As filed with the Securities and Exchange Commission on March 3, 2008

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CANADIAN SOLAR INC.

(Exact name of registrant as specified in its charter)

Canada	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China
(86-512) 6690 8088
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue
New York, New York 10011
(212) 664-1666
(Name, address and telephone number of agent for service)

Copy to:
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Latham & Watkins LLP
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(852) 2522-7886

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☑

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
6.0% Convertible Senior Notes due 2017	$75,000,000	100%	$75,000,000	$2,947.50
Common shares, no par value	4,250,797(2)	(2)	(2)	(3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act.

(2) Represents the number of common shares issuable upon conversion of the 6.0% Convertible Senior Notes due 2017 at an initial conversion rate of 50.6073 common shares per US$1,000 principal amount of the notes and the number of shares issuable upon an increase in the conversion rate upon occurrence of a fundamental change. Pursuant to Rule 416 under the Securities Act, the number of common shares registered hereby include an indeterminate number of common shares that may be issued upon conversion of the notes, as this amount may be adjusted as a result of anti-dilution provisions thereof.

(3) Pursuant to Rule 457(i), there is no additional filing fee with respect to the common shares issuable upon conversion of the notes because no additional consideration will be received by the registrant in connection with the conversion of the notes.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) shall determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS

SUBJECT TO COMPLETION, DATED MARCH 3, 2008

CANADIAN SOLAR INC.

US$75,000,000
6.0% Convertible Senior Notes due 2017
and the
Common Shares Issuable upon Conversion of the Notes

We issued and sold US$75,000,000 aggregate principal amount of our 6.0% Convertible Senior Notes due 2017 in a private transaction on December 10, 2007. Selling securityholders may use this prospectus to resell from time to time their notes and the common shares issuable upon conversion of the notes. Additional selling security holders may be named by prospectus supplement. We will not sell any securities under this prospectus or receive any proceeds from resales by selling securityholders.

The notes mature on December 15, 2017. The notes bear interest at the rate of 6.0% per annum, payable semi-annually in arrears on June 15 and December 15 of each year, starting on June 15, 2008, to holders of record at the close of business on the preceding June 1 and December 1, respectively. The notes will be convertible into our common shares based on an initial conversion rate, subject to adjustment, of 50.6073 common shares per US$1,000 principal amount of notes (which represents an initial conversion price of approximately US$19.76 per common share).

The notes are our senior unsecured obligations and rank equally with our other unsecured and unsubordinated indebtedness. The notes are effectively subordinated in right of payment to all of our existing and future secured indebtedness and other liabilities of our subsidiaries. For a more detailed description of the notes, see the section entitled “Description of Notes” beginning on page 47 of this prospectus.

The securityholders may require us to repurchase the notes on December 24, 2012 and December 15, 2014. We are also required to make an offer to purchase notes from the securityholders upon a fundamental change.

Our common shares are listed on the Nasdaq Global Market under the symbol “CSIQ.” The closing price of the common shares on February 29, 2008 was $18.95 per share.

This investment involves risks. See the section entitled “Risk Factors” beginning on page 16.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2008.

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ABOUT THIS PROSPECTUS

This prospectus is part of a "shelf" registration statement that we are filing with the Securities and Exchange Commission, or the SEC. By using a shelf registration statement, the selling securityholders may sell any combination of the securities described in this prospectus from time to time and in one or more offerings. This prospectus provides you with a general description of the securities the selling securityholders may offer. Each time any selling securityholders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any applicable prospectus supplement, you should rely on the information in the applicable prospectus supplement. Before purchasing any securities, you should carefully read this prospectus, any applicable prospectus supplement and the documents incorporated by reference herein and therein, together with additional information described under the heading "Where You Can Find More Information."

You should rely only on the information contained or incorporated by reference in this prospectus, a prospectus supplement or any amendment. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus may be used only where it is legal to sell these securities. The selling securityholders are offering to sell, and seeking offers to buy, only the notes and the shares of common stock covered by this prospectus, and only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of the notes or the shares of common stock. Our business, financial condition, results of operations and prospects may have changed since those dates.

References to "notes" in this prospectus are to the US$75,000,000 aggregate principal amount of 6.0% Convertible Senior Notes due 2017.

PROSPECTUS SUMMARY

You should read the following summary together with the entire prospectus, including the information incorporated by reference and the more detailed information regarding us, our financial statements and related notes appearing elsewhere in this prospectus and in the documents incorporated herein by reference, before making an investment decision. Unless the context otherwise requires, in this prospectus, "we," "us," "our company," "our," and "CSI" refer to Canadian Solar Inc. and its consolidated subsidiaries; "China" or "PRC" refers to the People's Republic of China, excluding Taiwan, Hong Kong and Macau; "RMB" or "Renminbi" refers to the legal currency of China; "$" or "U.S. dollars" refers to the legal currency of the United States; "C$" refers to the legal currency of Canada; and "Euro" or "€" refers to the legal currency of the European Union.

Canadian Solar Inc.

