

**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 COMPRISE 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.
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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

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**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**

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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 COMPRISE 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
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Plaintiffs

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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
(Notice Approval)**

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 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 the Honourable Regional Senior Justice Morawetz on January 29, 2015, at 9:30 a.m., or at such other time and place as the Court may direct, at 330 University Avenue, 8th Floor, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion will be heard orally.

THE MOTION IS FOR an Order:

1. If necessary, validating and abridging the time for service and filing of this notice of motion and motion record, and dispensing with any further service thereof;
2. Approving the form and content of the notice (the "Notice") of the hearing to approve the proposed settlement reflected in the Minutes of Settlement (the "Dealers Settlement" and the "Settlement Approval Hearing") between 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) (the "Dealers") and the plaintiffs in Ontario Superior Court Action No. CV-11-431153-00CP, and United States New York Southern District Court, Case Number 1:12-cv-01726 (AT), the hearing to approve class counsel's fees and disbursements, and to approve a protocol for the allocation and distribution of the Dealers settlement fund;

3. Approving the form and content of the proposed notice of objection to the Dealers Settlement (the “Notice of Objection”);
4. Directing that the dissemination and publication of the Notice and the Notice of Objection be conducted as follows (the “Notice Plan”):
 - (a) Siskinds LLP and Koskie Minsky LLP (together, “Class Counsel”) shall provide or cause to be provided a copy of the Notice and the Notice of Objection directly, either electronically or by mail, to all individuals or entities who have contacted Class Counsel, Siskinds Desmeules sencrl (“Desmeules”) or Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”) regarding this action, and to any person or entity who requests a copy of the Notice and the Notice of Objection, provided that such person or entity has furnished his, her or its contact information to Class Counsel, Desmeules, or Cohen Milstein;
 - (b) the Notice and the Notice of Objection shall be provided by direct mailing to all individuals and entities who purchased Sino-Forest securities in the primary market from the Dealers during the class period;
 - (c) Class Counsel will send or will distribute the Notice and the Notice of Objection by email to all individuals and entities that have submitted claim forms in connection with the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of Sino-Forest Corporation under the *Companies’ Creditors Arrangement Act* (the “CCAA”) dated December 3, 2012 (the “Plan”)) and who have indicated on their claim form that they are making a claim in respect of Sino-Forest securities purchased on the primary market, provided that such person or entity has furnished his, her, or its contact information in the claim form. The notice shall be sent electronically via email if email addresses have been provided; otherwise the notice shall be sent my mail;
 - (d) Class Counsel will send or will cause to be sent copies of the Notice and the Notice of Objection to the current Service List in the above-captioned proceeding under the CCAA (the “CCAA Proceeding”); and
 - (e) Copies of the Notice and the Notice of Objection will be posted on the websites of Class Counsel (in English and French) and Cohen Milstein (in English).
5. That any person wishing to object to the proposed settlement between the Ontario Plaintiffs and the Dealers must do so by no later than 30 days after the distribution of the notice is complete; and

6. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Ontario Plaintiffs entered into the Dealers Settlement with the Defendant Dealers in order to resolve all claims asserted against the Dealers;
2. The parties to the Dealers Settlement have agreed on the form of Notice and the Notice of Objection of the Settlement Approval Hearing;
3. A proceeding (the “Chapter 15 Proceeding”) was commenced in the United States Bankruptcy Court for the Southern District of New York (the “United States Bankruptcy Court”) captioned In re Sino Forest Corporation, Case No. 13-10361 (MG);
4. It is the intention of the Ontario Plaintiffs and the Dealers that the Settlement Approval Hearing be heard jointly with a hearing before the United States Bankruptcy Court for an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States;
5. The Notice will advise of the Settlement Approval Hearing, the terms of the Dealers Settlement, the Securities Claimants’ right to object to or make submissions regarding the Dealers Settlement, the allocation and distribution protocol, and class counsel’s fee application;
6. The Notice will also be disseminated pursuant to the United States Federal Rules of Bankruptcy Procedure and any applicable local rules in connection with the motion filed

in the Chapter 15 Proceeding for an order granting recognition and enforcement of the order approving the Dealers Settlement in the United States

7. The Notice Plan is well-designed for the purposes of notifying Securities Claimants of the Settlement Approval Hearing, and of providing them an adequate opportunity to object to or make submissions regarding the Dealers Settlement, the approval of Class Counsel's fees and disbursements, and the protocol for allocation and distribution of the Dealers settlement fund;
8. Sections 2, 5, 6, 8, 12, 17, 20, 29, and 34(1), among others, of the *Class Proceedings Act, 1992*;
9. The *Rules of Civil Procedure*, O Reg 194; and
10. Such further and other grounds as counsel may advise and this Honourable Court will permit.

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

1. The affidavit of Garth Myers, sworn January 23, 2015; and
2. Such further and other evidence as counsel may advise and this Honourable Court may deem just.

January 23, 2015

KOSKIE MINSKY LLP
900-20 Queen Street West, Box 52
Toronto, ON M5H 3R3
Kirk M. Baert (LSUC#: 30942O)
Tel: 416.595.2117
Fax: 416.204.2889
Jonathan Ptak (LSUC#: 45773F)

Tel: 416.595.2149

Fax: 416.204.2903

SISKINDS LLP

680 Waterloo Street, P.O. Box 2520

London, ON N6A 3V8

Charles M. Wright (LSUC # : 36599Q)

Tel : 519.660.7753

Fax : 519.660.7754

A. Dimitri Lascaris (LSUC#: 50074A)

Tel: 519.660.7844

Fax: 519.660.7845

Lawyers for the Plaintiffs

TO: ATTACHED SERVICE LIST

1374237v1

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) , THE DAY
JUSTICE MORAWETZ) OF ●, 2015

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 COMPRISE 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*

ORDER
(Notice Approval – Dealers Settlement)

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”) 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) for an order approving the form of notice to Securities Claimants (the “Notice”) of the hearing to approve the settlement agreement with 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) (the “Dealers” and the “Dealers Settlement”), and matters ancillary thereto, was heard on ●, in Toronto, Ontario.

WHEREAS the Ontario Plaintiffs and the Dealers have entered into the Dealers Settlement;

AND WHEREAS notice has previously been provided to Securities Claimants of the Ernst & Young Settlement and the settlement with David J. Horsley;

AND ON BEING ADVISED that in excess of 47,000 claims have been submitted by Securities Claimants wishing to participate in the proceeds of the Ernst & Young Settlement;

AND ON BEING ADVISED that a proceeding (the “Chapter 15 Proceeding”) was commenced in the United States Bankruptcy Court for the Southern District of New York (the

“United States Bankruptcy Court”) captioned In re Sino Forest Corporation, Case No. 13-10361 (MG) and that this notice will be disseminated pursuant to the Federal Rules of Bankruptcy Procedure and any applicable local rules in connection with the motion filed in the Chapter 15 Proceeding for an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States;

AND ON READING the materials filed, and on hearing submissions of counsel to the Ontario Plaintiffs and the Dealers;

1. **THIS COURT ORDERS** that the time for service and filing of this notice of motion and motion record is validated and abridged and any further service thereof is dispensed with.
2. **THIS COURT ORDERS** that unless otherwise defined herein, or unless the context requires otherwise, capitalized terms in this Order have the meanings attributed to them at **Schedule “A”** of this Order.
3. **THIS COURT ORDERS** that the notice substantially in the form attached as **Schedule “B”** (the “Notice”) be and hereby is approved, subject to the right of the parties to make non-material amendments to such form as may be necessary or desirable.
4. **THIS COURT ORDERS** that the Notice shall be disseminated as follows by no later than ● days after this Order:
 - (a) Siskinds LLP and Koskie Minsky LLP (together, “Class Counsel”) shall provide or cause to be provided a copy of the Notice and the Notice of Objection directly, either electronically or by mail, to all individuals or entities who have contacted Class Counsel, Siskinds Desmeules sencl (“Desmeules”) or Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”) regarding this action, and to any person or entity who requests a copy of the Notice and the Notice of Objection, provided that such person or entity has furnished his, her or its contact information to Class Counsel, Desmeules, or Cohen Milstein;

- (b) Class Counsel will send or cause to be sent by direct mailing copies of the Notice and the Notice of Objection to all known individuals and entities who purchased Sino-Forest securities in the primary market from the Dealers during the class period;
 - (c) Class Counsel will send or will distribute the Notice and the Notice of Objection by email to all individuals and entities that have submitted claim forms in connection with the Ernst & Young Settlement (as defined in the Plan of Compromise and Reorganization of Sino-Forest Corporation under the *Companies' Creditors Arrangement Act* (the "CCAA") dated December 3, 2012 (the "Plan")) and who have indicated on their claim form that they are making a claim in respect of Sino-Forest securities purchased on the primary market, provided that such person or entity has furnished his, her, or its contact information in the claim form. The notice shall be sent electronically via email if email addresses have been provided; otherwise the notice shall be sent my mail;
 - (d) Class Counsel will send or will cause to be sent copies of the Notice and the Notice of Objection to the current Service List in the above-captioned proceeding under the CCAA (the "CCAA Proceeding"); and
 - (e) Copies of the Notice and the Notice of Objection will be posted on the websites of Class Counsel (in English and French) and Cohen Milstein (in English).
5. **THIS COURT ORDERS** that the Dealers are required to provide to Class Counsel the names and addresses of all known individuals and entities who purchased Sino-Forest securities in the primary market from the Dealers during the class period.
6. **THIS COURT ORDERS** that any persons wishing to object to the Dealers Settlement shall deliver a notice of objection substantially in the form attached hereto as **Schedule "C"** (the "Notice of Objection") to be received by no later than 30 days after the distribution of the notice is complete (the "Objection Deadline") by mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, and that any Notice of Objection received later than the Objection Deadline shall not be filed with the Court or considered at the hearing to approve the Dealers Settlement; and

7. **THIS COURT REQUESTS**, pursuant to the *Companies' Creditors Arrangement Act* together with such other statutes, regulations and protocols as may apply, and as a matter of comity, that all courts, regulatory and administrative bodies, and other tribunals, in all provinces and territories of Canada, in the United States of America, and in all other nations or states, recognize this order and act in aid of and in a manner complementary to this order and this court in carrying out the terms of this order.

Date:

Morawetz J.

SCHEDULE "A"

Definitions of capitalized terms used in this Order

"CCAA" means the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36.

"Dealers" means 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).

"Ernst & Young Settlement" has the meaning attributed to it in the Plan.

