

## SETTLEMENT AGREEMENT

Made as of the 28<sup>th</sup> day of July, 2016

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, Davis New York Venture Fund, Inc. and Davis Selected Advisers L.P. (the "**Ontario Plaintiffs**"), in their capacities as representative plaintiffs in the Action commenced in relation to Sino-Forest Corporation and certified in the Ontario Superior Court, Court File No. CV-15-525189-00CP, (the "**Ontario Action**"), Guining Liu (the "**Quebec Plaintiff**"), in its capacity as representative plaintiff in a proposed class action commenced in relation to Sino-Forest Corporation in the Quebec Superior Court, Court File No. 200-06-000132-111 (the "**Quebec Action**"), David Leopard and IMF Finance SA (the "**U.S. Plaintiffs**") in their capacities as plaintiffs named in a Verified Class Action Complaint in an action commenced in relation to Sino-Forest Corporation in the Supreme Court of the State of New York, County of New York, Index No. 65028/2012 (the "**U.S. Action**")

and

W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang

and

William Ardell, James Bowland, James Hyde and Garry West

(the "**Parties**")

### MINUTES OF SETTLEMENT AND RELEASE

#### **PART I - Settlement of Claims Against Martin, Mak, Muray, Wang, Ardell, Bowland, Hyde and West**

1. Capitalized terms not otherwise defined shall have the meanings attributed to those terms in **Schedule "A"**.
2. These Minutes of Settlement and Release represent the agreement amongst the Parties, reached on July 28, 2016 (the "**Settlement and Release**"), to resolve in accordance with the terms more particularly set out herein any actions, causes of action, claims and/or

demands, known or unknown, which have been made against W. Judson Martin, Edmund Mak, Simon Murray, Peter Wang, William Ardell, James Bowland, James Hyde and Garry West (the "**Directors**") or which could have been made against the Directors by the Ontario Plaintiffs, the Quebec Plaintiffs, and the U.S. Plaintiffs (the "**Class Action Plaintiffs**"), based upon, arising out of, in relation to, in connection with or in any way related to Sino-Forest Corporation and its affiliates and subsidiaries, in the context of these proceedings or otherwise (collectively, the "**Claims**").

3. This Settlement Agreement is conditional on:
  - (a) the approval of an Order by the Superior Court of Quebec granting leave to discontinue the Quebec Action against the Directors (the "**Quebec Discontinuance Order**");
  - (b) the approval of an Order by the United States District Court of for the Southern District of New York granting leave to dismiss the U.S. Action against W. Judson Martin, Edmund Mak, William Ardell, James Bowland, James Hyde and Garry West with prejudice (the "**U.S. Dismissal Order**"); and
  - (c) an Order in the Ontario Superior Court of Justice expanding the Ontario Class as follows:
    - (a) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino-Forest Corporation's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation's Securities outside of Canada, except the Excluded Persons;
    - (b) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period by distribution in Canada in an Offering, or are resident of Canada or were resident of Canada at the time of acquisition and acquired Sino-Forest Corporation's Securities by offering outside of Canada, except the Excluded Persons;

- (c) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market and who were damaged thereby; and
- (d) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.

(collectively, the "**Directors Settlement Class**")

- (d) an Order in the Ontario Superior Court of Justice certifying the Directors Settlement Class for settlement purposes and approving the Settlement and Release for the Directors Settlement Class materially in the form attached hereto as **Schedule "B"** (the "**Settlement Order**").
4. To the extent that such documents have not already been provided, the Directors shall provide all relevant documents in their possession to the Ontario Plaintiffs within 30 days of the Effective Date (defined below).
  5. Subject to the conditions herein, the terms of the Settlement and Release are binding on the Parties.
  6. The Directors make no admissions of liability and waive no defences available to them, with respect to the Claims or otherwise.

## **PART II - Implementation of the Settlement**

7. The Parties shall use their best efforts to effectuate this settlement and obtain the Settlement Order, the Quebec Discontinuance Order and the U.S. Dismissal Order completely, promptly and finally.
8. The Ontario Plaintiffs will bring a motion to the Ontario Superior Court of Justice and the Quebec Superior Court for orders approving a notice program regarding the hearing to approve the Settlement and Release and the Quebec Discontinuance Order (the "**Notice Program**").

9. The Notice Program will be distributed as follows:
- (a) Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sncrl and Cohen Milstein ("**Class Counsel**") shall provide or cause to be provided a copy of the notice (the "**Notice**") substantially in the form attached hereto as **Schedule "C"** directly, either electronically or by mail, to all individuals or entities who have contacted Class Counsel and counsel for the plaintiff in the Quebec Action, Siskinds Desmeules sncrl ("**Desmeules**"), regarding this action, and to any person or entity who requests a copy of the notice, provided such person has furnished his, her or its contact information to Class Counsel;
  - (b) copies of the Notice will be posted on the websites of Class Counsel;
  - (c) the Notice will be sent to the Service List in the Sino-Forest CCAA Proceeding;
  - (d) direct mailing of the Notice to all individuals and entities that have submitted claim forms in connection with the settlement with Ernst & Young LLP; and
  - (e) copies of the short-form notice (the "**Short Form Notice**") substantially in the form attached hereto as **Schedule "D"** will be published in the following publications:
    - (a) *The Globe and Mail*, in English, in one weekday print publication; and
    - (b) *La Presse*, in French, in one weekday digital publication.
10. The costs of the Notice Program attributable to the Directors Settlement and Release, to a maximum of \$50,000, will be paid by Chubb Insurance Company of Canada ("**Chubb**") pursuant to policy no. DO024464 issued by ACE-INA Insurance (now part of Chubb) (the "**ACE Policy**") on behalf of the Directors other than W. Judson Martin and by W. Judson Martin personally from the Class Settlement Fund (defined below) within fifteen (15) days of the costs being incurred irrespective of whether the Settlement and Release is approved by the Court (the "**Notice Cost**"). If the Settlement and Release is not approved, the Notice Cost will be non-refundable up to \$50,000 and the costs of the Notice Program exceeding \$50,000 shall be paid by Class Counsel