We design, manufacture and sell solar cell and module products that convert sunlight into electricity for a variety of uses. We are incorporated in Canada and conduct all of our manufacturing operations in China. Our products include a range of standard solar modules built to general specifications for use in a wide range of residential, commercial and industrial solar power generation systems. We also design and produce specialty solar modules and products based on our customers' requirements. Specialty solar modules and products consist of customized modules that our customers incorporate into their own products, such as solar-powered bus stop lighting, and complete specialty products, such as solar-powered car battery chargers. Our products are sold primarily under our own brand name and also produced on an OEM basis for our customers. We also implement solar power development projects, primarily in conjunction with government organizations to provide solar power generation in rural areas of China.

We currently sell our products to customers located in various markets worldwide, including Germany, Spain, Canada, Korea and China. We currently sell our standard solar modules to distributors and system integrators. We sell our specialty solar modules and products directly to various manufacturers who integrate the specialty solar modules into their own products and sell and market the specialty solar products as part of their product portfolio.

We have historically manufactured our module products from solar cells purchased from third-party manufacturers. In 2007, we began to pursue a new business model that combines internal manufacturing capacity supplemented by direct material purchases and outsourced toll manufacturing relationships which we believe provides the company with several competitive benefits. We believe that this approach allows us to benefit from the increased margin available to vertically integrated solar manufacturers while reducing the capital expenditures required relative to a fully vertically integrated business model. We also believe that this business model provides us with greater flexibility to respond to short-term demand patterns and longer-term to take advantage of the availability of low-cost outsourced manufacturing capacity. Additionally, these steps towards increased vertical integration of our supply chain have enabled us to improve production yields, control our inventory more efficiently and improve cash management, resulting in increased confidence in our forecasts for revenue growth and margin improvement in the future.

We believe that we have contractually secured 90% of our silicon and solar cell requirements to support solar module production of 200 to 220MW in 2008. For silicon material supplies, we have entered into a five-year supply agreement with Luoyang Zhong Gui High Tech Co. Ltd in China from 2006 to 2010 for high purity silicon. For silicon wafers, we have entered into a three-year fixed price and volume agreement with LDK Solar Co., Ltd., or LDK, from 2008 to 2010 for specified quantities of solar wafers, including 50MW for delivery in 2008. We also have standby toll manufacturing arrangements with LDK and other ingot and wafer manufacturers to convert our virgin polysilicon and reclaimed silicon feedstock into wafers. In January 2007, we entered into a supply agreement with Deutsche Solar, a subsidiary of SolarWorld AG of Germany, for a supply of multi-crystalline silicon wafers through 2018. In November 2007, we entered into various agreements with China Sunergy Co., Ltd. for a supply of 25MW of solar cells for delivery in 2008, and an agreement with Gintech Energy Corporation of Taiwan for a supply of 17 to 22MW of solar cells for delivery in 2008. We have other silicon wafer and solar cell supply agreements in place. We continue to evaluate new technologies, including the use of upgraded metallurgical grade silicon material. If the results of our evaluation are positive, we intend to use upgraded metallurgical grade silicon material in the

production of solar ingots, wafers, cells and modules. We believe that the use of upgraded metallurgical grade silicon material could increase our total solar module shipments by 30 to 40MW in 2008.

We have aggressively expanded our manufacturing capacity for both solar cells and solar modules. We have continued to expand our own in-house solar cell manufacturing abilities, completing our first solar cell production line with an annual capacity of 25MW in the first quarter of 2007 and our second 25MW production line in the third quarter of 2007. We have recently installed our third and fourth solar cell production lines and our annual solar cell production capacity was 100MW as of December of 2007. Currently, we intend to use all of our solar cells in the manufacturing of our own solar module products. At September 30, 2007, we had 180MW of annual module manufacturing capacity between our Suzhou, Changshu and Luoyang facilities. Another new Changshu solar module plant was opened in February 2008, which we anticipate will increase our total annual solar module production capacity to 400MW by the first quarter of 2008.

In addition, we have commenced work on two new projects:

- Expansion of our internal solar cell manufacturing capacity from 100 to 250MW. We expect to complete this project by the summer of 2008.
- Construction of a solar ingot and wafer plant in the City of Luoyang, China. We expect to complete the initial phase of this project by the summer of 2008, which will give us an annual solar wafer capacity of 40 to 60MW.

We believe that the substantial industry and international experience of our management team has helped us foster strategic relationships with suppliers throughout the solar power industry value chain. We also take advantage of our flexible and low cost manufacturing capability in China to lower our manufacturing and operating costs. We believe we have a proven track record of low cost and rapid expansion of solar cell and solar module manufacturing capacity.

We have grown rapidly since March 2002, when we sold our first solar module products. Our net revenues increased from $9.7 million in 2004 to $68.2 million in 2006, and from $43.8 million for the nine months period ended September 30, 2006 to $175.3 million for the nine months ended September 30, 2007. We sold 2.2MW, 4.1MW and 14.9MW of our solar module products in 2004, 2005 and 2006, respectively, and 10.9MW and 45.6MW for the nine months ended September 30, 2006 and 2007, respectively.

Industry Background

Solar power has recently emerged as one of the most rapidly growing renewable energy sources. Solar cells are fabricated from silicon wafers and convert sunlight into electricity through a process known as the photovoltaic effect. Solar modules, which are an array of interconnected solar cells encased in a weatherproof frame, are mounted in areas with direct exposure to the sun to generate electricity from sunlight. Solar power systems, which are comprised of solar modules, related power electronics and other components, are used in residential, commercial and industrial applications and for customers who have no access to an electric utility grid.

