

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

THE HONOURABLE MR. )  
JUSTICE MORAWETZ )  
FRIDAY, THE 20<sup>th</sup>  
DAY OF APRIL, 2012

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

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



**ORDER**  
**(Expansion of the Powers of the Monitor)**

**THIS MOTION**, made by Sino-Forest Corporation (the "**Applicant**") for the relief set out in the Applicant's notice of motion dated April 18, 2012 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of W. Judson Martin sworn April 18, 2012 (the "**Martin Affidavit**") and the Exhibits thereto and the supplementary affidavit of W. Judson Martin sworn April 20, 2012 and on hearing submissions of counsel for the Applicant, the board of directors of Applicant, the ad hoc committee of noteholders, the Monitor and those other parties present,

1. THIS COURT ORDERS that the time for the service of the Notice of Motion, the Motion Record and the Supplementary Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that:
  - (a) Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Martin Affidavit;

- (b) **“Sino-Forest Property and Business”** shall mean the, property, assets, undertaking and business of Sino-Forest;
- (c) **“Sino-Forest”** shall mean the Applicant and the Sino-Forest Subsidiaries; and
- (d) **“Sino-Forest Subsidiaries”** shall mean all of the direct and indirect subsidiaries of Sino-Forest Corporation but, for greater certainty, shall not mean the Greenheart Group.

3. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA and in reliance on the provisions of paragraph 4 below, is hereby further empowered to:

- (a) have full and complete access to the Sino-Forest Property and Business, including the premises, books, records, data, including data in electronic form, and other financial documents of Sino-Forest;
- (b) implement processes and protocols for the review, consultation and, if necessary, Monitor’s consent in relation to the following:
  - (i) disbursement (whether directly, indirectly, and by way of set off or otherwise) of monies in excess of amounts to be determined by the Monitor in consultation with Sino-Forest;
  - (ii) any actions taken with respect to any outstanding business arrangements (including continuation of such arrangements) in excess of a threshold amount to be determined by the Monitor in consultation with Sino-Forest which directly or indirectly affect Sino-Forest and/or the Sino-Forest Property and Business,
  - (iii) the entering into of new agreements or arrangements in excess of a threshold amount to be determined by the Monitor in consultation with Sino-Forest which directly or indirectly affect Sino-Forest and/or the Sino-Forest Property and Business including, without limitation, the entering into of new timber purchase contracts or the investment of funds held by Sino-Forest authorized intermediaries;
  - (iv) matters relating to hiring of Sino-Forest management employees;
  - (v) matters relating to the continuation and preservation of insurance coverage pursuant to any insurance policies relating to the business of Sino-Forest

and under which Sino-Forest and its past and present officers or directors are insured parties;

- (vi) subject to the terms of the Initial Order, the disposition of any assets relating to the Sino-Forest Property and Business, whether in the ordinary course of business or not, in excess of a threshold amount to be determined by the Monitor in consultation with Sino-Forest;
- (c) monitor the Sino-Forest Subsidiaries' receipts and disbursements;
- (d) advise and assist the Sino-Forest Subsidiaries in their preparation of the Sino-Forest Subsidiaries' cash flow statements;
- (e) attend meetings that Sino-Forest has with any third party (excluding meetings with legal counsel which are subject to privilege) including, without limitation, governmental authorities, suppliers, customers (including, without limitation, authorized intermediaries), any insurers of Sino-Forest and insurers of Sino-Forest's past and present officers and directors, and regulatory authorities in Canada, Hong Kong, the PRC and elsewhere;
- (f) review and consult with Sino-Forest on its preparation of any reports or otherwise relating to the Sino-Forest Property and Business;
- (g) meet and attend the Applicant's board of directors meetings (excluding meetings with legal counsel which are subject to privilege);
- (h) assist in the performance of the duties which the chief financial officer currently performs;
- (i) advise and assist the Applicant in the formulation of any plans of arrangement or compromise;
- (j) cause the Applicant to exercise or refrain from exercising rights under paragraph 11 of the Initial Order, subject to approval of this Court where required thereunder;
- (k) advise and assist Sino-Forest in performing such functions or duties as the Monitor considers necessary or desirable;
- (l) review Sino-Forest's press releases and any other public communications;

all of which powers shall be exercised in the Monitor's discretion (collectively and together with the Monitor's Initial Order Powers (the "**Monitor's CCAA Powers**").

4. THIS COURT ORDERS that the Applicant shall cause the Sino-Forest Subsidiaries including all of their directors, officers and employees to co-operate fully with the Monitor in the exercise of the Monitor's powers and discharge of its obligations and to provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions, powers and duties as set out in the CCAA, the Initial Order, the Sale Process Order, this Order and any further Orders of this Court.

5. THIS COURT ORDERS that the Applicant shall not and shall cause the Sino-Forest Subsidiaries not to take any action for which the Monitor's consent is required but has not been obtained, whether pursuant to the Initial Order, this Order (including any processes or protocols developed pursuant to this Order) or otherwise.

6. THIS COURT ORDERS that without limiting paragraph 30 of the Initial Order, in carrying out the Monitor's CCAA Powers, the Monitor shall be entitled to take such reasonable steps and use such services as it deems necessary in discharging its powers and obligations, including, without limitation, utilizing the services of or FTI Consulting (Hong Kong) Limited.

7. THIS COURT ORDERS the Monitor shall continue to have the benefit of all of the protections and priorities as set out in the Initial Order and any such protections and priorities shall apply to the Monitor in fulfilling its duties under this Order or in carrying out the provisions of this Order.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

APR 20 2012



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

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

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced in Toronto

**ORDER**  
(Expansion of the Powers of the Monitor)

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