11. The Settlement and Release will become effective (the "**Effective Date**") when the Settlement Order, the Quebec Discontinuance Order and the U.S. Dismissal Order have been obtained and either: (a) all appeal rights have expired or (b) the applicable appellate courts of final jurisdiction have upheld the Settlement Order, the Quebec Discontinuance Order and the U.S. Dismissal Order.
12. In consideration of the undertakings and releases set out herein, an amount of CDN \$749,900 shall be paid to the Class Action Plaintiffs by Chubb pursuant to the ACE Policy on behalf of Edmund Mak, Simon Murray, Peter Wang, William Ardell, James Bowland, James Hyde and Garry West and an amount of CDN \$100 shall be paid to the Class Action Plaintiffs by W. Judson Martin personally (the "**Class Settlement Fund**") by means of deposits into an interest bearing trust account with a Canadian Schedule 1 bank in Ontario (the "**Settlement Trust**"), within seven (7) days following the Effective Date.<sup>1</sup>
13. Upon payment of the Class Settlement Fund, the action under Court File No. CV-11-431153-00CP shall be dismissed as against the Directors but without prejudice to the Ontario Plaintiffs' right to proceed with the Ontario Action against other named defendants (subject to any limitations set out herein).
14. The Class Settlement Fund, together with the settlement funds paid on behalf of William Ardell, James Bowland, James Hyde and Garry West pursuant to the order of Justice Morawetz dated March 29, 2016 (the "**Independent Directors' Settlement**"), represents the full monetary contribution or payment of any kind to be made by W. Judson Martin

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<sup>1</sup> These funds are addition to the settlement funds already paid by William Ardell, James Bowland, James Hyde and Garry West in accordance with the order of Justice Morawetz dated March 29, 2016.

and by Chubb on behalf of Edmund Mak, Simon Murray, Peter Wang, William Ardell, James Bowland, James Hyde, and Garry West in respect of the Claims against the Directors and is paid in full and final settlement of the Claims and all causes of action against the Directors 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), all costs associated with the distribution of the Class Settlement Fund, all costs associated with the administration of the Settlement and any other monetary costs or amounts associated with the Settlement or otherwise.

15. Following the Effective Date:

- (a) no further proceedings shall be commenced or continued by the Class Action Plaintiffs against the Directors or against Chubb in respect of any Claims, other than as necessary to complete the Settlement;
- (b) the Class Action Plaintiffs agree not to claim from the non-settling Defendants in the Class Actions that portion of any damages which corresponds to the proportionate share of liability of the Directors, proven at trial or otherwise, such that the Directors and Chubb are not further exposed to the Claims, by any person or entity;
- (c) the Class Action Plaintiffs and the Directors will agree to a form of bar order as contained in the Settlement Order; and
- (d) the Class Action Plaintiffs and their respective counsel agree not to assist or cooperate with any other party in the Class Actions or any other proceeding in advancing Claims against the Directors or against Chubb. However, irrespective of this provision, the Class Action Plaintiffs reserve all rights with respect to the prosecution of the claims remaining against the non-settling Defendants.

16. This Settlement Agreement shall be terminated in the event that:

- (a) any of the Settlement Order, the Quebec Discontinuance Order and the U.S. Dismissal Order is not granted by the courts; or
- (b) any of the Settlement Order, the Quebec Discontinuance Order and the U.S. Dismissal Order is reversed on appeal and the reversal becomes final.

17. In the event this Settlement Agreement is terminated in accordance with paragraph 16, the parties shall take any and all steps to implement this paragraph 17:
- (a) the Parties will be restored to their respective positions prior to the execution of this Settlement Agreement;
  - (b) this Settlement Agreement will have no further force and effect and no effect on the rights of the Parties; and
  - (c) any Orders granted in the course of approving this Settlement Agreement, including any orders regarding the Notice of this Settlement Agreement, shall be set aside and declared null and void and of no force or effect and anyone shall be estopped from asserting otherwise.
18. For greater certainty, in the event of a termination of this Settlement Agreement, nothing herein shall be deemed to alter the terms of the Independent Directors' Settlement or any releases granted thereunder.