"Dealers Settlement" means the settlement as reflected in the Minutes of Settlement between the Dealers and the plaintiffs in Ontario Superior Court Action No. CV-11-431153-00CP, Quebec Superior Court No. 200-06-000132-111, and United States New York Southern District Court, Case Number 1:12-cv-01726 (AT).

"Plan" means the Plan of Compromise and Reorganization of Sino-Forest Corporation under the CCAA, dated December 3, 2012 .

"Securities Claimants" means all Person 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.

SINO-FOREST SECURITIES LITIGATION

NOTICE OF PROPOSED SETTLEMENT WITH:

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)

TO: 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 (the "Securities Claimants").

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION**

IMPORTANT DEADLINE

Objection Deadline (for those who wish to object or make submissions regarding the proposed settlements with the Dealers or recognition and enforcement of any order approving such proposed settlements in the United States. See pages 3 & 4 for more details) ●

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 Quebec Superior Court (the "Quebec Proceeding") by certain plaintiffs (the "Canadian Plaintiffs") against Sino-Forest Corporation ("Sino-Forest"), its auditors, a consulting company, its senior officers and directors, 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) (the "Dealers"). In January 2012, a proposed class action was commenced by certain plaintiffs (together with Canadian Plaintiffs, the "Plaintiffs") against Sino-Forest and other defendants in the Supreme Court of the State of New York which was removed to and is now pending in the United States District Court for the Southern District of New York (the "U.S.

Action”) (together with the Ontario Proceeding and the Quebec Proceeding, the “Proceedings”). The Proceedings alleged, *inter alia*, that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s financial results, 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”), and the Ontario Superior Court ordered a stay of proceedings against the company and other parties (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, the Ontario Superior Court entered an order (the “Plan Sanction Order”) approving a Plan of Arrangement in the CCAA Proceeding. As part of the 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.

On February 4, 2013, a proceeding was commenced in the United States Bankruptcy Court for the Southern District of New York (the “United States Bankruptcy Court”) captioned *In re Sino Forest Corporation*, Case No. 13-10361 (MG) (the “Chapter 15 Proceeding”) seeking recognition of the CCAA Proceeding and an order recognizing and enforcing the Plan Sanction Order in the United States. On April 15, 2013, the Bankruptcy Court entered an order recognizing and enforcing the Plan Sanction Order in the United States.

To date, the claims in the Proceedings against the defendants Ernst & Young, Pöyry (Beijing) Consulting Company Limited, and David J. Horsley have been settled.

Who Acts for the Securities Claimants

Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules, sencrl, and Cohen Milstein Sellers & Toll PLLC (collectively, “Class Counsel”) represent the Securities Claimants 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 or expenses to Class Counsel. However, 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 the Dealers

The Plaintiffs have entered into a proposed settlement with the Dealers (the “Settlement Agreement”). The Settlement Agreement would settle, extinguish and bar all claims, globally, against the Dealers in relation to Sino-Forest including the allegations in the Proceedings. The Dealers do not admit to any wrongdoing or liability. The terms of the proposed settlements do not involve the resolution of any claims against Sino-Forest or any of the other remaining defendants. For an update on CCAA orders affecting Sino-Forest, please see the Monitor’s Website. A complete copy of the proposed Settlement Agreement and other information about these Proceedings is available on the website of Koskie Minsky LLP, at

www.kmlaw.ca/sinoforestclassaction, on the website of Cohen Milstein Sellers & Toll PLLC at <http://www.cohenmilstein.com/cases/274/sino-forest> (“Cohen Milstein Website”) and on www.sinosettlement.com (collectively, the “Class Action Websites”).

The Settlement Agreement, if approved and its conditions fulfilled, provides that CAD\$32,500,000 (the “Settlement Amount”) shall be paid into an interest bearing account for the benefit of the Securities Claimants until such time that it is distributed pursuant to orders of the Ontario Superior Court and to pay legal fees and disbursements.

In return, the Proceedings will be dismissed against the Dealers, and there will be an order forever barring all claims against them in relation to Sino-Forest, including any allegations relating to the Proceedings. Such order will be final and binding and there will be no ability to pursue a claim against the Dealers through an opt-out process under class proceedings or similar legislation.

The proposed settlement with the Dealers is subject to court approval, as discussed below.

Hearing to Approve the Settlement Agreement, Class Counsel Fees, and the Claims and Distribution Protocol on ● in Toronto, Ontario

On ● at ●. (ET), there will be a hearing before the Ontario Superior Court of Justice at which Class Counsel will seek that Court’s approval of i) the Settlement Agreement; ii) the fees and expense reimbursement requests of Class Counsel; and iii) a plan of allocation and distribution of the Settlement Amount (the “Claims and Distribution Protocol”) (together, the “Ontario Approval Motion”). The hearing will be held 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.

The proposed Claims and Distribution Protocol sets out, among other things, i) the method by which the Administrator (defined below) will review and process claims forms; and ii) the method by which the Administrator will calculate the amount of compensation to be distributed to each Securities Claimant, including the Allocation System, which assigns different risk adjustment factors to different Sino-Forest securities depending on factors such as the type of security acquired and the time that security was acquired. Persons that suffered the same loss on their Sino-Forest securities may receive different levels of compensation, depending on the risk adjustment factors assigned to their securities.

The detailed proposed Claims and Distribution Protocol can be found at the Class Action Websites, or by contacting Class Counsel at the contact information set out at the end of this notice.

At the Ontario Approval Motion, the court will determine whether the Settlement Agreement and the Claims and Distribution Protocol are fair, reasonable, and in the best interests of Securities Claimants. At that hearing, Class Counsel will also seek court approval of its request for fees and expense reimbursements (“Class Counsel Fees”). As is customary in class actions, Class Counsel is prosecuting and will continue to prosecute this class action on a contingent fee basis. Class Counsel is paid only where there is recovery for the class, and Class Counsel funds the out-of-pocket expenses of conducting the litigation in the interim. Class Counsel will be requesting the

following fees and disbursements to be deducted from the Settlement Amount before it is distributed to Securities Claimants:

Siskinds LLP, Koskie Minsky LLP, Siskinds Desmeules, sencrl

Amount requested: \$● plus disbursements (expenses), plus taxes

Cohen Milstein Sellers & Toll PLLC

Amount requested: \$● plus disbursements (expenses), plus taxes

The court materials in support of these fee and disbursement requests will be posted on the Class Action Websites prior to the Distribution Protocol and Fee Hearing.

Expenses incurred or payable relating to notification, implementation, and administration of the settlement (“Administration Expenses”) will also be paid from the Settlement Amount.

All Securities Claimants may attend the hearing of the Ontario Approval Motion and ask to make submissions regarding the proposed settlement with the Dealers.

Persons intending to object to the approval of the Settlement Agreement, the Allocation and Distribution protocol or fee and expense application are required to deliver a Notice of Objection, substantially in the form that can be found on the Class Action Websites, and, if this Notice is received by mail or email, enclosed with this Notice (the “Notice of Objection”), to Siskinds LLP by regular mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. on ●, 2015. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.

Concurrent with the hearing of the Ontario Approval Motion, there will be a hearing in the United States Bankruptcy Court for an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States.

Concurrent Hearing for Recognition and Enforcement on ● in New York, New York

Among other things, the Settlement Agreement is conditioned on and order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States. Accordingly, on or before ●, United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP will file a motion (the “Dealers Settlement Recognition Motion”) with the United States Bankruptcy Court seeking such relief. Copies of the Dealers Settlement Recognition Motion will be available on the Class Action Websites.

On ●, at ● (ET), concurrently with the hearing on the Ontario Approval Motion, there will be a hearing on the Dealers Settlement Recognition Motion before the Honorable Martin Glenn, United States Bankruptcy Judge, in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York. If the Ontario Approval Motion is granted, the Bankruptcy Court will consider whether to grant an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States.

Any objections or responses to the Dealers Settlement Recognition Motion, which will be considered separately by the United States Bankruptcy Court from any objections made with respect to the Ontario Approval Motion, must be made in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the Bankruptcy Court. In addition, such objection or response must be made in writing describing the basis therefore and filed with the United States Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the United States Bankruptcy Court's electronic case filing system, and by all other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, Southern District of New York, One Bowling Green, New York, NY 10004-1408 and served upon United States bankruptcy counsel for the Dealers at ● Attention: ●, and United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, N.Y. 10020, Attention: Michael S. Etkin and Andrew D. Behlmann, so as to be received by them no later than ● at ●. (ET).

THE COURT MAY APPROVE A CLAIMS AND DISTRIBUTION PROTOCOL THAT IS DIFFERENT THAN THE CLAIMS AND DISTRIBUTION PROTOCOL THAT IS PROPOSED BY CLASS COUNSEL. WHETHER OR NOT THEY SUBMIT A VALID CLAIM FORM, ALL PERSONS OR ENTITIES THAT ARE ENTITLED TO PARTICIPATE IN THE DEALERS SETTLEMENT WILL BE BOUND BY THE CLAIMS AND DISTRIBUTION PROTOCOL, WHATEVER IT MAY BE, THAT IS APPROVED BY THE COURT.

The Administrator

The Ontario Superior Court has appointed NPT RicePoint as the Administrator of the settlement. The Administrator will, among other things: (i) receive and process the claim forms; (ii) make determinations of Class Members' eligibility for compensation pursuant to the Claims and Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the net settlement amount. The Administrator can be contacted at:

Mailing Address: NPT RicePoint Class Action Services
Sino-Forest Class Action
P.O. Box 3355
London, ON N6A 4K3
Telephone: 1-866-432-5534
Email Address: sino@nptricepoint.com
Website: www.nptricepoint.com

Further Information

If you would like additional information, please contact Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sencl, or Cohen Milstein Sellers & Toll PLLC using the information below:

Garth Myers, Jonathan Ptak
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

Dimitri Lascaris, Charles Wright
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: sinoforest@siskinds.com

Simon Hebert
Siskinds Desmeules, sencrl
43 Rue Buade, Bureau 320, Québec City, Québec, G1R 4A2
Re: Sino-Forest Class Action
Tel: 418.694.2009
Email: simon.hebert@siskindsdesmeules.com

Richard Speirs, Genevieve Fontan
Cohen Milstein Sellers & Toll, PLLC
88 Pine Street
New York, NY 10005
Tel. 212.838.7797
Email: lawinfo@cohenmilstein.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 Ontario Superior Court or the United States Bankruptcy 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

ONLY USE THIS FORM IF YOU DO NOT LIKE THE DEALERS SETTLEMENT OR THE CLAIMS AND DISTRIBUTION PROTOCOL OR THE COUNSEL FEE APPLICATION AND WISH TO OBJECT

TO: SISKINDS LLP
680 Waterloo Street
PO Box 2520
London, ON N6A 3V8

Attention: Nicole Young

Email: sinoforest@siskinds.com

RE: SINO-FOREST CORPORATION — DEALERS 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 ● (the "Order"), persons wishing to object to the Dealers Settlement, the claims and distribution protocol, or the counsel fee application are required to complete and deliver this Notice of Objection to Siskinds LLP by mail, courier or email to be received by no later than ● (Eastern Time) on ●.