According to Solarbuzz, an independent solar energy research firm, the global solar power market, as measured by annual solar system installations, increased from 345MW in 2001 to 1,744MW in 2006, representing a CAGR of 38.3%. During the same period, solar power industry revenues grew from approximately $2.4 billion in 2001 to approximately $10.6 billion in 2006, representing a CAGR of 34.6%. Solarbuzz projects that solar power industry revenues and solar system installations will reach $18.6 billion and 4,177MW, respectively, by 2011. According to Solarbuzz, worldwide installations of solar power systems are expected to grow at a CAGR of 19.1% from 2006 to 2011, led by shipments for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network. We believe growth in the near term will be constrained by the limited availability of high-purity silicon.

We believe the following factors have driven and will continue to drive growth in the solar power industry:

- government incentives for solar power and other renewable energy sources;
- fossil fuel supply constraints and desire for energy security;

- growing awareness of the advantages of solar power, including its peak energy generation advantage, fuel risk advantage, scalability, reliability and environmentally friendly nature;
- advances in technologies making solar power more cost-efficient; and
- large market among underserved populations in rural areas of developing countries with little or no access to electricity.

Our Competitive Strengths

We believe that the following competitive strengths enable us to compete effectively and to capitalize on the rapid growth in the global solar power market:

- our ability to manage our supply chain via long term supply contracts and toll manufacturing arrangements, allowing us to secure a cost-effective supply of solar wafers and solar cells;
- our ability to quickly and cost-effectively increase our internal manufacturing capacity for solar cells and modules;
- the strength of our customer relationships in the rapidly expanding global solar market;
- our continued focus on maintaining a reputation for high quality and reliable solar modules and excellent customer support; and
- our established senior management team with significant industry and international expertise.

Our Strategies

Our objective is to be a global leader in the development and manufacture of solar module products. We have developed the following strategies, based on our experience, to anticipate changes in the industry:

- pursue a balanced and diversified solar cell supply strategy by entering into long-term solar cell and solar wafer supply contracts, toll manufacturing arrangements and developing our in-house solar cell and solar wafer manufacturing capabilities;
- continue to proactively manage silicon raw material supply by securing long term silicon raw materials contracts;
- continue to diversify silicon supply sources including the development of products utilizing upgraded metallurgical grade silicon;
- further diversify our geographic presence, customer base and product mix;
- enhance innovation and efficiency through R&D; and
- build a leading global brand.

Corporate Structure

We were incorporated pursuant to the laws of the Province of Ontario in October 2001. We changed our jurisdiction by continuing under the Canadian federal corporate statute, the Canada Business Corporations Act, or CBCA, effective June 1, 2006. As a result, we are governed by the CBCA.

In November 2001, we established CSI Solartronics (Changshu) Co., Ltd., or CSI Solartronics, which is our wholly owned subsidiary located in Changshu, China. Through CSI Solartronics, we focus primarily on the production of specialty solar modules and products. In addition to CSI Solartronics, we also currently have six other wholly owned subsidiaries: (i) CSI Solar Manufacture Inc., or CSI Solar Manufacturing, located in Suzhou, China, which we incorporated in January 2005, through which we focus primarily on the production of standard solar modules; (ii) CSI Solar Technologies Inc., or CSI Solar Technologies, also located in Suzhou, China, which we incorporated in August 2003, through which we focus on solar module product development; (iii) CSI Central Solar Power Co., Ltd., or CSI Luoyang, in Luoyang, China, which we incorporated in February 2006, through which we currently

manufacture solar modules and intend to manufacture solar ingots and solar wafers; (iv) CSI Cells Co., Ltd., or CSI Cells, formerly known as CSI Solarchip International Co., Ltd., which we incorporated in June 2006 and completed the first cell production line in the first quarter of 2007, through which we manufacture solar cells; (v) Changshu CSI Advanced Solar Inc., or CSI Advanced, which was incorporated in August 2006 and through which we intend to manufacture solar modules; and (vi) CSI Solar Inc., which was incorporated in Delaware in June 2007. CSI Advanced is not yet operational and is currently in the construction and preparatory phase. In May 2007, we set up a representative office in Phoenix, Arizona, to enhance our sales and marketing efforts in the U.S. market. This office became affiliated with CSI Solar Inc. after its incorporation in June 2007.

Corporate Information

Our principal executive offices are located at No. 199 Lushan Road, Suzhou New District, Suzhou, Jiangsu 215129, People's Republic of China. Our telephone number at this address is (86-512) 6690-8088 and our fax number is (86-512) 6690-8087. Our mailing address in Canada is located at 675 Cochrane Drive, East Tower, 6th Floor, Markham, Ontario L3R 0B8. Our telephone number at this address is (1-905) 530-2334 and our fax number is (1-905) 530-2001.

You should direct all inquiries to us at the address and telephone number of our principal executive offices set forth above. Our website is www.csisolar.com. The information contained on our website does not form part of this prospectus.