### **PART III - Opt Out Period**

19. Following the approval of the Settlement Order, the following persons who were not part of the class certified on September 25, 2012 but who are members of the Directors Settlement Class, and who have not yet been granted the opportunity to opt out of this class action will be given the opportunity to opt out of the Directors Settlement Class:
- (a) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market other than in Canada and who were damaged thereby; and
  - (b) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.
- (the "**New Class Members**")
20. Notice of settlement approval and opt out forms (the "**Approval and Opt Out Form**") will be distributed as follows:

- (a) Class Counsel shall provide or cause to be provided a copy of an Approval and Opt Out Form directly, either electronically or by mail, to all individuals or entities who have been identified as New Class Members;
- (b) copies of the Approval and Opt Out Form will be posted on the websites of Class Counsel;
- (c) Cohen Milstein shall provide or cause to be provided a copy of the Approval and Opt Out Form directly, either electronically or by mail, to all individuals or entities who have contacted Cohen Milstein regarding this action, and to any person or entity who requests a copy of the notice, provided such person has furnished his, her or its contact information to Cohen Milstein;

(the "**Opt Out Notice Program**")

- 21. The period during which the New Class Members may opt out will begin running from the date that the Opt Out Notice Program is complete and will end sixty (60) days thereafter.
- 22. In order for the New Class Members to opt out of the Directors Settlement Class, they must send by a written election to opt out, signed by the New Class Member or the New Class Member's designee, by mail, courier, fax or email to the NPT Ricepoint Class Action Services (the "**Opt-Out Administrator**").
- 23. These Minutes of Settlement and Release 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.

Date

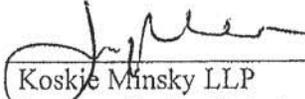
Sept 13, 2016



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Siskinds LLP  
Lawyers for the Ontario Plaintiffs

Date SEP 7 13/18

  
Koskie Minsky LLP  
Lawyers for the Ontario Plaintiffs

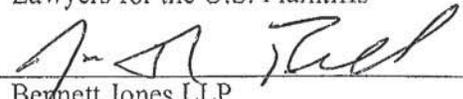
Date

Siskinds Desmeules sncrl  
Lawyers for the Quebec Plaintiff

Date

Cohen Milstein Sellers & Toll PLLC  
Lawyers for the U.S. Plaintiffs

Date Sept. 13/16

  
Bennett Jones LLP  
Lawyers for W. Judson Martin, Edmund  
Mak, Simon Murray and Peter Wang

Date

Chubb Insurance Company of Canada

Date

Osler, Hoskin & Harcourt LLP  
Lawyers for William Ardell, James  
Bowland, James Hyde and Garry West

Date

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Koskie Minsky LLP  
Lawyers for the Ontario Plaintiffs

Date

09/13/16

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*Siskinds Desmeules sncrl*  
Siskinds Desmeules sncrl  
Lawyers for the Quebec Plaintiff

Date

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Cohen Milstein Sellers & Toll PLLC  
Lawyers for the U.S. Plaintiffs

Date

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Bennett Jones LLP  
Lawyers for W. Judson Martin, Edmund  
Mak, Simon Murray and Peter Wang

Date

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Chubb Insurance Company of Canada

Date

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Osler, Hoskin & Harcourt LLP  
Lawyers for William Ardell, James  
Bowland, James Hyde and Garry West

Date

Koskie Minsky LLP  
Lawyers for the Ontario Plaintiffs

Date

Siskinds Desmeules sencl  
Lawyers for the Quebec Plaintiff

Date

9/13/16

Cohen Milstern Sellers & Toll PLLC  
Lawyers for the U.S. Plaintiffs

Date

Bennett Jones LLP  
Lawyers for W. Judson Martin, Edmund  
Mak, Simon Murray and Peter Wang

Date

Chubb Insurance Company of Canada

Date

Osler, Hoskin & Harcourt LLP  
Lawyers for William Ardell, James  
Bowland, James Hyde and Garry West

Date

Koskie Minsky LLP  
Lawyers for the Ontario Plaintiffs

Date

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Siskinds Desmeules sencl  
Lawyers for the Quebec Plaintiff

Date

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Cohen Milstein Sellers & Toll PLLC  
Lawyers for the U.S. Plaintiffs

Date

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Bennett Jones LLP  
Lawyers for W. Judson Martin, Edmund  
Mak, Simon Murray and Peter Wang

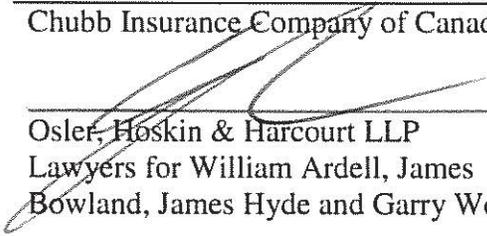
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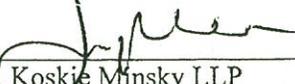
Chubb Insurance Company of Canada

Date

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Osler, Hoskin & Harcourt LLP  
Lawyers for William Ardell, James  
Bowland, James Hyde and Garry West

Date SEPT 13/18

  
Koskie Minsky LLP  
Lawyers for the Ontario Plaintiffs

Date

Siskinds Desmeules sencl  
Lawyers for the Quebec Plaintiff

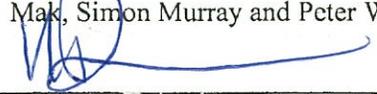
Date

Cohen Milstein Sellers & Toll PLLC  
Lawyers for the U.S. Plaintiffs

Date

Bennett Jones LLP  
Lawyers for W. Judson Martin, Edmund  
Mak, Simon Murray and Peter Wang