I hereby give notice that I object to the Dealers Settlement, the claims and distribution protocol, or the counsel application for the following reasons (please attach extra pages if you require more space):

ONLY SUBMIT AN OBJECTION IF YOU DO NOT LIKE THE DEALERS SETTLEMENT, THE CLAIMS AND DISTRIBUTION PROTOCOL, OR THE COUNSEL FEE APPLICATION AND WISH TO OBJECT

- I DO NOT intend to appear at the hearing of the motion to approve the Dealers Settlement, the Claims and Distribution Protocol, or the Counsel Fee Application, and I understand that my objection will be filed with the court prior to the hearing of the motion at ● on ●, 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 Dealers Settlement, the Claims and Distribution Protocol, or the Counsel Fee Application, at ● on ●, 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: _____

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)

) ~~THURSDAY~~, THE 5TH DAY

JUSTICE MORAWETZ)

) OF JUNE, 2014

**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 COMPRISE 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*

ORDER
(Notice Approval – Horsley Settlement)

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") 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) for an order approving the form of notice to Securities Claimants (the "Notice") of the hearing to approve the settlement agreement with David J. Horsley (the "Horsley Settlement") and the plan of distribution of the Notice ("Notice Plan"), and matters ancillary thereto, was heard on June 5, 2014, in Toronto, Ontario.

WHEREAS the Ontario Plaintiffs and Horsley have entered into the Horsley Settlement;

AND WHEREAS notice has previously been provided to Securities Claimants of the Ernst & Young Settlement;

AND ON BEING ADVISED that in excess of 47,000 claims have been submitted by Securities Claimants wishing to participate in the proceeds of the Ernst & Young Settlement;

AND ON BEING ADVISED that a proceeding (the "Chapter 15 Proceeding") was commenced in the United States Bankruptcy Court for the Southern District of New York (the "United States Bankruptcy Court") captioned In re Sino Forest Corporation, Case No. 13-10361 (MG) and that this notice will be disseminated pursuant to the Federal Rules of Bankruptcy Procedure and any applicable local rules in connection with the motion filed in the Chapter 15 Proceeding for recognition and enforcement order granting approval of the Horsley Settlement;

AND ON READING the materials filed, and on hearing submissions of counsel to the Ontario Plaintiffs and Horsley, and upon hearing from counsel for the Litigation Trust;

1. **THIS COURT ORDERS** that the time for service and filing of this notice of motion and motion record is validated and abridged and any further service thereof is dispensed with.
2. **THIS COURT ORDERS** that unless otherwise defined herein, or unless the context requires otherwise, capitalized terms in this Order have the meanings attributed to them at **Schedule “A”** of this Order.
3. **THIS COURT ORDERS** that the notice substantially in the form attached as **Schedule “B”** (the “Notice”) be and hereby is approved, subject to the right of the parties to make minor non-material amendments to such form as may be necessary or desirable.
4. **THIS COURT ORDERS** that the Notice shall be disseminated as follows:
 - (a) Siskinds LLP and Koskie Minsky LLP (together, “Class Counsel”) shall provide or cause to be provided a copy of the Notice directly, either electronically or by mail, to all individuals or entities who have contacted Class Counsel, Siskinds Desmeules sencl (“Desmeules”), or Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”) regarding this action, and to any person or entity who requests a copy of the Notice, provided that such person or entity has furnished his, her or its contact information to Class Counsel, Desmeules, or Cohen Milstein;
 - (b) Within 10 business days of this Order, Class Counsel will send or will cause to be sent copies of the Notice to all persons and entities that have submitted claims to participate in the Ernst & Young Settlement, provided that such person or entity has furnished his, her, or its contact information in the claim form. The Notice

shall be sent electronically via email to any such person that has provided his, her, or its email address in the claim form;

- (c) Within 10 business days of this Order, Class counsel will send or will cause to be sent copies of the Notice to the current Service List in Court File No. CV-12-9667-00CL (the “CCAA Proceeding”), including notice to ACE-INA Insurance Company (“ACE”), Chubb Insurance Company of Canada (“Chubb”), Lloyd’s of London (“Lloyd’s Underwriters”), and Travelers Guarantee Company of Canada (“Travelers”) (together, the “Insurers”) or their counsel;
- (d) Within 10 business days of this Order, copies of the Notice will be posted on the websites of Class Counsel (in English and French) and Cohen Milstein (in English);
- (e) Notice shall be sent to all persons entities potentially afforded coverage by or under the Policies in accordance with a process agreed upon in writing by the Parties and the Insurers but subject (in the event of disagreement) to the Court’s determination as to the scope of notice required to be provided;

5. **THIS COURT ORDERS** that any persons wishing to object to the Horsley Settlement shall deliver a notice of objection substantially in the form attached hereto as **Schedule “C”** (the “Notice of Objection”) to be received by no later than ● (the “Objection Deadline”) by mail, courier, or email transmission, to the contact information indicated on the Notice of Objection; and that any Notice of Objection received later than the Objection Deadline shall not be filed with the Court or considered at the hearing to approve the Horsley Settlement; and


6. **THIS COURT REQUESTS**, pursuant to the *Companies' Creditors Arrangement Act* (Canada), together with such other statutes, regulations and protocols as may apply, and as a matter of comity, that all courts, regulatory and administrative bodies, and other tribunals, in all provinces and territories of Canada, in the United States of America, and in all other nations or states, recognize this order and act in aid of and in a manner complementary to this order and this court in carrying out the terms of this order.

Date:



 Morawetz J.

RECEIVED BY THE CLERK OF THE COURT
 ON 06/09/2014
 LES ÉCRITS DU REGISTRE

 JUN 09 2014

SCHEDULE "A"

Definitions of capitalized terms used in this Order

"CCAA" means the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36

"Ernst & Young Settlement" has the meaning attributed to it in the Plan

"Horsley" means the defendant in the Ontario Class Action, David J. Horsley

"Horsley Settlement" means the settlement as reflected in the Minutes of Settlement between Horsley and the plaintiffs in Ontario Superior Court Action No. CV-11-431153-00CP, Quebec Superior Court No. 200-06-000132-111, and United States New York Southern District Court, Case Number 1:12-cv-01726 (AT) and the Litigation Trustee

"Plan" means the Plan of Compromise and Reorganization of Sino-Forest Corporation under the CCAA, dated December 3, 2012

"Securities Claimants" means all Person 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.

SCHEDULE "B"

SINO-FOREST SECURITIES LITIGATION

NOTICE OF PROPOSED SETTLEMENT WITH DAVID J. HORSLEY

TO: 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 (the "Securities Claimants").

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION**

IMPORTANT DEADLINE

Objection Deadline (for those who wish to object or make submissions regarding the proposed settlements with David J. Horsley or recognition and enforcement of any order approving such proposed settlements in the United States. See pages 3 & ● for more details)

●, 2014

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 Quebec Superior Court (the "Quebec Proceeding") by certain plaintiffs (the "Plaintiffs") against Sino-Forest Corporation ("Sino-Forest"), its auditors, its underwriters, a consulting company, and its senior officers and directors, including David J. Horsley ("Horsley"). In January 2012, a proposed class action was commenced against Sino-Forest and other defendants in the Supreme Court of the State of New York which was removed to and is now pending in the United States District Court for the Southern District of New York (the "U.S. Action") (together with the Ontario Proceeding and the Quebec Proceeding, the "Proceedings"). The Proceedings 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"), and the Ontario Superior Court ordered a stay of proceedings against the company and other parties (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, the Ontario Superior Court entered an order (the "Plan Sanction Order") approving a Plan of Arrangement in the CCAA Proceeding. As part of the 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.

On February 4, 2013, a proceeding was commenced in the United States Bankruptcy Court for the Southern District of New York (the United States Bankruptcy Court”) captioned In re Sino Forest Corporation, Case No. 13-10361(MG) (the “Chapter 15 Proceeding”) seeking recognition of the CCAA Proceeding, and the enforcement of the Plan Sanction Order, in the United States. On April 15, 2013, the Bankruptcy Court entered an order granting the requested relief recognizing the CCAA Proceeding and recognizing and enforcing the Plan Sanction Order in the United States.

To date, the claims in the Proceedings against the defendants Ernst & Young and Pöyry (Beijing) Consulting Company Limited have been settled and dismissed.

Who Acts for the Securities Claimants

Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules, sencl, and Cohen Milstein Sellers & Toll PLLC (collectively, “Class Counsel”) represent the Securities Claimants 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 or expenses to Class Counsel. However, 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 David J. Horsley

The Plaintiffs have entered into a proposed settlement with Horsley (the “Settlement Agreement”). The Settlement Agreement would settle, extinguish and bar all claims, globally, against Horsley in relation to Sino-Forest including the allegations in the Proceedings. Horsley does not admit to any wrongdoing or liability. The terms of the proposed settlements do not involve the resolution of any claims against Sino-Forest or any of the other remaining defendants. For an update on CCAA orders affecting Sino-Forest, please see the Monitor’s Website. A complete copy of the proposed Settlement Agreement and other information about these Proceedings is available at: www.kmlaw.ca/sinoforestclassaction, on the website of Cohen Milstein Sellers & Toll PLLC at ● (“Cohen Milstein Website”) and [www.\[newwebsite\].com](http://www.[newwebsite].com) (collectively, the “Class Action Websites”).

The Settlement Agreement, if approved and its conditions fulfilled, provide that CAD\$4,200,000 (the “Settlement Amount”) shall be paid into an interest bearing account for the benefit of the Securities Claimants until such time that it is distributed pursuant to orders of the Ontario Superior Court. The proposed settlement also provides that Horsley will cooperate and provide information to the plaintiffs in the Proceedings to aid in the continued prosecution of the claims against the remaining defendants in the Proceedings.

