

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 DEADLINES

Objection Deadlines (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)

**April 1, 2015 (Ontario Superior Court); and
May 29, 2015 (United States Bankruptcy Court)**

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 Québec 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 United States Bankruptcy Court entered an order recognizing and enforcing the Plan Sanction Order in the United States.

Shortly prior to the commencement of the CCAA Proceeding, the Plaintiffs entered into a settlement agreement with Pöyry (Beijing) Consulting Company Limited (the “Pöyry Settlement”). The Pöyry Settlement was approved by courts in Ontario and Québec, and January 15, 2013 was fixed as the date by which members of the class could opt of the Proceedings. The opt out period has now expired. No person may now opt out of the Proceedings.

To date, the claims in the Proceedings against the defendants Ernst & Young and David J. Horsley have also been settled and approved by the Ontario Superior Court. Those settlements have been recognized by the United States Bankruptcy Court in the Chapter 15 Proceeding.

On January 12, 2015, the Ontario Superior Court certified the Ontario Proceeding and 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) as against Sino-Forest, BDO Limited, Allen T.Y. Chan, W. Judson Martin, Kai Kit Poon, William E. Ardell, James P. Bowland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, and Garry J. West.

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 May 11, 2015 in Toronto, Ontario

On May 11, 2015 at 10:00 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 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: up to \$5,517,207 plus disbursements (expenses), plus taxes

Cohen Milstein Sellers & Toll PLLC

Amount requested: \$194,620 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 April 1, 2015. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.

Following the hearing of the Ontario Approval Motion, if the settlement is approved, there will be a hearing in the United States Bankruptcy Court in connection with the Chapter 15 Proceeding for an order recognizing and enforcing the order granting approval of the Dealers Settlement in the United States.

Hearing for Recognition and Enforcement on June 9, 2015 in New York, New York

Among other things, the Settlement Agreement is conditioned on the entry of an order recognizing and enforcing the order granting the Ontario Approval Motion with respect to the Dealers Settlement in the United States. Accordingly, 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, subject to the result of the Ontario Approval Motion. Copies of the Dealers Settlement Recognition Motion will be available on the Class Action Websites.

On June 9, 2015, at 10:00 a.m. (ET), a hearing has been scheduled on the Dealers Settlement Recognition Motion before the Honorable Martin Glenn, United States Bankruptcy Judge, in Courtroom 501 of the United States Bankruptcy Court, One Bowling Green, New York, New York. If the Ontario Approval Motion is granted, the United

States Bankruptcy Court will consider on June 9, 2015, or a later date if necessary, whether to grant an order recognizing and enforcing the order granting the Ontario Approval Motion with respect to 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 Sherman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022, United States Attention: Jaculin Aaron, 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 May 29, 2015 at 5 p.m. (ET).

THE ONTARIO SUPERIOR 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 ONTARIO SUPERIOR 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

Samy Elnemr
Siskinds Desmeules, Avocats, sncrl
480, Saint-Laurent, suite 501, Montréal, Québec, H2Y 3Y7
Re: Sino-Forest Class Action
Tel: 514.849.1970
Email: samy.elnemr@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 January 29, 2015 (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 5:00 p.m. (Eastern Time) on April 1, 2015.

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 10:00 a.m. on May 11, 2015, 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 10:00 a.m. on May 11, 2015, 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.:

Fax:

Email:

Tel.:

Fax:

Email:

Date: _____

Signature: _____

**SINO-FOREST SECURITIES LITIGATION
NOTICE OF MOTION TO AUTHORIZE ADDITIONAL
ADMINISTRATION FEES and TO PERMIT LATE CLAIMS in the
ERNST & YOUNG SETTLEMENT**

Notice of Motion to Authorize Additional Administration Fees

NPT RicePoint Class Action Services Inc. (“NPT”) is the court-appointed administrator of the settlement between the Ad Hoc Committee of Purchasers of Sino-Forest’s Securities (the “Ad Hoc Committee”) and Ernst & Young LLP (the “E&Y Settlement”). Due to an unexpectedly high volume of claims filed in the E&Y Settlement, materially beyond NPT’s estimate in its proposal to administer the E&Y Settlement (the “Proposal”), and a corresponding increase in the amount of time required for NPT to administer the settlement, the Ad Hoc Committee seeks an order increasing NPT’s fee from **\$580,000** to **\$1,439,125**.

The original fee of \$580,000 proposed by NPT and approved by the court was based on an estimate that 18,200 claims would be filed and the E&Y Settlement would take 5,500 hours to administer. The Proposal provided that the Ad Hoc Committee could return to court for authorization of additional fees for NPT if there was a material increase in claims filed in the E&Y Settlement. Such a material increase has occurred, and over 49,625 claims have now been filed (2.73 times greater than anticipated in the Proposal) and NPT expects to expend approximately 12,261 hours administering the settlement (6,761 more hours than contemplated in the Proposal). In the circumstances, class counsel believes that an increase in NPT’s fees from \$580,000 to \$1,439,125.00 is fair and reasonable.

Notice of Motion to Permit Filing of Late Claims

Pursuant to court order, the deadline to file claims in the E&Y Settlement was February 14, 2014. Since that date, NPT has received approximately 1,780 late claims (the “Late Claims”). The Ad Hoc Committee seeks a court order permitting NPT to allow filing of all Late Claims received up until May 11, 2015.

**How to Object to the Motion to Authorize Additional Administrator
Fees and to Permit Compensation for Late Claims**

If you would like to object to: (a) the motion to authorize additional administration fees; and/or (b) the motion to permit filing of late claims, please email **sinoforest@siskinds.com** or mail a letter to Siskinds LLP 680 Waterloo Street, PO Box 2520, London, ON N6A 3V8 Attention: Nicole Young and provide (i) your name; (ii) your reason for objecting; (iii) whether or not you intend to appear at the hearing of the motion to authorize additional administration fees and the motion to permit compensation for late claims (the time and date of which are on the notice of settlement approval, enclosed); (iv) your address for service; and (v) your lawyer’s address for service (if applicable).

Your objection must be received by April 1, 2015.