FORWARD-LOOKING STATEMENTS

The information in this prospectus, any prospectus supplement and the documents incorporated herein by reference contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, results of operations, business strategy and financial needs, all of which are largely based on our current expectations and projections. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "may," "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "is/are likely to" or other and similar expressions. Forward-looking statements involve inherent risks and uncertainties. These forward-looking statements include, among other things, statements relating to:

- our expectations regarding the worldwide demand for electricity and the market for solar power;
- our beliefs regarding lack of infrastructure reliability and long-term fossil fuel supply constraints;
- our beliefs regarding the inability of traditional fossil fuel-based generation technologies to meet the demand for electricity;
- our beliefs regarding the importance of environmentally friendly power generation;
- our expectations regarding governmental support for the deployment of solar power;
- our beliefs regarding the future shortage or availability of the supply of high-purity silicon;
- our beliefs regarding the acceleration of adoption of solar power technologies and the continued growth in the solar power industry;
- our beliefs regarding the competitiveness of our solar module products;
- our expectations with respect to increased revenue growth and improved profitability;
- our expectations regarding the benefits to be derived from our supply chain management and vertical integration manufacturing strategy;
- our ability to continue developing our in-house solar components production capabilities and our expectations regarding the timing and production capacity of our internal manufacturing programs;
- our beliefs regarding our securing adequate silicon and solar cell requirements to support our solar module production;
- our beliefs regarding the effects of environmental regulation;
- our beliefs regarding the changing competitive arena in the solar power industry;
- our future business development, results of operations and financial condition; and
- competition from other manufacturers of solar power products and conventional energy suppliers.

Known and unknown risks, uncertainties and other factors, may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. See the section entitled "Risk Factors" for a discussion of some risk factors that may affect our business and results of operations. These risks are not exhaustive. Other sections of this prospectus and the documents incorporated herein by reference may include additional factors that could adversely impact our business and financial performance. Moreover, because we operate in an emerging and evolving industry, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual result to differ materially from those expressed or implied in any forward-looking statement.

This prospectus, including the documents incorporated herein by reference, also contains data related to the solar power market in several countries. These market data, including market data from Solarbuzz, include projections

that are based on a number of assumptions. The solar power market may not grow at the rates projected by the market data, or at all. The failure of the market to grow at the projected rates may materially and adversely affect our business and the market price of our common shares and the notes. In addition, the rapidly changing nature of the solar power market subjects any projections or estimates relating to the growth prospects or future condition of our market to significant uncertainties. If any one or more of the assumptions underlying the market data proves to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus and in the documents incorporated herein by reference relate only to events or information as of the date on which the statements are made in this prospectus or, in the case of statements made in documents incorporated by reference, as of the respective dates of those documents. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information and reporting requirements of the Exchange Act, under which we file periodic reports, proxy and information statements and other information with the SEC. Copies of the reports, proxy statements and other information may be examined without charge at the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549 or on the Internet at http://www.sec.gov. Copies of all or a portion of such materials can be obtained from the Public Reference Section of the SEC upon payment of prescribed fees. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room.

As a foreign private issuer, we are exempt from the rules under the Exchange Act that prescribe the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. We are not currently required under the Exchange Act to publish financial statements as frequently or as promptly as are United States companies subject to the Exchange Act. We will, however, continue to furnish our shareholders with annual reports containing audited financial statements and will issue quarterly press releases containing unaudited statements of operations data as well as such other reports as may from time to time be authorized by our board of directors or as may be otherwise required.

We have filed with the SEC a registration statement on Form F-3, including all amendments to the registration statement under the Securities Act with respect to the notes and the common issuable upon conversion of the notes covered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information regarding us and the securities offered under this prospectus, please see the registration statement and the exhibits and schedules filed with the registration statement. Statements contained in this prospectus regarding the contents of any agreement or other document filed as an exhibit to the registration statement or our other filings with the SEC are not necessarily complete, and in each instance please see the copy of the full agreement filed as an exhibit to the applicable filing. We qualify each of these statements in all respects by the reference to the full agreement.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, including all subsequent annual reports on Form 20-F, prior to termination of this offering. In addition we may incorporate by reference any Form 6-K subsequently submitted by us by identifying in such Form 6-K that it is being incorporated by reference into this prospectus.

- Our annual report on Form 20-F for the fiscal year ended December 31, 2006, filed with the SEC on May 29, 2007; and
- our reports of foreign private issuer on Form 6-K filed with the SEC on March 15, 2007, April 23, 2007, May 14, 2007, June 11, 2007, August 15, 2007, October 2, 2007, October 29, 2007, November 15, 2007, November 30, 2007, December 4, 2007 and December 5, 2007.

We will provide without charge to each person to whom a copy of this prospectus is delivered, including any beneficial owner, upon the written or oral request of such person, a copy of any or all of the documents incorporated by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Requests should be directed to:

Canadian Solar Inc.
No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China
Attention: Investor Relations
Telephone: (86-512) 6690 8088

You should rely only on the information that we incorporate by reference or provide in this prospectus. We have not authorized anyone to provide you with different information. We are not making any offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of those documents.

THE OFFERING

The summary below highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all the information that you should consider before investing in the notes. The "Description of Notes" section of this prospectus contains a more detailed description of the terms and conditions of the notes and shares of our common shares issuable upon conversion of the notes. As used in this section, references to "Canadian Solar," the "company," "we," "us" and "our" refer only to Canadian Solar Inc. and do not include its direct or indirect subsidiaries.

