

SINO-FOREST SECURITIES LITIGATION

Notice of: (i) the hearing to approve various relief sought by the plaintiff and class counsel; and (ii) the claims filing procedure and deadline to participate in the BDO and Directors Settlements.

TO: Sino-Forest Corporation securities holders

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

IMPORTANT DEADLINES

Objection Deadlines (for those who wish to object)	March 31, 2017
Claim Filing Deadline	May 31, 2017

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 officers and directors, its auditors, a consulting company, its senior officers and directors, and its underwriters.

Since that time, the litigation has been vigorously contested. On January 12, 2015, the Ontario Superior Court: (a) certified the Ontario Proceeding; (b) granted leave to the Plaintiffs to pursue claims made pursuant to Part XXIII.1 of the Ontario *Securities Act* (and equivalent legislation in other Provinces).

Settlements with the following parties have already received court approval: (a) Ernst & Young LLP; (b) BDO Limited; (c) W. Judson Martin, Edmund Mak, Simon Murray, Peter Wang, William Ardell, James Bowland, James Hyde, Garry West, David Horsley (the "Directors and Officers Settlements"); and (d) 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.

Who Acts for the Class

Koskie Minsky LLP and Siskinds LLP (collectively, “**Class Counsel**”) represent the class in the Ontario proceeding. If you want to be represented by another lawyer, you may hire one to appear in court for you at your own expense.

I. HEARING BEFORE THE ONTARIO SUPERIOR COURT OF JUSTICE

On April 5, 2017 at 8:30 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 various relief including: (a) payment of HST on disbursements incurred in the U.S. and elsewhere outside of Canada on a *pro rata* basis from the settlement funds; (b) repayment of Class Counsel's disbursements; (c) a process to identify and contact claimants that have not deposited settlement cheques; (d) the redistribution of Ernst & Young LLP settlement funds and redistribution of subsequent settlement funds on the same basis; and (e) cy-pres distribution of unclaimed settlement funds (the "Approval Motion"), as described further below.

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 Approval Motion, the court will determine whether the relief requested is fair, reasonable, and in the best interests of the class. The court materials in support of the relief requested will be posted on the Class Action Websites prior to the hearing. All Sino-Forest securities holders may attend the hearing of the Approval Motion and ask to make submissions regarding the relief requested.

Proposed Payment of Disbursements and Taxes

In prosecuting this action, Class Counsel has incurred disbursements payable in the United States of America (the "U.S.") and elsewhere outside of Canada, including payments to experts and U.S. insolvency counsel. Repayment of disbursements incurred in the U.S. and elsewhere outside of Canada from settlement proceeds has been previously approved by the court. HST payable in respect of disbursements incurred in the U.S. must be remitted by class counsel to the Canadian Revenue Agency. Class Counsel seeks payment of \$93,220.78 in respect of HST payable in respect of disbursements incurred in the U.S. and elsewhere outside of Canada to be paid on a *pro rata* basis from each court-approved settlement fund, which will be remitted to the Canadian Revenue Agency.

Class Counsel has also incurred disbursements for which it now seeks reimbursement from the settlement proceeds.

Amount requested: \$40,026.88 (including taxes)

Redistribution of Unclaimed Settlement Proceeds

The settlement administrator RicePoint calculated claimants' entitlement under the Ernst and Young LLP settlement and distributed cheques to claimants on November 23, 2015. The notice provided to claimants with their cheques stated that the cheques must be deposited by May 21, 2016. Cheques totalling \$1,828,404.09 have not been deposited by 1,126 claimants despite repeated follow-up attempts by RicePoint. There will be another distribution to the claimants pursuant to subsequent settlement distributions.

Class Counsel is seeking approval of a plan to seek updated contact information for claimants and to alert them of their settlement cheques that have not been deposited. The cost of this plan, which is up to \$10,000 plus HST per settlement fund, will be paid from the unclaimed settlement proceeds. Finally, RicePoint proposes to redistribute the money that has not yet been deposited by settlement claimants to the claimants who have deposited their settlement cheques.

Administration expenses associated with redistribution up to \$72,000 plus HST will be paid from the settlement funds.

Cy-Près Distribution

Class Counsel is seeking approval of an order in regards to the distribution of any potential cy près amount, if the balance of any settlement fund is below \$500,000. First, the Quebec portion of any cy près amount would be subject to the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*. The remaining amount of the Quebec portion of any cy près would be distributed according to the order to Pro Bono Quebec and l'Observatoire du droit des marchés financiers. Second, the Non-Quebec portion of any cy près amount would be distributed to the Access to Justice Fund of the Law Society.

Objection

If you object to any of the relief that will be sought at the Approval Motion, please contact Class Counsel at: (a) Garth Myers, Koskie Minsky LLP, 20 Queen St. West, Suite 900, Box 52, Toronto, ON, M5H 3R3; or (b) sinoforestclassaction@kmlaw.ca, and provide Class Counsel with the basis for your objection. Class Counsel will provide your objection to the Ontario Superior Court of Justice.

II. CLAIM FILING PROCEDURE AND DEADLINE FOR SETTLEMENTS WITH DIRECTORS AND BDO

Class Members that have previously filed claims to participate in the settlement with Ernst & Young are not required to file new claims to participate in the BDO Limited and the Officers and Directors settlements. Such persons will receive a Decision Notice with a prepopulated data set listing their transactions and an opportunity to request a further review if they disagree with the decision that has been made.

Class Members that have NOT previously filed an E&Y Claim Form are required to submit a Claim Form to the Claims Administrator by no later than May 31, 2017 in order to participate in the BDO Limited or Directors and Officers settlement. The Claim Form can be found on Class Counsel's websites at www.sinosettlement.com or www.kmlaw.ca/sino ("Class Action Websites").

FURTHER INFORMATION

If you would like additional information, please visit the Class Action Websites or 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

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

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