Date

  
Chubb Insurance Company of Canada

Date

Osler, Hoskin & Harcourt LLP  
Lawyers for William A. Jell, James  
Bowland, James Hyde and Garry West

## Schedule "A"

"**Securities**" means Sino's common shares and notes;

"**Class Period**" means the period from and including March 19, 2007 to and including June 2, 2011;

"**December 2009 Offering Memorandum**" means Sino's Final Offering Memorandum, dated December 10, 2009, relating to the distribution of Sino's 4.25% Convertible Senior Notes due 2016 which Sino filed on SEDAR on December 11, 2009;

"**December 2009 Prospectus**" means Sino's Final Short Form Prospectus, dated December 10, 2009, which Sino filed on SEDAR on December 11, 2009;

"**Excluded Persons**" means the defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an Individual Defendant;

"**Individual Defendants**" means Allen T.Y. Chan, W. Judson Martin, Kit Kai Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, and Garry J. West, collectively;

"**June 2007 Prospectus**" means Sino's Short Form Prospectus, dated June 5, 2007, which Sino filed on SEDAR on June 5, 2007;

"**July 2008 Offering Memorandum**" means the Final Offering Memorandum dated July 17, 2008, relating to the distribution of Sino's 5% Convertible Senior Notes due 2013 which Sino filed on SEDAR as a schedule to a material change report on July 25, 2008;

"**June 2009 Prospectus**" means Sino's Final Short Form Prospectus, dated June 1, 2009, which Sino filed on SEDAR on June 1, 2009;

"**June 2009 Offering Memorandum**" means Sino's Exchange Offer Memorandum dated June 24, 2009, relating to an offer to exchange Sino's Guaranteed Senior Notes due 2011 for new 10.25% Guaranteed Senior Notes due 2014 which Sino filed on SEDAR as a schedule to a material change report on June 25, 2009;

"**October 2010 Offering Memorandum**" means the Final Offering Memorandum dated October 14, 2010, relating to the distribution of Sino's 6.25% Guaranteed Senior Notes due 2017;

"**Offering**" means the primary distributions of Sino's Securities that occurred during the Class Period including the public offerings of Sino's common shares pursuant to the June 2007, June 2009 and December 2009 Prospectuses, as well as the offerings of Sino's notes pursuant to the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda, collectively;

"**SEDAR**" means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;

**Schedule "B"  
Draft Settlement Order**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )  
 )  
JUSTICE ● ) ..... THE .....  
 DAY OF ....., 2016

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, DAVIS NEW YORK VENTURE FUND, INC. and DAVIS SELECTED ADVISERS, L.P.**  
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 BANC OF AMERICA SECURITIES LLC**

Defendants

Proceeding under the *Class Proceedings Act*, 1992

**ORDER**

**THIS MOTION**, made by the representative plaintiffs in the action commenced against William Ardell, James Bowland, James Hyde and Garry West (the "**Independent Directors**"), W. Judson Martin, Edmund Mak, Simon Murray, Peter Wang (together with the Independent Directors, the "**Directors**") in the Ontario Superior Court of Justice, bearing (Toronto) Court File

No. CV-11-431153-00CP (the "**Ontario Class Action**"), for an order giving effect to the Directors Settlement and Release, was heard on ●, 2016 at the Court House, ●, Toronto

**WHEREAS** this action was previously certified for settlement by Order of this Court dated September 25, 2012 on behalf of the following class:

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

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

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

excluding the defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an individual defendant;

(the "**Certification Class**")

**AND WHEREAS** the opt out period for the Certification Class has expired;

**WHEREAS** this court approved a settlement and release in the Ontario Class Action for the benefit of the Independent Directors by Order dated March 29, 2016 on behalf of the following class:

all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino-Forest Corporation's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation's Securities outside of Canada, except: those persons resident or domiciled in the Province of Quebec at the time they acquired Sino-Forest Corporation's Securities, and who are not precluded from participating in a class action by virtue of Article 999 of the Quebec Code of Civil Procedure, RSQ, c C-25, and except the Excluded Persons; and

all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period by distribution in Canada in an Offering, or are resident of Canada or were resident of Canada at the time of acquisition and acquired Sino-Forest Corporation's Securities by offering outside of Canada, except the Excluded Persons;

(the "**Independent Directors Settlement Class**")

**AND WHEREAS** an action was commenced in Quebec against the Directors, Sino-Forest Corporation and others styled *Guining Liu v. Sino-Forest Corporation et al.* bearing Quebec Superior Court No. 200-06-000132-111 (the "**Quebec Class Action**") on behalf of the following class:

All persons or entities domiciled in Quebec (other than the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is an immediate member of the families of the individual named defendants) who purchased or otherwise acquired, whether in the secondary market, or under a prospectus or other offering document in the primary market, equity, debt or other securities of or relating to Sino-Forest Corporation, from and including August 12, 2008 to and including June 2, 2011

(the "**Quebec Class**")

**AND WHEREAS** an action was commenced in in the Supreme Court of the State of New York against W. Judson Martin, Edmund Mak, Sino-Forest Corporation, and others styled *David Leopard v. Sino-Forest Corporation et al.*, and subsequently removed to the United States District Court of the Southern District of New York where it remains pending (Case No. 1:12-cv-01726-AT (the "**U.S. Class Action**"). The U.S. Class Action is brought on behalf of:

- (a) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market and who were damages thereby; and
- (b) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damages thereby.