In return, the Proceedings will be dismissed against Horsley, and there will be an order forever barring all claims against him in relation to Sino-Forest, including any allegations relating to the Proceedings. Such order will be final and binding and there will be no ability to pursue a claim against Horsley through an opt-out process under class proceedings or similar legislation.

The proposed settlement with Horsley is subject to court approval, as discussed below.

Hearing to Approve the Settlement Agreement and Class Counsel Fees on ●, 2014 in Toronto, Ontario

On ●, 2014 at 10:00 a.m., there will be a hearing before the Ontario Superior Court of Justice (the "Ontario Approval Motion") at which Class Counsel will seek that Court's approval of i) the Settlement Agreement; and ii) the fees and expense reimbursement requests of Class Counsel. The hearing will be held 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.

At the Ontario Approval Motion, the court will determine whether the Settlement Agreement is fair, reasonable, and in the best interests of Securities Claimants. At that hearing, Class Counsel will also seek court approval of its request for fees and expense reimbursements ("Class Counsel Fees"). As is customary in class actions, Class Counsel is prosecuting and will continue to prosecute this class action on a contingent fee basis. Class Counsel is not paid as the matter proceeds, and Class Counsel funds the out-of-pocket expenses of conducting the litigation. Class Counsel will be requesting the following fees and disbursements to be deducted from the Settlement Amount before it is distributed to Securities Claimants:

Siskinds LLP, Koskie Minsky LLP, Siskinds Desmeules, sencrl

Amount requested: \$●, plus disbursements (expenses), plus taxes

Cohen Milstein Sellers & Toll PLLC

Amount requested: \$●, plus disbursements (expenses), plus taxes

If the Ontario Approval Motion is granted, a further notice will be provided to Securities Claimants regarding the time when Class Counsel intends to distribute the net settlement amount (after Class Counsel Fees and other expenses). Any plan for allocating such funds must be approved by the Court.

All Securities Claimants may attend at the hearing of the Ontario Approval Motion and ask to make submissions regarding the proposed settlement with Horsley.

Persons intending to object to the Settlement Agreement are required to deliver a Notice of Objection, substantially in the form that can be found on the Class Action Websites, and, if this Notice is received by mail or email, enclosed with this Notice (the "Notice of Objection"), to Siskinds LLP by regular mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. on ●, 2014. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.

Concurrent with the hearing of the Ontario Approval Motion, there will be a hearing in the United States Bankruptcy Court for recognition and enforcement of the order, if entered, granting the Ontario Approval Motion and the Settlement Agreement, as discussed below.

Concurrent Hearing for Recognition on and Enforcement ●, 2014 in New York, New York

Among other things, the Settlement Agreement is conditioned on the recognition and enforcement of the order granting the Ontario Approval Motion. Accordingly, on ●, ● filed a motion (the "Horsley Settlement Recognition Motion") with the United States Bankruptcy Court seeking such relief. Copies of the Horsley Settlement Recognition Motion are available on the Class Action Websites.

On ●, 2014, at ● a.m. (ET) there will be a hearing on the Horsley Settlement Recognition Motion before the Honorable Martin Glenn in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York. If the Ontario Approval Motion is granted, the Bankruptcy Court will consider whether to recognize and enforce the order granting the Ontario Approval Motion.

Any objections or responses to the Horsley Settlement Recognition Motion must be made in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the Bankruptcy Court. In addition, such objection or response must be made in writing describing the basis therefore and filed with the United States Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the United States Bankruptcy Court's electronic case filing system, and by all other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, and served upon US counsel for Horsley at ●, Attention: ● and Bankruptcy Counsel for the plaintiffs in the Class Actions, Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, N.Y. 10020, Attention: Michael S. Etkin and Tatiana Ingman, so as to be received by them no later than _____, 2014 at __:__.m. (ET).

Further Information

If you would like additional information, please contact Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sencrl, or Cohen Milstein Sellers & Toll PLLC using the information below:

Garth Myers, Jonathan Ptak
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

Dimitri Lascaris, Charles Wright
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: sinoforest@siskinds.com

Simon Hebert
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

Richard Speirs
Cohen Milstein Sellers & Toll, PLLC
88 Pine Street
New York, NY 10005
Tel. 212.838.7797
Email: lawinfo@cohenmilstein.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

SCHEDULE "C"

NOTICE OF OBJECTION

ONLY USE THIS FORM IF YOU DO NOT LIKE THE HORSLEY SETTLEMENT

TO: SISKINDS LLP
680 Waterloo Street
PO Box 2520
London, ON N6A 3V8

Attention: Nicole Young

Email: sinoforest@siskinds.com

RE: SINO-FOREST CORPORATION — HORSLEY 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 ●, 2014 (the "Order"), persons wishing to object to the Horsley Settlement are required to complete and deliver this Notice of Objection to Siskinds LLP by mail, courier or email to be received by no later than 5:00 p.m. (Eastern Time) on ●, 2014

I hereby give notice that I object to the Horsley Settlement for the following reasons (please attach extra pages if you require more space):

**ONLY SUBMIT AN OBJECTION IF YOU DO NOT LIKE THE HORSLEY
SETTLEMENT**

- I DO NOT intend to appear at the hearing of the motion to approve the Horsley 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 ●, 2014, 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 Horsley Settlement at 10:00 a.m. on ●, 2014, 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: _____

**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-12-9667-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

ORDER

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Toronto, ON M5H 3R3

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Ken Rosenberg (LSUC #21102H)

Massimo Starnino (LSUC #41048G)

Tel: 416-646-4300/Fax: 416-646-4301

Lawyers for the Ad Hoc Committee of Purchasers of the
Applicant's Securities, including the Class Action Plaintiffs

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 COMPRISE 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

**AFFIDAVIT OF GARTH MYERS
(Sworn January 23, 2015)**

I, GARTH MYERS, of the City of Toronto, in the Province of Ontario AFFIRM:

1. I am an associate at Koskie Minsky LLP, who, along with Siskinds LLP (together, “Class Counsel”), are counsel to the plaintiffs in the above-captioned class proceeding (the “Class Plaintiffs”).
2. Unless otherwise defined or the context requires otherwise, all capitalized terms in this affidavit have the meanings attributed to them in the Plan of Compromise and Reorganization of Sino-Forest under the *Companies’ Creditors Arrangement Act* (“CCAA”) dated December 3, 2012 (the “Plan”).
3. For the purposes of the above-captioned proceeding under the CCAA (the “CCAA Proceedings”), Class Counsel have retained Paliare Roland Rosenberg Rothstein LLP (“Paliare Roland”) to represent the Ad Hoc Committee of Purchasers of the Applicant’s Securities, including the Class Plaintiffs (together, the “Ontario Plaintiffs”).
4. I have knowledge of the matters deposed to below. Where I make statements in this affidavit that are not within my personal knowledge, I have indicated the source of my information and believe such information to be true.

NATURE OF THIS MOTION

5. The Ontario Plaintiffs and 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)

(the “Dealers”) have entered into Minutes of Settlement in order to resolve all causes of action, claims and/or demands, on all counts howsoever arising and in all jurisdictions, made against the Dealers, including the Class Actions (as defined in the Plan) (the “Dealers Settlement”). The Dealers Settlement is marked and attached hereto as **Exhibit “A”**.

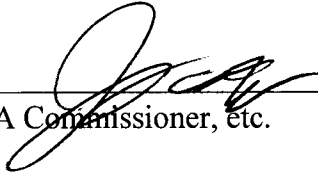
6. The Ontario Plaintiffs and the Dealers have prepared a form of notice (the “Notice”) to all persons and entities, wherever they may reside, who acquired any securities of Sino-Forest Corporation including securities acquired in the primary market (the “Securities Claimants”). The Notice will advise Securities Claimants of, among other things, the terms of the Dealers Settlement, the timing of the settlement approval hearing, the Securities Claimants rights to object or make submissions regarding the Dealers Settlement, and of certain subsequent hearings in Ontario and the United States relating to the Dealers Settlement. Marked and attached as **Exhibit “B”** is a copy of the proposed Notice. Marked and attached as **Exhibit “C”** is a copy of the proposed Notice of Objection (to be used by those wishing to Object to the Dealers Settlement).
7. In November 2012, the Ontario Plaintiffs and Ernst & Young entered into the Ernst & Young Settlement. That settlement was approved by the Honourable Justice Morawetz on March 20, 2013, and notice was subsequently made to Securities Claimants of, among other things, the claims filing procedure to participate in the proceeds of the Ernst & Young Settlement.
8. NPT RicePoint Class Action Services, Inc. (“NPT”) was appointed as the administrator of the Ernst & Young Settlement. To date, NPT has received in excess of 47,000 claims from Securities Claimants.

9. Independent of the claims received by NPT in connection with the Ernst & Young Settlement, to date, Class Counsel have been contacted by over 3,000 persons regarding these proceedings. Approximately another 100 persons have contacted Siskinds Desmeules, sncrl, (“Desmeules”) an affiliate of Siskinds LLP and counsel to the class in a parallel action against Sino-Forest and others in Quebec. Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”), counsel to the class in a parallel action against Sino-Forest and others in the Southern District of New York, have been contacted by approximately 15 persons.

10. The parties to the settlement have agreed on the method of disseminating the Notice (the “Notice Plan”). The proposed Notice Plan is as follows:
 - (a) Class Counsel shall provide or cause to be provided a copy of the Notice directly, either electronically or by mail, to all individuals or entities who have contacted Class Counsel, Desmeules or Cohen Milstein regarding this action, and to any person or entity who requests a copy of the Notice, provided that such person or entity has furnished his, her or its contact information to Class Counsel, Desmeules, or Cohen Milstein;
 - (b) the Notice shall be provided by direct mailing to all individuals and entities who purchased Sino-Forest securities in the primary market from the Dealers during the class period;
 - (c) Class Counsel will send or will distribute the Notice by email if email addresses were provided or otherwise by mail to all individuals and entities that have submitted claim forms in connection with the Ernst & Young Settlement (as defined in the Plan) and who have indicated on their claim form that they are making a claim in respect of Sino-Forest securities purchased on the primary market, provided that such person or entity has furnished his, her, or its contact information in the claim form;
 - (d) Class Counsel will send or will cause to be sent copies of the Notice to the current Service List the CCAA Proceeding; and
 - (e) Copies of the Notice will be posted on the websites of Class Counsel (in English and French) and Cohen Milstein (in English).