Issuer of notes and common shares	Canadian Solar Inc.
Notes issued	US$75,000,000 principal amount of 6.0% convertible senior notes due 2017.
Maturity	December 15, 2017.
Ranking	The notes are our senior, unsecured obligations and rank equal in right of payment to all of our other unsecured and unsubordinated indebtedness. The notes are effectively subordinated in right of payment to all of our existing and future secured debt to the extent of such security and structurally subordinated to the indebtedness and other liabilities of our subsidiaries. As of September 30, 2007, we had no secured debt outstanding and our direct and indirect subsidiaries had approximately US$61.7 million of total debt outstanding on a consolidated basis.
Interest	The notes bear interest at a rate of 6.0% per annum. Interest is payable semi-annually in arrears on each June 15 and December 15 beginning on June 15, 2008.
Conversion rights	You may convert your notes prior to the close of business on the trading day before the stated maturity date. The initial conversion rate is 50.6073 common shares per US$1,000 principal amount of notes, subject to adjustment. This is equivalent to an initial conversion price of approximately US$19.76 per common share. Upon conversion you will receive our common shares for your notes. If we have obtained consent from holders, we may elect to deliver cash or a combination of cash and common shares in satisfaction of our conversion obligation. In no event will the total number of common shares to be issued upon conversion of any note exceed 56.6773 shares per $1,000 principal amount of notes, subject to adjustment. See the section entitled "Description of Notes — Conversion Rights" for more information.
Conversion rate increase upon fundamental change	If you elect to convert your notes in connection with a fundamental change that occurs on or before December 24, 2012 as described below under the section entitled "Description of Notes — Adjustment to Conversion Rate upon Occurrence of a Fundamental Change," we will, to the extent described in this prospectus, increase the conversion rate applicable to the notes. The amount of the increase in the applicable conversion rate, if any, will be based on our common share price and the effective date of the fundamental change. A description of how the increase in the applicable conversion rate will be determined and a table showing the increase that would apply at various common share prices and

	fundamental change effective dates are set forth under the section entitled “Description of Notes — Adjustment to Conversion Rate upon Occurrence of a Fundamental Change.”
Optional redemption by us	We may redeem the notes on or after December 24, 2012 at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the redemption date (i) in whole or in part, if the closing price for our common shares exceeds 130% of the conversion price for at least 20 trading days within a period of 30 consecutive trading days ending within five trading days of the notice of redemption, or (ii) in whole only, if at least 95% of the initial aggregate principal amount of the notes originally issued have been redeemed, converted or repurchased and, in each case, cancelled.
Purchase of notes at your option on specified dates	You may require us to repurchase the notes for cash on December 24, 2012 and December 15, 2014 at a repurchase price equal to 100% of the principal amount, plus accrued and unpaid interest to, but excluding, the repurchase date.
Offer to purchase the notes on a fundamental change	We are required to make an offer to purchase your notes for cash upon a fundamental change at 100% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the purchase date.
Additional amounts	All payments made by us or any successor to us under or with respect to the notes will be made without withholding or deduction for taxes unless we are legally required to do so, in which case, subject to certain exceptions and limitations, we will pay such additional amounts as may be necessary so that the net amount received by holders of the notes after such withholding or deduction shall equal the amount that would have been received in the absence of such withholding or deduction.
Tax redemption	In the event of certain changes to the laws governing a relevant taxing jurisdiction, we will have the option to redeem, in whole but not in part, the notes for a purchase price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest, including any additional amounts, up to, but excluding, the repurchase date. Upon our giving a notice of redemption, a holder may elect not to have its notes redeemed, in which case such holder would not be entitled to receive the additional amounts referred to in “— Additional Amounts” above after the redemption date.
Resale registration rights	We prepared this prospectus in connection with our obligations under a registration rights agreement with respect to the resale of the notes and the common shares issuable upon conversion of the notes. We will use our reasonable best efforts to keep such shelf registration statement effective, subject to certain permitted exceptions, until the earliest of (i) December 10, 2009; (ii) the date when all registrable securities shall have been registered under the Securities Act and disposed of; (iii) the date on which all registrable securities held by non-affiliates are eligible to be sold to the public pursuant to

	Rule 144(k) under the Securities Act; and (iv) the date on which the registrable securities cease to be outstanding.
	We will be required to pay additional interest, subject to some limitations, to the holders of the notes if we fail to comply with our obligations to register the notes and the common shares issuable upon conversion of the notes or the registration statement does not become effective within the specified time periods. See the section entitled "Description of Notes — Resale Registration Rights" for more information.
Use of proceeds	We will not receive any proceeds from the selling securityholders' sale of the notes or the common shares issuable upon conversion of the notes.
Trustee, paying agent and conversion agent	The Bank of New York.
Book-entry form	The notes have been issued in book-entry form and are represented by global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities except in limited circumstances.
Trading	Prior to this offering, the notes have been eligible for trading in the PORTAL Market℠. Notes sold by means of this prospectus will not remain eligible for trading in the PORTAL Market℠. We do not intend to list the notes for trading on any national securities exchange or on the Nasdaq National Market. Our common shares are traded on the Nasdaq Global Market under the symbol "CSIQ."
Taxation	For certain United States and Canadian federal income tax consequences of the holding, disposition and conversion of the notes, and the holding and disposition of our common shares, see the section entitled "Taxation."
Risk factors	You should carefully consider the information set forth in the section of this prospectus entitled "Risk Factors" as well as the other information included in or incorporated by reference in this prospectus before deciding whether to invest in the notes and our common shares into which the notes may be converted.
Ratio of Earnings to Fixed Charges	Our ratio of earnings to fixed charges for the years ended December 31, 2002, 2003, 2004, 2005, 2006 and the nine months ended September 30, 2007 have been set forth in the section of this prospectus entitled "Ratio of Earnings to Fixed Charges."