(the "**U.S. Class**")

**AND WHEREAS** the Directors and the plaintiffs in the Ontario Class Action, the Quebec Class Action, and the U.S. Class Action entered into Minutes of Settlement and Release dated ● (the “**Directors Settlement and Release**”) to release any actions, causes of action, claims and/or demands which have been made against the Directors or which could have been made against the Directors by the plaintiffs in the Ontario Class Action, the Quebec Class Action, and the U.S. Class Action (the “**Class Action Plaintiffs**”), based upon, arising out of, in relation to, in connection with or in any way related to Sino-Forest Corporation and its affiliates and subsidiaries, in the context of the Ontario Class Action, the Quebec Class Action, and the U.S. Class Action or otherwise (collectively, “**Claims**”);

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

#### **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"**

#### **Certification for Settlement Purposes**

2. **THIS COURT ORDERS** that the class in the Ontario Class Action is amended as against the Directors for purposes of the Directors Settlement and Release as follows:
  - (a) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation’s Securities during the Class Period on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino-Forest Corporation's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation's Securities outside of Canada, except the Excluded Persons;
  - (b) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period by distribution in Canada in an Offering, or are resident of Canada or were resident of Canada at the time of

acquisition and acquired Sino-Forest Corporation's Securities by offering outside of Canada, except the Excluded Persons;

- (c) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market and who were damaged thereby; and
- (d) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.

(the "**Directors Settlement Class**")

3. **THIS COURT ORDERS** that the Trustees of the Labourers' Pension Fund of Central and Eastern Canada, the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, Sjunde Ap-Fonden, David Grant, Robert Wong, Davis New York Venture Fund, Inc. and Davis Selected Advisers, L.P. be and hereby are appointed as the representative plaintiffs for the Directors Settlement Class.
4. **THIS COURT ORDERS** that the claims asserted on behalf of some or all of the Directors Settlement Class as against W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang are: (a) negligent misrepresentation in connection with Sino-Forest Corporation's share offerings; (b) the statutory cause of action in Part XXIII.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "**OSA**"); (c) the statutory cause of action in Part XXIII of the *OSA* for misrepresentations in Sino-Forest Corporation's prospectuses; and (d) negligence in connection with Sino-Forest's note offerings.
5. **THIS COURT ORDERS** that the claims asserted on behalf of some or all of the Directors Settlement Class as against William Ardell, James Bowland, James Hyde and Garry West are: (a) negligent misrepresentation; and (b) the statutory cause of action in Part XXIII.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "**OSA**"), and the claims

asserted on behalf of the Directors Settlement Class as against James Hyde are: (a) the statutory cause of action in Part XXIII of the *OSA* for misrepresentations in Sino-Forest Corporation's prospectuses; and (d) negligence in connection with Sino-Forest's note offerings.

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

Did the Directors make misrepresentations as alleged in this proceeding during the Class Period?

**Opt Out Period**

7. **THIS COURT ORDERS** that NPT Ricepoint Class Action Services be and hereby is appointed as Opt-Out Administrator for the purposes of the Directors Settlement and Release.

8. **THIS COURT ORDERS** that only the following putative Directors Settlement Class members who were not part of the Certification Class may opt out of the Directors Settlement Class:

- (a) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market other than in Canada and who were damaged thereby; and
- (b) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damaged thereby.

(the "**Opt Out Class**")

9. **THIS COURT ORDERS** the form and content of the approval notice and opt out forms attached hereto as Schedule "A" (the "**Approval and Opt Out Form**") be and hereby are

approved and shall be published subject to the right of the plaintiffs and the Directors to make non-material amendments, as may be necessary or desirable.

10. **THIS COURT ORDERS** that the Approval and Opt Out Form shall be disseminated as follows:

- (a) Class Counsel shall provide or cause to be provided a copy of the Approval and Opt Out Form directly, either electronically or by mail, to all individuals or entities who have been identified by Class Counsel as U.S. Class Members;
- (b) copies of the Approval and Opt Out Form will be posted on the websites of Class Counsel;
- (c) Cohen Milstein shall provide or cause to be provided a copy of the Approval and Opt Out Form directly, either electronically or by mail, to all individuals or entities who have contacted Cohen Milstein regarding this action, and to any person or entity who requests a copy of the notice, provided such person has furnished his, her or its contact information to Cohen Milstein;

(the "Opt Out Notice Program")

11. **THIS COURT ORDERS** that U.S. Class Members may opt out of the Directors Settlement Class in accordance with paragraph ● of the Settlement Agreement.

#### **Approval of the Settlement & Release**

12. **THIS COURT ORDERS** that the Directors Settlement and Release is fair and reasonable in all the circumstances and for the purposes of the proceedings under the *Class Proceedings Act, 1992*.

13. **THIS COURT ORDERS** that this Order and the Directors Settlement and Release are binding on the members of the Directors Settlement Class who have not opted out, 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, RRO 1990, Reg. 194* are dispensed.