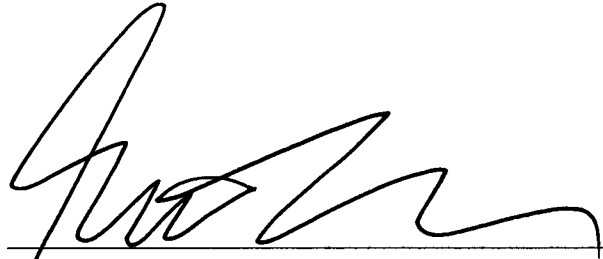
11. I believe the Notice Plan will be sufficient for the purposes of notifying Securities Claimants of the Settlement Approval Hearing and their rights as detailed in the Notice.

SWORN before me at the City of)
Toronto, in the Province of Ontario,)
this 23rd day of January, 2015.)



A Commissioner, etc.)

Jody Brown



Garth Myers)

**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-12-9667-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

AFFIDAVIT OF GARTH MYERS

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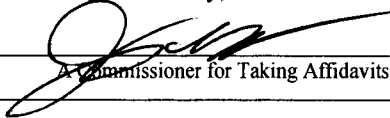
Ken Rosenberg (LSUC #21102H)

Massimo Starnino (LSUC #41048G)

Tel: 416-646-4300/Fax: 416-646-4301

Lawyers for the Ad Hoc Committee of Purchasers of the
Applicant's Securities, including the Class Action Plaintiffs

This is **Exhibit "A"** referred to in the affidavit of Garth Myers, sworn before this 23rd day of January, 2015



A Commissioner for Taking Affidavits

**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, AND ANY OTHER PROPOSED REPRESENTATIVE PLAINTIFFS IN ONTARIO SUPERIOR COURT ACTION NO. CV-11-431153-00CP (the "Ontario Action"), GUINING LIU, DAVID LEAPARD, IMF FINANCE SA (the "US Action"),

In their personal and representative capacities (the "Class Action Plaintiffs")

- and -

CREDIT SUISSE SECURITIES (CANADA) INC., TD SECURITIES INC., DUNDEE SECURITIES LTD., RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD. (NOW KNOWN AS CANACCORD GENUITY CORP.), 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.

(the "Dealers", which term shall include all parent, affiliate and subsidiary corporations or business organizations in whatever form and all their predecessor and successor corporations or business organizations in whatever form)

MINUTES OF SETTLEMENT

A. The Dealers Settlement

1. These Minutes of Settlement represent the agreement between the Class Action Plaintiffs and the Dealers (the "Parties") reached on December 22, 2014 (the "Dealers Settlement"), to resolve in accordance with the terms more particularly set out herein any actions, causes of action, claims and/or demands, howsoever or whenever arising and in all jurisdictions (including Canada and the United States), made against the Dealers or which could have been made against the Dealers based upon, arising out of, in relation to, in connection with or in any way related to Sino-Forest Corporation ("Sino-Forest",

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which term includes all affiliate and subsidiary corporations or business organizations in whatever form and all of their predecessor and successor corporations or business organizations in whatever form), whether or not captured by the "Class" or the "Class Period", as variously defined in the Action or in the other Class Actions (as defined in the Plan of Compromise and Reorganization of Sino-Forest dated December 3, 2012 under the *Companies' Creditors Arrangement Act* ("CCAA") (the "Plan")) (all, collectively, the "Claims") and all Causes of Action (as defined in the Plan) relating to Sino-Forest.

2. The Dealers make no admissions of liability and deny any liability in respect of the Claims and do not waive any defences available to them with respect to the Claims or otherwise.
3. Subject to the conditions herein, the terms of the Dealers Settlement are binding on the Parties.
4. These Minutes of Settlement are and shall remain confidential, and none of the Parties shall publicly disclose or include in any court filing, in any jurisdiction, the terms hereof without the prior written consent of the other Parties, except for the approval and implementation of the Notice Program and for the purpose of having the Dealers Settlement approved and/or to enforce the terms of these Minutes of Settlement if required. Following the filing of these Minutes of Settlement with the Court for the purposes of approving the Notice Program in accordance with paragraph 7, these Minutes of Settlement shall cease to be confidential.

B. Approval of the Dealers Settlement and Notice Program

5. It is the agreement of the Parties that the Dealers Settlement shall be approved by order issued in the Ontario Superior Court of Justice (Toronto), Court File No. CV-12-9667-00CL (the "Court" and the "Sino-Forest CCAA Proceeding", respectively) and implemented through the Plan.
6. Pursuant to the Plan, the Dealers Settlement is a Named Third Party Defendant Settlement under the Plan.
7. The Class Action Plaintiffs will bring motions to the Court and the United States Bankruptcy Court, supported by the Dealers, for orders approving a notice program

regarding the hearing to approve the Dealers Settlement (the "Notice Program") as follows:

- (a) notice to the Service List in the Sino-Forest CCAA Proceeding, in the manner agreed upon to constitute notice for purposes of the Sino-Forest CCAA Proceeding;
 - (b) direct distribution of a notice by email (if email addresses were provided by individuals or entities) or by mail to all individuals and entities (i) that have provided their contact information to counsel to the Class Action Plaintiffs and (ii) that have submitted claim forms in connection with the Actions or other Class Actions (as that term is defined in the Plan) and who have indicated on their claim form that they are making a claim in respect of Sino-Forest securities purchased on the primary market;
 - (c) the Office of the United States Trustee for Region 2; and
 - (d) direct mailing of a notice to all individuals and entities who purchased Sino-Forest securities in the primary market from the Dealers during the class period, with distribution list to be provided by the Dealers to class counsel and the administrator.
8. Regardless of their obligations under paragraph 7 above, the Parties shall abide by the Notice Program ordered by the Court and the failure to obtain an Order on the terms set out in paragraph 7 herein shall not be a basis to terminate the Dealers Settlement.
 9. The costs of the Notice Program, to a maximum of \$200,000, will be paid by the Dealers from the Class Settlement Fund within fifteen (15) days of the costs being incurred irrespective of whether the Dealers Settlement is approved by the Court. If the settlement is not approved, these costs will be non-refundable to the Dealers.
 10. Following the approval of the Notice Program, the Class Action Plaintiffs shall bring a motion to the Court seeking an order which in all material respects reflects the form attached hereto as Schedule "A" (the "Dealers Settlement Order"), which reflects the terms and agreement set out in these Minutes of Settlement. The releases and other provisions of the Dealers Settlement Order that are for the benefit of the Dealers shall be in a form satisfactory to counsel to the Dealers, acting reasonably. The Class Action Plaintiffs shall be free to file these Minutes of Settlement with the Court in support of the

motion for the approval of the Notice Program in accordance with paragraph 7, and the motion for settlement approval, as well as the related motion for approval of the Minutes of Settlement before the United States Bankruptcy Court.

11. The Dealers agree to take reasonable steps to ensure that the Litigation Trust supports the Class Action Plaintiffs' motion for approval of the Dealers Settlement, provided that the Dealers shall not pay anything more than CDN \$32,500,000 in respect of the settlement of the Claims.
12. The Parties shall use all reasonable efforts to obtain and/or satisfy any court approval, order, waiver, certificate, document or agreement, to provide necessary notice to affected individuals, and to fulfill any other condition reasonably necessary for the implementation of a full and final release under the Plan, including but not limited to:
 - (a) obtaining any requirements necessary to constitute the Dealers Settlement as a Named Third Party Defendant Settlement and to obtain a Named Third Party Defendant Release in favour of the Dealers under the Plan;
 - (b) obtaining the consent of FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Sino-Forest, to have the Dealers Settlement approved by the Court as a Named Third Party Defendant Settlement with a Named Third Party Defendant Release and a Named Third Party Defendant Settlement Order under the Plan; and
 - (c) obtaining all court approvals and/or orders necessary for the implementation of the Dealers Settlement in the Dealers Settlement Order, including notification as required by the *Rules of Civil Procedure* and/or by the Notice Program.
13. Concurrently with the motion seeking the Dealers Settlement Order, in a joint hearing with the United States Bankruptcy Court a recognition order will be sought from the United States Bankruptcy Court granting recognition and enforcement of the Settlement Order in the United States which in all material respects reflects the terms set out in the form set out in Schedule "B" (the "U.S. Recognition Order").

C. Implementation of the Dealers Settlement

14. The Dealers Settlement will become effective (the "Effective Date") when:

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- (a) the Dealers Settlement Order has been obtained and either (i) all appeal rights have expired or (ii) the applicable final appellate court has upheld the Settlement Order; and
 - (b) the U.S. Recognition Order has been obtained and either (i) all appeal rights have expired or (ii) the applicable final appellate court has upheld the U.S. Recognition Order.
- 15. The settlement amount of CDN \$32,500,000 shall be paid by the Dealers into an interest bearing trust account with a Canadian Schedule 1 bank in Ontario by no later than 21 days after the date of this agreement. In the event that the Dealers Settlement is not implemented for any reason (for example, because the conditions for implementation are not satisfied), then CDN \$32,500,000, together with accrued interest (the "Class Settlement Fund") shall be returned to the Dealers (inclusive of accrued interest).
- 16. The Class Settlement Fund shall be paid to the Class Action Plaintiffs by the Dealers as directed by counsel for the Class Action Plaintiffs into an interest bearing trust account with a Canadian Schedule 1 bank in Ontario (the "Settlement Trust") within fifteen (15) days following the Effective Date.
- 17. Upon payment of the Class Settlement Fund to the Class Action Plaintiffs, the Action shall be dismissed as against the Dealers but without prejudice to the Class Action Plaintiffs' right to proceed with the Action or the other Class Actions (as defined in the Plan) against the non-settling Defendants in accordance with paragraph 19, below.
- 18. The Class Settlement Fund represents the full consideration, including monetary contribution or payment of any kind, to be paid by the Dealers in full, final and complete settlement of the Claims and all Causes of Action (as defined in the Plan) against the Dealers, inclusive of damages, costs, interest, legal fees, taxes (inclusive of any GST, HST, or any other taxes which may be payable in respect of the Settlement), any payments to Claims Funding International, all costs associated with the distribution of the Class Settlement Fund, all costs of the Notice Program, all costs associated with the administration of the Dealers Settlement and any other monetary costs or amounts associated with the Dealers Settlement or otherwise.