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statement of operations data for the years ended December 31, 2003, 2004, 2005 and 2006 and summary consolidated balance sheet data as of December 31, 2003, 2004, 2005 and 2006 are derived from our audited consolidated financial statements, which have been audited by an independent registered public accounting firm. The auditor report on our consolidated statements of operations for the years ended December 31, 2004, 2005 and 2006 and our consolidated balance sheets as of December 31, 2005 and 2006 is incorporated by reference into this prospectus from our annual report on Form 20-F for the year ended December 31, 2006. You should read the summary consolidated financial data in conjunction with those financial statements and the related notes. Our summary consolidated statement of operations data for the year ended December 31, 2003 and our consolidated balance sheet data as of December 31, 2003 and 2004 have been derived from our audited consolidated financial statements which are not included in our annual report. Our summary consolidated statement of operations data for the year ended December 31, 2002 and our consolidated balance sheet data as of December 31, 2002 have been derived from our unaudited consolidated financial statements, which are not included in our annual report, but which have been prepared on the same basis as our audited consolidated financial statements. The summary consolidated statement of operations data for the nine months ended September 30, 2006 and 2007 and summary balance sheet data as of September 30, 2007 are derived from our unaudited condensed consolidated financial statements.

The audited financial statements are prepared and presented in accordance with U.S. GAAP. Our unaudited financial statements have been prepared on the same basis as our audited financial statements and, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included. Our historical results do not necessarily indicate results expected for any future periods.

	Year Ended December 31,					For the Nine Months Ended September 30,	
	2002	2003	2004	2005	2006	2006	2007
	(in thousands of US$, except share and per share data, and operating data and percentages)						
Statement of operations data:							
Net revenues	$ 4,042	$ 4,113	$ 9,685	$ 18,324	$ 68,212	$ 43,841	$ 175,339
Cost of revenues(1)	2,628	2,372	6,465	11,211	55,872	31,601	166,172
Gross profit	1,414	1,741	3,220	7,113	12,340	12,240	9,167
Operating expenses(1)							
— Selling expenses	81	39	269	158	2,909	1,676	4,560
— General and administrative expenses	405	1,039	1,069	1,708	7,923	4,483	11,378
— Research and development expenses(2)	7	20	41	16	398	115	677
Total operating expenses	493	1,098	1,379	1,882	11,230	6,274	16,615
Income/(loss) from operations	921	643	1,841	5,231	1,110	5,966	(7,448)
Interest expenses	—	—	—	(239)	(2,194)	(1,980)	(943)
Interest income	—	1	11	21	363	91	396
Loss on change in fair value of derivatives related to convertible Notes	—	—	—	(316)	(6,997)	(6,997)	—
Loss on financial instruments related to convertible notes	—	—	—	(263)	(1,190)	(1,190)	—
Other — net	—(3)	10	(32)	(25)	(90)	(13)	1,716
Income tax expense	(81)	(34)	(363)	(605)	(432)	(202)	77
Minority interests	(215)	(209)	—	—	—	—	—
Income/(loss) before extraordinary gain	625	411	1,457	3,804	(9,430)	(4,325)	(6,202)
Extraordinary gain	—	350	—	—	—	—	—
Net income/(loss)	625	761	1,457	3,804	(9,430)	(4,325)	(6,202)
Earnings per share, basic and diluted							
— Extraordinary gain	—	0.02	—	—	—	—	—
— Net income (loss)	0.04	0.05	0.09	0.25	(0.50)	(0.25)	(0.23)

	Year Ended December 31,					For the Nine Months Ended September 30,	
	2002	2003	2004	2005	2006	2006	2007
	(in thousands of US$, except share and per share data, and operating data and percentages)						
Shares used in computation							
Basic and diluted	15,427,995	15,427,995	15,427,995	15,427,995	18,986,498	17,275,330	27,279,021
Other financial data:							
Gross margin	35.0%	42.3%	33.2%	38.8%	18.1%	28.0%	5.2%
Operating margin	22.8%	15.6%	19.0%	28.5%	1.6%	13.6%	(4.2)%
Net margin	15.5%	18.5%	15.0%	20.8%	(13.8)%	(9.9)%	(3.5)%

(1) Share-based compensation expenses are included in our cost of revenues and operating costs and expenses.

(2) We also conduct research and development activities in connection with our implementation of solar power development projects. These expenditures are included in our cost of revenues.

(3) Less than one thousand.

