non-Settling Defendants; and
- (e) leave to serve *Evidence Act* notices on any Pöyry Party.

The discovery set out in subparagraphs (a) and (b) above shall proceed pursuant to an agreement between the Non-Settling Defendants and the Pöyry Parties in respect of a discovery plan, or failing such agreement, a further Order of this Court in respect of a discovery plan.

28. **THIS COURT ORDERS AND DECLARES** that the Pöyry Parties, Pöyry PLC and Pöyry Finland OY shall, on a best efforts basis, take steps to collect and preserve all documents relevant to the matters at issue in the within proceeding and any proceeding contemplated by paragraph 30, until such time as the within proceeding and any proceeding contemplated by paragraph 30 have been finally disposed of and all appeals or times to appeal from any Order finally disposing of the within proceeding and any proceeding contemplated by paragraph 30 have been exhausted.
29. **THIS COURT ORDERS AND DECLARES** that service on any Pöyry Party, Pöyry PLC and Pöyry Finland OY of any court documents relating to the within proceeding, including, but not limited to notices of examination, requests to inspect or admit, *Evidence Act* notices and summons, may be served on counsel for the Settling Defendant, John Pirie of Baker & McKenzie LLP, or such other counsel as may replace current counsel as counsel for the Settling Defendant in respect of this proceeding and that such service shall be deemed to be sufficient service under the *Rules of Civil Procedure*.
30. **THIS COURT ORDERS AND DECLARES** that if any Pöyry Party fails to satisfy its reasonable obligations arising under paragraph 27 above, a Non-Settling Defendant may make a motion to this Court on at least fifteen (15) days notice to compel reasonable compliance by the alleged non-compliant Pöyry Party or for such other alternative relief as the Court may consider just and appropriate. If such an Order is made, and not adhered to by the Pöyry Party at issue, a Non-Settling Defendant may then bring a motion on at least twenty (20) days notice to lift the Bar Order under paragraph 25 above with respect to the Pöyry Party at issue and to advance a claim for contribution, indemnity or other claims over against the Pöyry Party at issue.

31. **THIS COURT ORDERS AND DECLARES** that any Pöyry Party affected or potentially affected by a motion brought under paragraph 30 above shall have the right to oppose any such motion.
32. **THIS COURT ORDERS AND DECLARES** that if an Order is made under paragraph 30 above permitting a claim to be advanced against a Pöyry Party by a Non-Settling Defendant:
- (a) any limitation period applicable to such a claim, whether in favour of a Pöyry Party or a Non-Settling Defendant, shall be deemed to have been tolled as of the date of this Order and shall continue as of the date of any Order permitting a claim to be advanced against any Pöyry Party pursuant to paragraph 30 above;
  - (b) any Pöyry Party that is subject to a claim permitted under paragraph 30 above shall have all procedural and substantive rights available to it at law to defend and challenge such a claim, including, *inter alia*, the right to bring a motion for summary judgment or to strike out a pleading on the ground that it discloses no reasonable cause of action; and
  - (c) no Pöyry Party shall advance or raise any *res judicata* or issue estoppel argument or defence with respect to any claim permitted under paragraph 30 above.
33. **THIS COURT ORDERS AND DECLARES** that nothing in this Order shall be taken as a waiver of any rights that a Pöyry Party may have, now or in the future, to challenge any claim or proceeding brought against a Pöyry Party by a Non-Settling Defendant.
34. **THIS COURT ORDERS AND DECLARES** that after all appeals or times to appeal from the certification of this action against the Non-Settling Defendants have been