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19. No further proceedings shall be commenced or continued by the Class Action Plaintiffs or by their legal counsel on behalf of any other parties or the plaintiffs in the other Class Actions (as defined in the Plan) or by anyone else (or their respective legal counsel) against the Dealers in respect of any Claims or Causes of Action (as defined in the Plan), other than as necessary to complete the Dealers Settlement.
20. The Class Settlement Fund shall be allocated to the Class in accordance with a Plan of Allocation to be proposed by the Class Action Plaintiffs and approved by the Court. No allocation from the Class Settlement Fund is to be made to the Litigation Trust.
21. No person shall claim from the non-settling Defendants in the Action or the other Class Actions (as defined in the Plan) that portion of any damages that corresponds to the proportionate share of liability of the Dealers, proven at trial, such that the Dealers are not further exposed to the Claims or Causes of Action (as defined in the Plan), by any person or entity.
22. The Class Action Plaintiffs and the plaintiffs in the other Class Actions (as defined in the Plan) and their counsel agree not to cooperate with any other party in the Action or in the other Class Actions Action against the Dealers. However, irrespective of this provision, the Class Action Plaintiffs and the plaintiffs in the other Class Actions (as defined in the Plan) reserve all rights with respect to the prosecution of the claims remaining against the non-settling Defendants.
23. After the close of pleadings in the Action, but prior to the commencement of examinations for discovery, Credit Suisse Securities (Canada) Inc., TD Securities Inc., Dundee Securities Ltd. and Merrill Lynch Canada Inc. agree to provide the Class Action plaintiffs with non-privileged documents and information relevant to certified common issues relating to BDO Limited and agree to preserve relevant non-privileged documents relating to BDO Limited until the conclusion of the Action.

D. Conditions to Implementation of the Terms of the Dealers Settlement

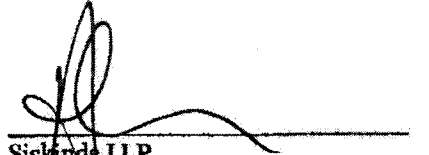
24. The implementation of the Dealers Settlement is conditional upon:
 - (a) Court approval of the Dealers Settlement as a Named Third Party Defendant Settlement under the Plan, with no right to opt-out;

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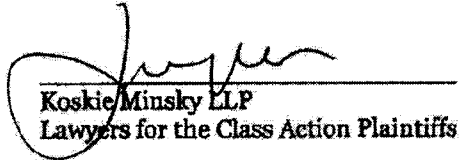
- (b) Court approval of a release, in a form reasonably satisfactory to counsel for the Dealers, which bars and releases the Dealers from all liability from any and all Causes of Action (as defined in the Plan) with respect to the Dealers involvement with Sino-Forest, and which constitutes a Named Third Party Defendant Release under the Plan.
25. These Minutes of Settlement may be executed by the Parties or their counsel in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures by facsimile or email shall be effective as original signatures.

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Date: 30/12/14


Siskinds LLP
Lawyers for the Class Action Plaintiffs


Date: 29/12/14


Koskie/Minsky LLP
Lawyers for the Class Action Plaintiffs

Date: _____

Cohen Milstein Sellers & Toll PLLC
Lawyers for the Class Action Plaintiffs

Date: 22/12/14


Torys LLP
Lawyers for the Dealers

SCHEDULE "A"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ■, THE ■ DAY OF
MR. JUSTICE MORAWETZ) ■ 2015
)

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 COMPRISE 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, POYRY
(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)

Proceeding under the *Class Proceedings Act, 1992*

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 (the "Applicant" or "Sino-Forest", which term shall include all affiliate and subsidiary corporations or business organizations in whatever form and all their predecessor and successor corporations or business organizations in whatever form) in the Ontario Superior Court of Justice, bearing (Toronto) Court File No, CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Action", respectively) in their own and proposed representative capacities, for an order giving effect to the Dealers Release and the Dealers Settlement, and as provided for in section 11.2 of the Plan of Compromise and Reorganization of the Applicant under the Companies' Creditors Arrangement Act ("CCAA") dated December 3, 2012 (the "Plan"), such Plan having been approved by this Honourable Court by Order dated December 10, 2012 (the "Sanction Order"), was heard on ~~■~~, 2015, at the Court House, 393 University Avenue, Toronto, Ontario;

WHEREAS the Ontario Plaintiffs and Credit Suisse Securities (Canada) Inc., TD Securities Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd. (now known as Canaccord Genuity Corp.), 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 (the "Dealers", as more particularly defined in Appendix "A") entered into Minutes of Settlement dated December 22, 2014;

AND WHEREAS this Honourable Court issued the Sanction Order approving the Plan containing the framework and providing for the implementation of a Named Third Party Defendant Settlement and a Named Third Party Defendant Release pursuant to Section 11.2 of the Plan;

AND WHEREAS the Dealers are Named Third Party Defendants pursuant to the Plan;

AND WHEREAS the Ontario Plaintiffs and the Dealers wish to effect a settlement pursuant to section 11.2 of the Plan;

AND WHEREAS this Honourable Court approved the form of notice to Securities Claimants and others of this Motion, and the plan for distribution of such notice to Securities Claimants and others potentially affected by the relief sought therein (the "Notice Program") by Order dated ■, 2015 (the "Notice Order");

AND ON READING the materials filed and on hearing the submissions of counsel;

Notice and Definitions

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in Appendix "A".
2. **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 Dealers Settlement and the Dealers Release.

Representation

3. **THIS COURT ORDERS** that the Ontario Plaintiffs are hereby recognized and appointed as representatives on behalf of the Securities Claimants in these insolvency proceedings in respect of the Applicant (the "CCA Proceedings") and in the Action, including for the purposes of and as contemplated by section 11.2 of the Plan, and more particularly the Dealers Settlement and the Dealers Release.
4. **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 11.2 of the Plan, and more particularly the Dealers Settlement and the Dealers Release ("CCA Representative Counsel").
5. **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 approved, authorized and 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 Dealers Settlement, to bring this motion before this Honourable Court to approve the Dealers Settlement and the Dealers Release and to take any other necessary steps to effectuate and implement the Dealers Settlement and the Dealers Release, including bringing this Motion and any other necessary motion before the court, and as contemplated by section 11.2 of the Plan.

Compliance with Section 11.2 of the Plan

6. **THIS COURT ORDERS** that this Order (the "the Dealers Settlement Order") is a Named Third Party Defendant Settlement Order for the purpose of and as contemplated by Section 11.2 of the Plan.
7. **THIS COURT ORDERS** that the Dealers Settlement is a Named Third Party Defendant Settlement for the purpose of and as contemplated by Section 11.2 of the Plan.
8. **THIS COURT ORDERS** that the Dealers Release is a Named Third Party Defendant Release for the purpose of and as contemplated by Section 11.2 of the Plan.

Approval of the Settlement & Release

9. **THIS COURT ORDERS** that the Dealers Settlement and the Dealers Release are fair and reasonable in all the circumstances and for the purposes of the proceedings under both the CCAA and the *Class Proceedings Act, 1992*.
10. **THIS COURT ORDERS** that the Dealers Settlement and the Dealers Release be and hereby are approved for all purposes and as contemplated by section 11.2 of the Plan and paragraph 41 of the Sanction Order and shall be implemented in accordance with their terms, this Order, the Plan and the Sanction Order.
11. **THIS COURT ORDERS** that this Order, the Dealers Settlement and the Dealers Release are binding upon each and every Person or entity having a Dealers Claim against the Dealers, including those Persons who are under disability, and any requirements of rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedures* are dispensed with.

Release and Discharge

12. **THIS COURT ORDERS** that upon satisfaction of all the conditions specified in section 11.2(b) of the Plan, the Monitor shall deliver to the Dealers the Monitor's Dealers Settlement Certificate substantially in the form attached hereto as Appendix "B". The Monitor shall thereafter file the Monitor's Dealers Settlement Certificate with the Court.
13. **THIS COURT ORDERS** that pursuant to the provisions of section 11.2(c) of the Plan, on the Dealers Settlement Date:
- (a) any and all of the Dealers Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the Dealers in accordance with section 11.2(c) of the Plan;
 - (b) the Dealers Release shall be binding according to its terms on any Person;
 - (c) section 7.3 of the Plan shall apply to the Dealers and the Dealers Claims *mutatis mutandis*;
 - (d) none of the parties in the Action or other Class Actions or any other actions in which the Dealers Claims have been or could have been asserted shall be permitted to claim from any of the other defendants that portion of any damages, restitutionary award or disgorgement of profits that corresponds with the liability of the Dealers proven at trial or otherwise as may be agreed, that is subject of the Dealers Settlement ("the Dealers Proportionate Liability"); and
 - (e) the Action shall be dismissed against the Dealers.
14. **THIS COURT ORDERS** that nothing in this order shall fetter the discretion of any court to determine the Dealers Proportionate Liability at the trial or other disposition of an action (including the Action or the other Class Actions), whether or not the Dealers appears at the trial or other disposition and the Dealers Proportionate Liability shall be determined as if the Dealers were a party to the action and any determination by a court in respect of the Dealers Proportionate Liability shall only apply in that action or actions to the proportionate liability of the remaining defendants in those proceedings and shall not be binding on the Dealers for any purpose whatsoever and shall not constitute a finding against the Dealers for any purpose in any other proceeding.

Use of the Settlement Fund

15. **THIS COURT ORDERS** that, save and except for the payment of legal fees, disbursements, administrative expenses and taxes approved by this Court, the Class Settlement Fund shall be held by the Ontario Plaintiffs in the Settlement Trust until such later date that the Ontario Plaintiffs have a Plan of Allocation approved by this Court whereby those funds will be distributed to Securities Claimants. Any process for allocation and distribution will be established by CCAA Representative Counsel and approved by further order of this Court (the "Claims and Distribution Protocol"). The Plan of Allocation shall allocate CDN \$22,500,000 of the Class Settlement Fund to share purchasers and CDN \$10,000,000 to note purchasers, with accrued interest divided among share and note purchasers on a pro rata basis.
16. **THIS COURT ORDERS** that notwithstanding paragraph 15 above, the following Securities Claimants shall not be entitled to any allocation or distribution of the Class Settlement Fund: the Litigation Trust, any Person or entity that is a named defendant to any of the Class Actions, 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. Talc 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. For greater certainty, the Dealers Release shall apply to the Securities Claimants described above.

Recognition, Enforcement and Further Assistance

17. **THIS COURT ORDERS** that this Court shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Dealers Settlement and the Dealers Release and matters related to the Settlement Trust including any disputes about the allocation of the Class Settlement Fund from the Settlement Trust. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Dealers Settlement and the Dealers Release shall be determined by this Court, and that, except with leave of this 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 Dealers Settlement and the Dealers Release.

