



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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) THURSDAY, THE 17th DAY
JUSTICE PERELL) OF MAY, 2012

B E T W E E N :

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

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly
known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN,
KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND,
JAMES M.E. HYDE, EDMUND MAK, SIMON 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 BANC OF AMERICA SECURITIES LLC**

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the plaintiffs for an order i) setting a date for a hearing to consider approval of the settlement agreement between the plaintiffs and Pöyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)") dated March 20, 2012 (the "Settlement

Approval Hearing”); ii) approving the form of notice to class members of the Settlement Approval Hearing (“Notice”); and iii) approving the plan of distribution of the Notice (“Notice Plan”) was heard on May 17, 2012, in Toronto, Ontario.

WHEREAS the plaintiffs and the defendant Pöyry (Beijing) have entered a settlement agreement in respect of claims against Pöyry (Beijing),

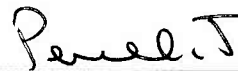
AND ON BEING ADVISED that the defendant Sino-Forest Corporation (“Sino-Forest”) has delivered to counsel for the plaintiffs a list of holders of Sino-Forest’s securities as of June 2, 2011 (the “June 2, 2011 Shareholder List”);

AND ON READING the materials filed, including the settlement agreement between the plaintiffs and Pöyry (Beijing) and the consent of Pöyry (Beijing), and on hearing submissions of counsel for the plaintiffs and counsel for Pöyry (Beijing),

1. **THIS COURT ORDERS** that the plaintiffs are granted leave to bring this motion.
2. **THIS COURT ORDERS** that the Settlement Approval Hearing shall be heard on Sept 21, 2012, at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.
3. **THIS COURT ORDERS** that the Notice substantially in the form attached as **Schedule “A”** be and hereby is approved and shall be published, subject to the right of the plaintiffs and Pöyry (Beijing) to make minor non-material amendments to such forms, by mutual agreement, as may be necessary or desirable.
4. **THIS COURT ORDERS** that notice shall be provided as follows:

- (a) a copy of the Notice shall be provided by Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sncrl, or NPT Ricepoint Class Actions Services (the "Administrator") to all individuals or entities that have contacted counsel regarding this action, and to any person who requests it.
- (b) within 10 days of this order, a copy of the Notice, in English and French, shall be posted prominently on the websites of Sino-Forest (on its main page), Koskie Minsky LLP, Siskinds LLP, and the Administrator.
- (c) within 10 days of this order, a copy of the Notice shall be provided by Koskie Minsky LLP, Siskinds LLP, Siskinds Desmeules sncrl, or the Administrator to individuals and entities listed on the June 2, 2011 Shareholder List
- (d) within 30 days of this order, the Notice shall be published in the following print publications in black and white:
 - (i) *The Globe and Mail*, in English, in one weekday publication;
 - (ii) *National Post*, in English, in one weekday publication;
 - (iii) *La Presse*, in French, in one weekday publication; and
 - (iv) *Le Soleil*, in French, in one weekday publication.

Date: May 17, 2012



The Honourable Justice Perell

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.
MAY 17 2012

AS DOCUMENT NO.
À TITRE DE DOCUMENT NO.
PER / PAR



SCHEDULE "A"

SINO-FOREST CLASS ACTION

TO CURRENT AND FORMER SINO SHAREHOLDERS AND NOTEHOLDERS

Notice of Tentative Settlement with Pöyry (Beijing) Consulting Company Limited

This notice is for any person, including non-Canadians, who acquired Sino-Forest Corporation ("Sino-Forest") securities in Canada or in a Canadian market between March 19, 2007 and June 2, 2011.

Background of Sino-Forest Class Action

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") against Sino-Forest, its senior officers and directors, its auditors, its underwriters and a consulting company, Pöyry (Beijing) Consulting Company Limited ("Pöyry (Beijing)"). It is alleged that the public filings of Sino-Forest contained false and misleading statements about Sino-Forest's business and affairs.

Who Is Included In This Class Action

The proposed classes encompass the following individuals and entities:

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 resident of Canada or were resident 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.

Who Acts For The Proposed Class

Koskie Minsky LLP, Siskinds LLP, and Siskinds Desmeules, sncrl ("Class Counsel") jointly represent the proposed classes in this case. 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 pay any fees and expenses to Class Counsel. However, if this action succeeds or there is a monetary settlement, Class Counsel may seek to have their fees and expenses paid from any money obtained for the class or paid separately by the defendants.