## **Release and Discharge**

14. **THIS COURT ORDERS** that as of the date hereof,
- (a) any and all Claims by the Directors Settlement Class against the Directors and Chubb shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the Directors;
  - (b) the Directors Settlement and Release shall be binding according to its terms;
  - (c) none of the parties in the Ontario Class Action or any other actions in which the 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 Directors proven at trial or otherwise, that is subject of the Directors Settlement and Release; and
  - (d) the Ontario Class Action shall be dismissed against the Directors.

## **Effect of Settlement on ACE-INA Insurance and Chubb Insurance Company of Canada**

15. **THIS COURT ORDERS** that any amounts paid by ACE-INA Insurance, now Chubb Insurance Company of Canada ("**ACE**" and "**Chubb**" and hereinafter "**Chubb**") under ACE policy no. DO024464 (the "**ACE Policy**") towards the Directors Settlement and Release are fair and reasonable in all of the circumstances and are hereby approved for all purposes, and shall be implemented in accordance with their terms and this Order.
16. **THIS COURT ORDERS** that the payment by Chubb pursuant to the Directors Settlement and Release does not violate the interests of any party to the Ontario Class Action, the Quebec Class Action or the U.S. Class Action (hereinafter collectively the "**Ontario, Quebec and U.S. Class Actions**") or of any other party who might have a claim against any person or entity potentially covered under the ACE Policy.
17. **THIS COURT ORDERS** that all amounts paid by Chubb towards the Directors Settlement and Release shall constitute covered Loss (as defined in the ACE Policy) that reduce the Limits of Liability (as defined in the ACE Policy) for all purposes.

18. **THIS COURT ORDERS** that payment by Chubb pursuant to the Directors Settlement and Release is without prejudice to the coverage positions or reservations of rights advised by ACE and Chubb in relation to the Ontario, Quebec and U.S. Class Actions and to any other matter or Claim (as defined in the ACE Policy) made or yet to be made against the Directors provided that the settlement of the Ontario, Quebec and U.S. Class Actions will not be voided or impacted by any such coverage positions or reservations of rights.
19. **THIS COURT ORDERS** that Chubb shall be released from any and all claims against it under or in relation to the ACE Policy with respect to the Claims advanced against the Directors, or which could have been advanced against them, in the Ontario, Quebec and U.S. Class Actions.
20. **THIS COURT ORDERS** that all persons and entities provided with notice of this Motion shall be bound by the declarations made in, and the terms of, this Order.

**No Further Liability**

21. **THIS COURT ORDERS** that nothing herein or in the Directors Settlement and Release is designed to or shall cause the Directors to incur any personal liability from which the Directors were released by this Court pursuant to the *Companies' Creditors Arrangement Act* plan of compromise and reorganization of Sino-Forest Corporation dated December 3, 2012 that was sanctioned and approved by this Court on December 10, 2012, except for the CDN \$100 payment to be paid personally by W. Judson Martin set out in paragraph 12 of the Directors Settlement and Release.

**Use of the Settlement Fund**

22. **THIS COURT ORDERS** that 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.
23. **THIS COURT ORDERS** that notwithstanding the immediately preceding paragraph, the following parties shall not be entitled to any allocation or distribution of the Class Settlement Fund: any person or entity that is a named defendant to the Ontario Class Action, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of the following persons: Allen T.Y. Chan a.k.a Tak Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Bowland, 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 Settlement and Release shall apply to the claimants described above, other than the Directors.

**Bar Order**

24. **THIS COURT ORDERS** that all claims for contribution, indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the *OSA* or other statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Claims, which were or could have been brought in the within proceedings or otherwise, or could in the future be brought on the basis of the same events, actions and omissions underlying the within proceedings or otherwise, by any Defendant or by the Class Action Plaintiffs

against the Directors or against Chubb are barred, prohibited, and enjoined in accordance with the terms of the Directors Settlement and Release and this Order (the "Bar Order").

25. **THIS COURT ORDERS** that if this court determines that there is a right of contribution and indemnity or other claims over, including, without limitation, potential third party claims, at common law, equity or pursuant to the *OSA* or other statute, whether asserted, unasserted or asserted in a representative capacity or in any other capacity, inclusive of interest, costs, expenses, class administration expenses, penalties, legal fees and taxes, relating to the Claims;
- (a) the Directors Settlement Class shall not be entitled to claim or recover from the non-settling Defendants that portion of any damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs that corresponds to the proportionate share of liability of the Directors, proven at trial or otherwise; and
  - (b) this court shall have full authority to determine the proportionate share of liability of the Directors at the trial or other disposition of this action, whether or not the Directors appear at the trial or other disposition and the proportionate share of liability of the Directors shall be determined as if the Directors are parties to this action and any determination by this court in respect of the proportionate share of liability of the Directors shall only apply in this action and shall not be binding on the Directors in any other proceedings.

**Recognition, Enforcement and Further Assistance**

26. **THIS COURT ORDERS** that this Court shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Settlement and 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 Settlement and 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 Settlement and Release.

27. **THIS COURT ORDERS** that each of the Ontario Plaintiffs, the Directors and their respective counsel 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 required, and for assistance in carrying out the terms of such orders.

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Morawetz J.