18. **THIS COURT ORDERS** that each of the Applicant, the Monitor, CCAA Representative Counsel and the Dealers shall 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 contemplated by Section 11.2 of the Plan or be otherwise required, and or assistance in carrying out the terms of such orders. Any actions previously taken in accordance with this paragraph 18 are hereby ratified by this Court.

 19. **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 the Dealers 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, the CCAA Representative Counsel and the Dealers as may be necessary or desirable to give effect to this order, to grant representative status to the Applicant, the Monitor, the CCAA Representative Counsel and the Dealers in any foreign proceeding, or to assist the Applicant, the Monitor, the CCAA Representative Counsel and the Dealers and their respective agents in carrying out the terms of this Order.
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APPENDIX "A"
DEFINED TERMS

"Action" means the Ontario Superior Court of Justice action bearing Toronto court file number CV-11-431153-00CP.

"Causes of Action" has the meaning ascribed to it in the Plan.

"CCAA" means the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36.

"Claims" has the meaning ascribed to it in the Minutes of Settlement.

"Class Actions" has the meaning ascribed to it in the Plan.

"Class Settlement Fund" has the meaning ascribed to it in the Dealers Settlement.

"Dealers" means Credit Suisse Securities (Canada) Inc., TD Securities Inc., Dundee Securities Ltd., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd. (now known as Canaccord Genuity Corp.), 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. "Dealers" includes all parent, affiliate and subsidiary corporations or business organizations in whatever form and all their predecessor and successor corporations or business organizations in whatever form.

"Dealers Claims" means any and all demands, Claims, actions, Causes of Action (as defined in the Plan), counterclaims, cross claims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances (as defined in the Plan), and other amounts sought to be recovered on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (as defined in the Plan), including any Person (as defined in the Plan) who may have a claim for contribution and/or indemnity against or from them, and including without limitation, all present and former officers or Directors of Sino-Forest, Newco (as defined in the Plan), Newco II (as defined in the Plan), Ernst & Young (as defined in the Plan), BDO Ltd., Poyry (Beijing) Consulting Company Limited (and its affiliates), the Noteholders (as defined in the Plan), any past, present or future holder of any direct or indirect equity interest in the SFC Companies (as defined in the Plan), any past, present or future direct or indirect security holder of the SFC Companies (as defined in the Plan), any indirect or direct security holder of Newco (as defined in the Plan) or Newco II (as defined in the Plan), the Trustees (as defined in the Plan), the Transfer Agent (as defined in the Plan), the Monitor (as defined in the Plan), and each and every present and former affiliate, partner, director, officer, associate, employee, servant, agent, contractor, insurer, heir and/or assign of each of the foregoing who may or could (at any time, past, present or future) be entitled to assert against the Dealers, and each and every present and former partner, director, officer, associate, employee, servant, agent, advisor, consultant contractor, insurer, heir and/or assign of each of Dealers, whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent, existing or hereafter arising, based on whole or in part on any act or omission, transaction, conduct, dealing or other occurrence existing or taking place on,

prior to or after the date of this Release, relating to or arising out of or in connection with the SFC Companies (as defined by the Plan), the SFC Business (as defined by the Plan) and any and all other acts and omissions of the Dealers relating to the SFC Companies (as defined by the Plan) or the SFC Business (as defined by the Plan). Dealers Claims include, without limitation:

1. All Claims or Causes of Action (as defined in the Plan) arising from any acts or omissions of the Dealers, including in respect of, but not limited to any statutory or common law duties they may have owed, in connection with any share offering, debt offering or other offering, or any secondary market or other sale or trading of Securities and any statement in any of Sino-Forest's disclosure, including without limitation any document released to the public or filed on SEDAR;
2. All Claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced in any or all of the Class Actions (as defined by the Plan), including any and all claims of fraud;
3. All Claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced in any or all actions commenced in all jurisdictions as of the date of this Release;
4. All Noteholder Claims (as defined by the Plan), Litigation Trust Claims (as defined by the Plan), or any Claim by or on behalf of Sino-Forest or the SFC Companies (as defined in the Plan) or present, former or future holders of Securities of Sino-Forest regardless of who asserts such claims; and
5. All Claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced by all present and former directors, officers or employees of Sino-Forest, and any and all agents, representatives, consultants, advisors, auditors or counsel to Sino-Forest, including for contribution, indemnity, damages, equitable relief or other monetary recovery.

"Dealers Release" means the Named Third Party Defendant Release described at section 11.2(c) of the Plan as applied to the Dealers Claims.

"Dealers Settlement" means the settlement as reflected in the Minutes of Settlement executed on December 22, 2014 between the Dealers and the Ontario Plaintiffs.

"Dealers Settlement Date" means the date that the Monitor's Dealers Settlement Certificate is delivered to the Dealers.

"Eligible Third Party Defendant" has the meaning ascribed to it in the Plan.

"Monitor's Dealers Settlement Certificate" is the Monitor's Named Third Party Certificate contemplated at section 11.2(b) of the Plan, applicable and with respect to the Dealers Settlement.

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"Monitor's Named Third Party Settlement Certificate" has the meaning ascribed to it in the Plan.

"Named Third Party Defendant" has the meaning ascribed to it in the Plan.

"Named Third Party Defendant Settlement" has the meaning ascribed to it in the Plan.

"Named Third Party Defendant Settlement Order" has the meaning ascribed to it in the Plan.

"Named Third Party Defendant Release" has the meaning ascribed to it in the Plan.

"Person" has the meaning ascribed to it in the Plan.

"Securities" means common shares, notes or other securities defined in the *Securities Act*, RSO 1990, c. S.5, as amended, or that are securities at law.

"Securities Claimants" means all Person and entities, wherever they may reside, who acquired any Securities of Sino-Forest including Securities acquired in the primary, secondary, and over-the-counter markets.

"Settlement Trust" has the meaning ascribed to it in the Dealers Settlement.

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APPENDIX "B"
MONITOR'S DEALERS 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 COMPRISE 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. THE DEALERS, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E.
 HYDE, EDMUND MAX, SIMON MURRAY, PETER WANG, GARRY J. WEST, POYRY
 (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)

Proceeding under the *Class Proceedings Act, 1992*

Defendants

- 20 -

All capitalized, terms not otherwise defined herein shall have the meanings ascribed to them in the Order of the Court dated ■ (the "Dealers Settlement Order") which, among other things, approved the Dealers Settlement and the Dealers Release.

Pursuant to section 11.2 of the Plan and paragraph ■ of the Dealers Settlement Order, FTI Consulting Canada Inc. (the "Monitor") in its capacity as Court-appointed Monitor of SFC delivers to the Dealers this certificate and hereby certifies that:

- (a) each of the parties to the Dealers Settlement has confirmed that all conditions precedent thereto have been satisfied or waived;
- (b) all settlement funds have been paid and received; and
- (c) immediately upon the delivery of this Monitor's Dealers Settlement Certificate, the Dealers Release will be in full force and effect in accordance with the Plan.

DATED at Toronto this ■ day of ■ 2015

FTI CONSULTING CANADA INC., solely in its capacity as
Monitor of Sino-Forest Corporation and not in its personal
capacity

Name:
Title:

SCHEDULE "B"
[form of U.S. Recognition Order]


Date: _____

Siskinds LLP
Lawyers for the Class Action Plaintiffs

Date: _____


Koskie Minsky LLP
Lawyers for the Class Action Plaintiffs

Date: 1/5/15



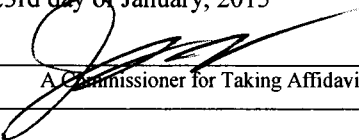
Cohen Milstein Sellers & Toll PLLC
Lawyers for the Class Action Plaintiffs

Date: 22/12/14



Torys LLP
Lawyers for the Dealers

This is **Exhibit "B"** referred to in the affidavit of Garth Myers, sworn before this 23rd day of January, 2015



A Commissioner for Taking Affidavits

SINO-FOREST SECURITIES LITIGATION

NOTICE OF PROPOSED SETTLEMENT WITH:

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)

TO: 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 (the "Securities Claimants").

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION**

IMPORTANT DEADLINE

Objection Deadline (for those who wish to object or make submissions regarding the proposed settlements with the Dealers or recognition and enforcement of any order approving such proposed settlements in the United States. See pages 3 & 4 for more details) ●

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 Quebec Superior Court (the "Quebec Proceeding") by certain plaintiffs (the "Canadian Plaintiffs") against Sino-Forest Corporation ("Sino-Forest"), its auditors, a consulting company, its senior officers and directors, 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) (the "Dealers"). In January 2012, a proposed class action was commenced by certain plaintiffs (together with Canadian Plaintiffs, the "Plaintiffs") against Sino-Forest and other defendants in the Supreme Court of the State of New York which was removed to and is now pending in the United States District Court for the Southern District of New York (the "U.S.

Action”) (together with the Ontario Proceeding and the Quebec Proceeding, the “Proceedings”). The Proceedings alleged, *inter alia*, that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest’s financial results, 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”), and the Ontario Superior Court ordered a stay of proceedings against the company and other parties (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, the Ontario Superior Court entered an order (the “Plan Sanction Order”) approving a Plan of Arrangement in the CCAA Proceeding. As part of the 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.

On February 4, 2013, a proceeding was commenced in the United States Bankruptcy Court for the Southern District of New York (the “United States Bankruptcy Court”) captioned *In re Sino Forest Corporation*, Case No. 13-10361 (MG) (the “Chapter 15 Proceeding”) seeking recognition of the CCAA Proceeding and an order recognizing and enforcing the Plan Sanction Order in the United States. On April 15, 2013, the Bankruptcy Court entered an order recognizing and enforcing the Plan Sanction Order in the United States.

To date, the claims in the Proceedings against the defendants Ernst & Young, Pöyry (Beijing) Consulting Company Limited, and David J. Horsley have been settled.