	As of December 31,					As of September 30,
	2002	2003	2004	2005	2006	2007
	(in thousands of US$)					
Balance Sheet Data:						
Cash and cash equivalents	$ 596	$ 1,879	$ 2,059	$ 6,280	$ 40,911	$ 27,402
Restricted cash	—	27	27	112	825	3,357
Inventories	312	313	2,397	12,162	39,700	65,918
Accounts receivable, net	1,047	257	636	2,067	17,344	49,061
Advances to suppliers	3	81	370	4,740	13,484	18,731
Value added tax recoverable	167	142	22	815	2,281	7,926
Other current assets	51	95	150	257	2,398	2,473
Total current assets	2,176	2,794	5,661	26,433	116,943	174,868
Property, plant and equipment, net	291	244	453	932	7,910	31,688
Intangible assets	—	—	—	—	39	91
Prepaid-rental	—	—	—	—	1,103	1,178
Deferred tax assets (non-current)	9	15	31	65	3,639	3,837
Total assets	2,476	3,053	6,145	27,430	129,634	211,662
Short-term borrowings	—	—	—	1,300	3,311	51,651
Accounts payable	488	426	824	4,306	6,874	14,919
Other payable	65	398	302	892	993	5,189
Advances from suppliers and customers	113	18	273	2,823	3,225	9,496
Income tax payable	92	119	407	914	112	509
Amounts due to related parties	12	93	189	431	149	202
Embedded derivatives related to convertible notes	—	—	—	3,679	—	—
Other current liabilities	61	147	761	1,022	1,191	1,330
Total current liabilities	831	1,201	2,756	15,367	15,855	83,296
Accrued warranty costs	39	79	167	341	875	2,552
Long term debt	—	—	—	—	—	10,003
Convertible notes	—	—	—	3,387	—	—
Financial instruments related to convertible notes	—	—	—	1,107	—	—
Other non-current liabilities	261	261	261	261	—	—
Total liabilities	1,131	1,541	3,184	20,463	16,730	95,851
Total shareholders' equity	1,345	1,512	2,961	6,967	112,904	115,811
Total liabilities and shareholders' equity	2,476	3,053	6,145	27,430	129,634	211,662
Number of shares outstanding	15,427,995	15,427,995	15,427,995	15,427,995	27,270,000	27,290,298(4)

(4) Excluding 566,190 restricted shares, which were subject to restrictions on voting and dividend rights and transferability, as of September 30, 2007.

SUMMARY OF RECENT FINANCIAL DEVELOPMENTS

Third Quarter 2007 Financial Results

Net revenues for the third quarter 2007 were $97.4 million, including $3.8 million of silicon material sales, compared to net revenues of $17.8 million for the third quarter of 2006 and $60.4 million for the second quarter of 2007. Net revenues for the second quarter of 2007 included $2.7 million of silicon material sales. Net income for the quarter was $0.5 million, or $0.02 per diluted share, compared to net income of $0.24 million, or $0.01 per diluted share, for the third quarter of 2006 and net loss of $2.9 million, or $0.11 per diluted share, for the second quarter of 2007.

Our return to profitability was achieved through continued sales momentum, improved production yields, better inventory controls, improved cash management and stable pricing. As a result, we were able to increase our product shipments and improve our profit margins as forecast despite modest price increases in materials from some suppliers.

Results of Operations for the Nine Months Ended September 30, 2006 and 2007

Net Revenues. Our total net revenues increased 300.2% from $43.8 million for the nine months ended September 30, 2006 to $175.3 million for the nine months ended September 30, 2007. The increase was due primarily to a significant increase in net revenues generated from the sale of our solar module products from $43.8 million for the nine months ended September 30, 2006 to $166.0 million for the nine months ended September 30, 2007. However, as a percentage of total revenues, solar module product sales decreased from 99.8% to 94.7% due to an increase in silicon material sales to third party customers.

There was a significant decrease in other net revenues generated from our implementation of solar power development projects from $68,000 for the nine months ended September 30, 2006 to nil for the nine months ended September 30, 2007, primarily due to our substantial completion of the remaining milestones in the “Solar Electrification for Western China” project in 2005, for which a portion of revenue had been recognized in 2006 after final customer acceptance.

The volume of our solar module products sold increased from 10.9MW for the nine months ended September 30, 2006 to 45.6MW for the nine months ended September 30, 2007. The significant increase in the volume of our solar module products sold was driven by several factors, including favorable incentive programs that stimulated demand for our products in our main target markets of Germany, Spain and Italy, establishment of customer relationships with several large solar integrators in our target markets and an increase in module production capacity to fulfill this demand.

Cost of Revenues. Our cost of revenues increased 425.9% from $31.6 million for the nine months ended September 30, 2006 to $166.2 million for the nine months ended September 30, 2007. The increase in our cost of revenues was due primarily to a significant increase in the quantity of solar cells needed to produce an increased output of our standard solar modules and the rising prices of silicon feedstock and solar cells arising from the industry-wide shortage of high-purity silicon. As a percentage of our total net revenues, cost of revenues increased from 72.1% for the nine months ended September 30, 2006 to 94.8% for the nine months ended September 30, 2007, with the increase primarily due to rising prices of silicon feedstock and solar cells arising from an industry-wide shortage of high-purity silicon.

Gross Profit. As a result of the foregoing, our gross profit decreased from $12.2 million for the nine months ended September 30, 2006 to $9.2 million for the nine months ended September 30, 2007. Our gross margin decreased from 27.9% for the nine months ended September 30, 2006 to 5.2% for the nine months ended September 30, 2007. The decrease in gross margin was due primarily to the rising prices of silicon feedstock and solar cells arising from the industry-wide shortage of high-purity silicon and a decrease in average selling prices for our solar module products. We have increased our quarterly gross margin in each quarter since the fourth quarter of 2006, from 0.4% in the quarter ended December 31, 2006 to 6.5% in the quarter ended September 30, 2007. Although we have improved our gross margin through continued sales growth and effective cost controls, we cannot assure you that we will continue to do so in future periods.