## Appendix "A"

"**Securities**" means Sino's common shares and notes;

"**Class Period**" means the period from and including March 19, 2007 to and including June 2, 2011;

"**December 2009 Offering Memorandum**" means Sino's Final Offering Memorandum, dated December 10, 2009, relating to the distribution of Sino's 4.25% Convertible Senior Notes due 2016 which Sino filed on SEDAR on December 11, 2009;

"**December 2009 Prospectus**" means Sino's Final Short Form Prospectus, dated December 10, 2009, which Sino filed on SEDAR on December 11, 2009;

"**Excluded Persons**" means the defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of an Individual Defendant;

"**Individual Defendants**" means Allen T.Y. Chan, W. Judson Martin, Kit Kai Poon, David J. Horsley, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, and Garry J. West, collectively;

"**June 2007 Prospectus**" means Sino's Short Form Prospectus, dated June 5, 2007, which Sino filed on SEDAR on June 5, 2007;

"**July 2008 Offering Memorandum**" means the Final Offering Memorandum dated July 17, 2008, relating to the distribution of Sino's 5% Convertible Senior Notes due 2013 which **Sino** filed on **SEDAR** as a schedule to a material change report on July 25, 2008;

"**June 2009 Prospectus**" means Sino's Final Short Form Prospectus, dated June 1, 2009, which Sino filed on SEDAR on June 1, 2009;

"**June 2009 Offering Memorandum**" means Sino's Exchange Offer Memorandum dated June 24, 2009, relating to an offer to exchange Sino's Guaranteed Senior Notes due 2011 for new 10.25% Guaranteed Senior Notes due 2014 which Sino filed on SEDAR as a schedule to a material change report on June 25, 2009;

"**October 2010 Offering Memorandum**" means the Final Offering Memorandum dated October 14, 2010, relating to the distribution of Sino's 6.25% Guaranteed Senior Notes due 2017;

"**Offering**" means the primary distributions of Sino's Securities that occurred during the Class Period including the public offerings of Sino's common shares pursuant to the June 2007, June 2009 and December 2009 Prospectuses, as well as the offerings of Sino's notes pursuant to the July 2008, June 2009, December 2009, and October 2010 Offering Memoranda, collectively;

"**SEDAR**" means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;

Schedule "C"  
**SINO-FOREST SECURITIES LITIGATION**

**NOTICE OF PROPOSED SETTLEMENT WITH W. JUDSON MARTIN,  
EDMUND MAK, SIMON MURRAY, and PETER WANG and NOTICE OF  
EXPANDED SETTLEMENT WITH WILLIAM ARDELL, JAMES  
BOWLAND, JAMES HYDE and GARRRY WEST and NOTICE OF OPT  
OUT**

The plaintiffs have entered into a proposed settlement (the "**Directors Settlement**") with W. Judson Martin, Edmund Mak, Simon Murray, Peter Wang, William Ardell, James Bowland, James Hyde and Garry West (the "**Directors**").

The Directors Settlement is conditional on: (a) the approval of an order by the Superior Court of Quebec granting leave to discontinue the Quebec Action against the Directors; (b) the approval of an order by the United States District Court for the Southern District of New York granting leave to fully and finally dismiss the U.S. Action as against W. Judson Martin, and Edmund Mak and others; and (c) an order in the Ontario Superior Court of Justice expanding the Ontario Class as follows:

- (a) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all persons and entities who acquired Sino-Forest Corporation's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation's Securities outside of Canada, except the Excluded Persons;
- (b) all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period by distribution in Canada in an Offering, or are resident of Canada or were resident of Canada at the time of acquisition and acquired Sino-Forest Corporation's Securities by offering outside of Canada, except the Excluded Persons;
- (c) all persons or entities who, from March 19, 2007 through August 26, 2011 purchased the common stock of Sino-Forest Corporation on the over-the-counter market and who were damages thereby; and
- (d) all persons or entities who, from March 19, 2007 through August 26, 2011, purchased debt securities issued by Sino-Forest other than in Canada and who were damages thereby.

(collectively, the "**Directors Settlement Class**")

The court has previously approved a settlement agreement in the Ontario class action with William Ardell, James Bowland, James Hyde and Garry West (the "**Independent Directors**" and the "**Independent Directors Settlement**") for the benefit of the following class, which represents the class advanced in the Ontario class action:

all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period on the Toronto Stock Exchange or other secondary market in Canada, which includes securities acquired over-the-counter, and all

persons and entities who acquired Sino-Forest Corporation's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino-Forest Corporation's Securities outside of Canada, except: those persons resident or domiciled in the Province of Quebec at the time they acquired Sino-Forest Corporation's Securities, and who are not precluded from participating in a class action by virtue of Article 999 of the Quebec Code of Civil Procedure, RSQ, c C-25, and except the Excluded Persons; and

all persons and entities, wherever they may reside, who acquired Sino-Forest Corporation's Securities during the Class Period by distribution in Canada in an Offering, or are resident of Canada or were resident of Canada at the time of acquisition and acquired Sino-Forest Corporation's Securities by offering outside of Canada, except the Excluded Persons;

(the "**Independent Directors Settlement Class**")

An agreement has been reached to expand the class of persons and entities that may participate in the Independent Directors Settlement to the Directors Settlement Class, which includes persons and entities on behalf of whom claims are asserted in Quebec and New York class actions.

The Directors Settlement resolves all claims which were made or which could have been made against the Directors in relation to Sino-Forest on behalf of the Directors Settlement Class. The Directors 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 Corporation, Allen T.Y. Chan or Kai Kit Poon.