Who Acts for the Securities Claimants

Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules, sencrl, and Cohen Milstein Sellers & Toll PLLC (collectively, “Class Counsel”) represent the Securities Claimants 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 or expenses to Class Counsel. However, 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 the Dealers

The Plaintiffs have entered into a proposed settlement with the Dealers (the “Settlement Agreement”). The Settlement Agreement would settle, extinguish and bar all claims, globally, against the Dealers in relation to Sino-Forest including the allegations in the Proceedings. The Dealers do not admit to any wrongdoing or liability. The terms of the proposed settlements do not involve the resolution of any claims against Sino-Forest or any of the other remaining defendants. For an update on CCAA orders affecting Sino-Forest, please see the Monitor’s Website. A complete copy of the proposed Settlement Agreement and other information about these Proceedings is available on the website of Koskie Minsky LLP, at

www.kmlaw.ca/sinoforestclassaction, on the website of Cohen Milstein Sellers & Toll PLLC at <http://www.cohenmilstein.com/cases/274/sino-forest> (“Cohen Milstein Website”) and on www.sinosettlement.com (collectively, the “Class Action Websites”).

The Settlement Agreement, if approved and its conditions fulfilled, provides that CAD\$32,500,000 (the “Settlement Amount”) shall be paid into an interest bearing account for the benefit of the Securities Claimants until such time that it is distributed pursuant to orders of the Ontario Superior Court and to pay legal fees and disbursements.

In return, the Proceedings will be dismissed against the Dealers, and there will be an order forever barring all claims against them in relation to Sino-Forest, including any allegations relating to the Proceedings. Such order will be final and binding and there will be no ability to pursue a claim against the Dealers through an opt-out process under class proceedings or similar legislation.

The proposed settlement with the Dealers is subject to court approval, as discussed below.

Hearing to Approve the Settlement Agreement, Class Counsel Fees, and the Claims and Distribution Protocol on ● in Toronto, Ontario

On ● at ●. (ET), there will be a hearing before the Ontario Superior Court of Justice at which Class Counsel will seek that Court’s approval of i) the Settlement Agreement; ii) the fees and expense reimbursement requests of Class Counsel; and iii) a plan of allocation and distribution of the Settlement Amount (the “Claims and Distribution Protocol”) (together, the “Ontario Approval Motion”). The hearing will be held 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.

The proposed Claims and Distribution Protocol sets out, among other things, i) the method by which the Administrator (defined below) will review and process claims forms; and ii) the method by which the Administrator will calculate the amount of compensation to be distributed to each Securities Claimant, including the Allocation System, which assigns different risk adjustment factors to different Sino-Forest securities depending on factors such as the type of security acquired and the time that security was acquired. Persons that suffered the same loss on their Sino-Forest securities may receive different levels of compensation, depending on the risk adjustment factors assigned to their securities.

The detailed proposed Claims and Distribution Protocol can be found at the Class Action Websites, or by contacting Class Counsel at the contact information set out at the end of this notice.

At the Ontario Approval Motion, the court will determine whether the Settlement Agreement and the Claims and Distribution Protocol are fair, reasonable, and in the best interests of Securities Claimants. At that hearing, Class Counsel will also seek court approval of its request for fees and expense reimbursements (“Class Counsel Fees”). As is customary in class actions, Class Counsel is prosecuting and will continue to prosecute this class action on a contingent fee basis. Class Counsel is paid only where there is recovery for the class, and Class Counsel funds the out-of-pocket expenses of conducting the litigation in the interim. Class Counsel will be requesting the

following fees and disbursements to be deducted from the Settlement Amount before it is distributed to Securities Claimants:

Siskinds LLP, Koskie Minsky LLP, Siskinds Desmeules, sencrl

Amount requested: \$● plus disbursements (expenses), plus taxes

Cohen Milstein Sellers & Toll PLLC

Amount requested: \$● plus disbursements (expenses), plus taxes

The court materials in support of these fee and disbursement requests will be posted on the Class Action Websites prior to the Distribution Protocol and Fee Hearing.

Expenses incurred or payable relating to notification, implementation, and administration of the settlement (“Administration Expenses”) will also be paid from the Settlement Amount.

All Securities Claimants may attend the hearing of the Ontario Approval Motion and ask to make submissions regarding the proposed settlement with the Dealers.

Persons intending to object to the approval of the Settlement Agreement, the Allocation and Distribution protocol or fee and expense application are required to deliver a Notice of Objection, substantially in the form that can be found on the Class Action Websites, and, if this Notice is received by mail or email, enclosed with this Notice (the “Notice of Objection”), to Siskinds LLP by regular mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. on ●, 2015. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.

Concurrent with the hearing of the Ontario Approval Motion, there will be a hearing in the United States Bankruptcy Court for an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States.

Concurrent Hearing for Recognition and Enforcement on ● in New York, New York

Among other things, the Settlement Agreement is conditioned on and order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States. Accordingly, on or before●, United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP will file a motion (the “Dealers Settlement Recognition Motion”) with the United States Bankruptcy Court seeking such relief. Copies of the Dealers Settlement Recognition Motion will be available on the Class Action Websites.

On ●, at ● (ET), concurrently with the hearing on the Ontario Approval Motion, there will be a hearing on the Dealers Settlement Recognition Motion before the Honorable Martin Glenn, United States Bankruptcy Judge, in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York. If the Ontario Approval Motion is granted, the Bankruptcy Court will consider whether to grant an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States.

Any objections or responses to the Dealers Settlement Recognition Motion, which will be considered separately by the United States Bankruptcy Court from any objections made with respect to the Ontario Approval Motion, must be made in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the Bankruptcy Court. In addition, such objection or response must be made in writing describing the basis therefore and filed with the United States Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the United States Bankruptcy Court's electronic case filing system, and by all other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, Southern District of New York, One Bowling Green, New York, NY 10004-1408 and served upon United States bankruptcy counsel for the Dealers at ● Attention: ●, and United States bankruptcy counsel for the Plaintiffs, Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, N.Y. 10020, Attention: Michael S. Etkin and Andrew D. Behlmann, so as to be received by them no later than ● at ●. (ET).

THE COURT MAY APPROVE A CLAIMS AND DISTRIBUTION PROTOCOL THAT IS DIFFERENT THAN THE CLAIMS AND DISTRIBUTION PROTOCOL THAT IS PROPOSED BY CLASS COUNSEL. WHETHER OR NOT THEY SUBMIT A VALID CLAIM FORM, ALL PERSONS OR ENTITIES THAT ARE ENTITLED TO PARTICIPATE IN THE DEALERS SETTLEMENT WILL BE BOUND BY THE CLAIMS AND DISTRIBUTION PROTOCOL, WHATEVER IT MAY BE, THAT IS APPROVED BY THE COURT.

The Administrator

The Ontario Superior Court has appointed NPT RicePoint as the Administrator of the settlement. The Administrator will, among other things: (i) receive and process the claim forms; (ii) make determinations of Class Members' eligibility for compensation pursuant to the Claims and Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the net settlement amount. The Administrator can be contacted at:

Mailing Address: NPT RicePoint Class Action Services
Sino-Forest Class Action
P.O. Box 3355
London, ON N6A 4K3

Telephone: 1-866-432-5534

Email Address: sino@npricepoint.com

Website: www.npricepoint.com

Further Information

If you would like additional information, please contact Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sencrl, or Cohen Milstein Sellers & Toll PLLC using the information below:

Garth Myers, Jonathan Ptak
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

Dimitri Lascaris, Charles Wright
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: sinoforest@siskinds.com

Simon Hebert
Siskinds Desmeules, sencrl
43 Rue Buade, Bureau 320, Québec City, Québec, G1R 4A2
Re: Sino-Forest Class Action
Tel: 418.694.2009
Email: simon.hebert@siskindsdesmeules.com

Richard Speirs, Genevieve Fontan
Cohen Milstein Sellers & Toll, PLLC
88 Pine Street
New York, NY 10005
Tel. 212.838.7797
Email: lawinfo@cohenmilstein.com

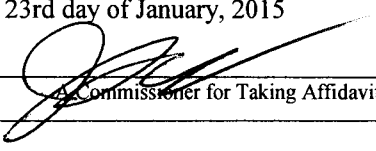
Interpretation

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 Ontario Superior Court or the United States Bankruptcy Court. All inquiries should be directed to Class Counsel.

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

This is Exhibit "C" referred to in the affidavit of Garth Myers, sworn before this 23rd day of January, 2015



Commissioner for Taking Affidavits

NOTICE OF OBJECTION

ONLY USE THIS FORM IF YOU **DO NOT** LIKE THE DEALERS SETTLEMENT OR THE CLAIMS AND DISTRIBUTION PROTOCOL OR THE COUNSEL FEE APPLICATION AND WISH TO OBJECT

TO: **SISKINDS LLP**
680 Waterloo Street
PO Box 2520
London, ON N6A 3V8

Attention: Nicole Young

Email: sinoforest@siskinds.com

RE: **SINO-FOREST CORPORATION — DEALERS 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 ● (the "Order"), persons wishing to object to the Dealers Settlement, the claims and distribution protocol, or the counsel fee application are required to complete and deliver this Notice of Objection to Siskinds LLP by mail, courier or email to be received by no later than ● (Eastern Time) on ●.

I hereby give notice that I object to the Dealers Settlement, the claims and distribution protocol, or the counsel application for the following reasons (please attach extra pages if you require more space):

ONLY SUBMIT AN OBJECTION IF YOU DO NOT LIKE THE DEALERS SETTLEMENT, THE CLAIMS AND DISTRIBUTION PROTOCOL, OR THE COUNSEL FEE APPLICATION AND WISH TO OBJECT

- I DO NOT intend to appear at the hearing of the motion to approve the Dealers Settlement, the Claims and Distribution Protocol, or the Counsel Fee Application, and I understand that my objection will be filed with the court prior to the hearing of the motion at ● on ●, 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 Dealers Settlement, the Claims and Distribution Protocol, or the Counsel Fee Application, at ● on ●, 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: _____

**The Trustees of the Labourer's Pension Fund
of Central and Eastern Canada, et al.**

and

Sino-Forest Corporation, et al.

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

Plaintiffs

Defendants

**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
COMPRISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings Under the *Class Proceedings Act, 1992*
Proceeding commenced at Toronto

**DEALERS SETTLEMENT NOTICE OF FAIRNESS
HEARING APPROVAL**

KOSKIE MINSKY LLP

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

Kirk M. Baert (LSUC#: 30942O)

Tel: (416) 595-2117

Fax: (416) 204-2889

Jonathan Ptak (LSUC#: 45773F)

Tel: (416) 595-2149

Fax: (416) 204-2903

SISKINDS LLP

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

Charles M. Wright (LSUC#: 36599Q)

Tel: (519) 660-7753

Fax: (519) 660-7754

A. Dimitri Lascaris (LSUC#: 50074A)

Tel: (519) 660-7844

Fax: (519) 660-7845

Lawyers for the Plaintiffs