Tentative Settlement with Pöyry (Beijing) Consulting Company Limited

There is a tentative settlement with one of the defendants, Pöyry (Beijing). The tentative settlement only settles the claims against Pöyry (Beijing) in both the Ontario and Quebec proceedings. Pöyry (Beijing) does not admit to any wrongdoing or liability. The settlement does not involve the resolution of any claims against Sino-Forest Corporation or any of the other defendants.

The Pöyry (Beijing) settlement provides that Pöyry (Beijing) will initially provide cooperation to the Plaintiffs in the form of information and, if the Pöyry (Beijing) settlement is approved by the Ontario and Quebec Courts, documents and other evidence, which the Plaintiffs believe will assist them in the continued litigation. Pöyry (Beijing) will contribute to the cost of providing notice, but will not otherwise provide monetary compensation to the Plaintiffs. In return for this assistance, the action will be dismissed against Pöyry (Beijing) and there will be an order barring claims against it and all Releasees as defined in the settlement agreement. *and other persons or entities related to Pöyry (Beijing) as described in the settlement agreement that are not named as parties in the Ontario Proceedings or Quebec*

The settlement agreement with Pöyry (Beijing) is subject to court approval, as discussed below. *JMP*

Stay of Proceedings Against Sino-Forest and Partial Lifting of the Stay

On March 30, 2012, Sino-Forest obtained creditor protection under the Companies' Creditors Arrangement Act ("CCAA"). The initial order provided for an interim stay of proceedings against Sino-Forest. This and other materials can be found at the CCAA Monitor's website at <http://cfcanada.fticonsulting.com/sfc/>. The parties to this action have agreed to, and the Court has ordered, a partial lifting of the stay of proceedings for, among other things, the purpose of allowing the Court to consider the fairness of the settlement between the Plaintiffs and Pöyry (Beijing).

JMP **Hearings to Approve Settlement on September 21, 2012 in Toronto and on To be arranged, 2012 in Quebec City, Canada**

JMP ✓ On September 21, 2012 at 10:00 a.m., there will be a settlement approval hearing before the Ontario Superior Court of Justice. The courthouse is located at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, Canada.

JMP On To be arranged, 2012 at 10:00 a.m., there will be a settlement approval hearing before the Quebec Superior Court. The courthouse is located at 300 Boulevard Jean-Lesage, Quebec City, Quebec, Canada.

On these dates, the courts will decide whether to approve the Pöyry (Beijing) settlement. Also on these dates, the Plaintiffs will seek orders certifying or authorizing the class proceeding for settlement purposes only as against Pöyry (Beijing).

Former or current security holders may attend the hearings and ask to make submissions regarding the proposed settlement. Any person who wishes to object to the Pöyry (Beijing) settlement must provide written notice to Class Counsel at the addresses below by August, 2 2012. PMP

Further Information

If you would like additional information or to object to the Pöyry (Beijing) settlement, please contact Koskie Minsky LLP, Siskinds LLP, or Siskinds Desmeules LLP at the addresses below:

Koskie Minsky LLP
20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3
Re: Sino-Forest Class Action
Tel: 1.866.474.1739
Email: sinoforestclassaction@kmlaw.ca

Siskinds LLP
680 Waterloo Street, P.O. Box 2520 London, ON N6A 3V8
Re: Sino-Forest Class Action
Tel: 1.800.461.6166 x.2380
Email: nicole.young@siskinds.com

Siskinds Desmeules, sencl
43 Rue Buade, Bureau 320, Quebec City, Quebec, G1R 4A2
Re: Sino-Forest Class Action
Tel: (418) 694-2009
Email: simon.hebert@siskindsdesmeules.com

A copy of the Pöyry (Beijing) settlement agreement and other information about this class action are available on Koskie Minsky LLP's website at www.kmlaw.ca/sinoforestclassaction and Siskinds LLP's website at www.classaction.ca.

PLEASE DO NOT CONTACT THE COURT OR THE REGISTRAR OF THE COURT ABOUT THIS CLASS ACTION. THEY ARE NOT ABLE TO ANSWER YOUR QUESTIONS.

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

Sino-Forest corporation, et al.

and

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

Plaintiffs

Defendants

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceedings Under the *Class Proceedings Act, 1992*

Proceeding commenced at Toronto

ORDER

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

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 Bida (LSUC #: 54211D)

Tel: (416) 595-2072

Fax: (416) 204-2907

Lawyers for the Plaintiffs