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](http://www.kmlaw.ca/sinoforestclassaction) and on [www.sinosettlement.com](http://www.sinosettlement.com) (collectively, the "**Class Action Websites**").

The Directors Settlement, if approved and its conditions fulfilled, provides that CAD\$750,000 (the "**Settlement Amount**") shall be paid into an interest bearing trust account until such time that it is distributed to class members pursuant to orders of the Ontario Superior Court and to pay legal fees, disbursements, and administrative expenses.

On December 10, 2012, the Court approved Sino-Forest's Plan of Compromise and Arrangement (the "**Plan**"). Pursuant to the Plan, all claims against W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang were limited to the proceeds of the responsive insurance policies that were available to pay such claims.

The Directors Settlement was reached based on considerations and considerable challenges related to the claims against the Directors, and the very limited insurance funds available (keeping in mind that pursuant to the Plan, all recovery against the Directors is limited only to available insurance proceeds). For further information regarding all the factors in favour of the Directors Settlement, please see the Class Action Websites.

As part of the settlement, the Ontario Proceeding will be dismissed against W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang. Such order will be final and binding on the

members of the Directors Settlement Class and there will be no ability to pursue a claim against W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang for these matters.

**Hearing to (a) Expand the Ontario Class; (b) Approve the Directors Settlement; (c) Approve Class Counsel Fees; and (d) Approve the Distribution Protocol of the Directors Settlement**

On ● at ● a.m. (ET), there will be a hearing before the Ontario Superior Court of Justice at which Class Counsel will seek that Court's approval of: (a) the expansion of the Ontario Class to the Directors Settlement Class; (b) the Directors Settlement Agreement; (c) the fees and expense reimbursement requests of Class Counsel; and (d) the method of distribution of the Directors Settlement funds ("**Distribution Protocol**") (together, the "**Ontario Approval Motion**").

The hearing will be held at the Canada Life Building, 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario. The exact courtroom number will be available on a notice board on the 8<sup>th</sup> Floor.

At the Ontario Approval Motion, the court will determine whether the Directors Settlement is fair, reasonable, and in the best interests of the class members.

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 Class:

Siskinds LLP and Koskie Minsky LLP:

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

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

At the Ontario Approval Motion, the court will be asked to determine whether the Distribution Protocol for the Directors Settlement is fair and reasonable.

The court materials in support of these motions will be posted on the Class Action Websites prior to the hearing.

All members of the Class may attend the hearing of the Ontario Approval Motion and ask to make submissions regarding the proposed settlement with W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang, the discontinuance of the Quebec Action against the Directors, the expansion of the Ontario class, and the Distribution Protocol.

**Hearing to Discontinue the Quebec Action**

On ● at ● a.m. (ET), there will be a hearing before the Quebec Superior Court of Justice at which Class Counsel will seek that Court's approval of the discontinuance of the Quebec Action against the Directors. The hearing will be held at ●. All members of the Class may attend the

hearing of the Quebec discontinuance motion Approval Motion and ask to make submissions regarding the discontinuance of the Quebec Action against the Directors.

**Persons intending to object to the approval of:**

- (a) the Directors Settlement Agreement;**
- (b) the Distribution Protocol;**
- (c) the Class Counsel Fees request;**
- (d) the expansion of the Ontario class; or**
- (e) the Quebec Discontinuance against the Directors.**

**are required to deliver by mail or email a Notice of Objection, substantially in the form that can be found on the Class Action Websites to Siskinds LLP no later than ●. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court and the Quebec Superior Court.**

**Further Information**

If you would like additional information, please contact Koskie Minsky LLP or Siskinds LLP 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

Charles Wright, Daniel E.H. Bach  
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

**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. All inquiries should be directed to Class Counsel.

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

**Schedule "D"**

**Did you acquire securities of Sino-Forest Corporation?**

**There are important events that may affect your rights. Class Counsel is seeking Court approval for the following:**

- (1) settlement agreements with BDO Limited and W. Judson Martin, Edmund Mak, Simon Murray and Peter Wang;
- (2) the expansion of the settlement with William Ardell, James Bowland, James Hyde and Garry West to include class members on behalf of whom claims are asserted in the Quebec and US Actions;
- (3) payment of class counsel fees in the amount of \$●;
- (4) the discontinuance of the Quebec Sino-Forest Corporation class action against the Directors and the dismissal of the U.S. Sino-Forest Corporation class action as against W. Judson Martin, Edmund Mak, and others;
- (5) the expansion of the Ontario class action to include Quebec residents for the BDO Settlement and the expansion of the Ontario class action to include Quebec residents and U.S. class members for the settlement with W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang
- (6) the opportunity for U.S. class members to exclude themselves ("opt out") from this class action;
- (7) proposed plans of allocation to distribute the settlement funds obtained pursuant to settlement agreements with David Horsley, BDO Limited, William E. Ardell, James P. Bowland, James M.E. Hyde, Garry J. West, W. Judson Martin, Edmund Mak, Simon Murray, and Peter Wang

Please visit [www.●.com](http://www.●.com) or call ● for more information.

**Important Deadlines:** If you would like to make an objection, you must submit it by ●.

Distribution of this notice has been authorized by the Ontario Superior Court of Justice and the Quebec Superior Court of Justice.