Operating Expenses. Our operating expenses increased by 164.8% from $6.3 million for the nine months ended September 30, 2006 to $16.6 million for the nine months ended September 30, 2007. The increase in our operating expenses was due primarily to an increase in our general and administrative expenses and selling expenses. Operating expenses as a percentage of our total net revenue decreased from 14.3% for the nine months ended September 30, 2006 to 9.5% for the nine months ended September 30, 2007.

Selling Expenses. Our selling expenses increased from $1.7 million for the nine months ended September 30, 2006 to $4.6 million for the nine months ended September 30, 2007. Selling expenses as a percentage of our total net revenues decreased from 3.8% for the nine months ended September 30, 2006 to 2.6% for the nine months ended September 30, 2007. The increase in our selling expenses was due primarily to (i) the increase in share-based compensation expenses that we incurred in connection with our grant of share options and restricted shares to sales and marketing personnel, (ii) the increase in freight charges and export processing fees caused by our increasing use of cost, insurance and freight sales terms in the nine months ended September 30, 2007 comparing to mostly free-on-board or ex-work sales terms in the nine months ended September 30, 2006 and (iii) an increase in salaries and benefits as we hired additional sales personnel to handle our increased sales volume.

General and Administrative Expenses. Our general and administrative expenses increased by 153.8% from $4.5 million for the nine months ended September 30, 2006 to $11.4 million for the nine months ended September 30, 2007, primarily due to (i) the increase in share-based compensation expenses that we incurred in connection with our grant of share options and restricted shares to general and administrative employees and (ii) increases in salaries and benefits for our administrative and finance personnel as we hired additional personnel in connection with the growth of our business. As a percentage of our total net revenues, general and administrative expenses decreased from 10.2% for the nine months ended September 30, 2006 to 6.5% for the nine months ended September 30, 2007, primarily as a result of the greater economies of scale that we achieved in the nine months ended September 30, 2007.

Research and Development Expenses. Our research and development expenses increased significantly from $115,000 for the nine months ended September 30, 2006 to $676,672 for the nine months ended September 30, 2007, due to increased efforts in development of new products and technology improvement. We expect our expenditures for research and development efforts to increase significantly in 2008 as we undertake technology development related to future product offerings.

Share-Based Compensation Expenses. Our share-based compensation expenses in the nine months ended September 30, 2006 was $3.5 million as compared to $7.0 million in the nine months ended September 30, 2007. This increase was due to the implementation of our share-based compensation program in May 2006, thus share-based compensation expenses allocated in 2006 occurred over a shorter time period as compared to the nine months ended September 30, 2007.

Interest Expenses. We incurred interest expenses of approximately $2.0 million for the nine months ended September 30, 2006 compared to $943,625 for the nine months ended September 30, 2007. The interest expenses for the nine months ended September 30, 2006 were in connection with (i) the convertible notes that we sold to HSBC and JAFCO in November 2005 and March 2006 and which were outstanding before July 1, 2006, (ii) non-cash amortization of discount on debts in relation to the convertible notes issued to HSBC and JAFCO and (iii) interest payable for our various short-term borrowings before our initial public offering in November 2006. These convertible notes were converted on July 1, 2006. As a result of relatively low debt levels in the nine months ended September 30, 2007, our interest expenses were comparatively lower for the nine months ended September 20, 2007, compared to the same period in 2006.

Loss on Change in Fair Value of Derivatives Related to Convertible Notes. We recorded nil for the loss on change in fair value of derivatives related to convertible notes for the nine months ended September 30, 2007 compared to $7.0 million for the nine months ended September 30, 2006. After amending the terms of our convertible notes in March 2006, we no longer incurred this charge.

Loss on Financial Instruments Related to Convertible Notes. We recorded nil for a non-cash charge for the nine months ended September 30, 2007 compared to $1.2 million for the nine months ended September 30, 2006. After

issuing the second tranche convertible notes together with convertible notes issued pursuant to the investors' option in March 2006, we no longer incurred this charge.

Income Tax Income (Expense). Our income tax expense was $202,430 for the nine months ended September 30, 2006, as compared to a gain of $76,786 for the nine months ended September 30, 2007, in part due to the tax benefit from the amortization of an increase in deferred tax assets associated with expenses related to our initial public offering and based on Canadian tax regulations.

Net Loss. As a result of the cumulative effect of the above factors, we recorded net loss of $6.2 million for the nine months ended September 30, 2007, as compared to a $4.3 million net loss for the nine months ended September 30, 2006.

Liquidity and Capital Resources

To date, we have financed our operations primarily through cash flows from operations, short-term borrowings, convertible note issuances, as well as equity contributions by our shareholders. We have significant working capital commitments because of the rapid growth of our standard solar module business. Additionally, some of our suppliers of silicon raw materials, including polysilicon, solar wafers and solar cells require us to make prepayments in advance of their shipment. In a long-term supply contract, customary with the current industry practice, we have agreed to make large amounts of prepayments in cash to our supplier in advance of the planned delivery with the prepayments being proportionally off-set at deliveries from the supplier during the contract term. Due to the industry-wide shortage of high-purity silicon, working capital and access to financings to allow for the purchase of silicon raw materials are critical to growing our business.

We believe that our current cash and cash equivalents, anticipated cash flow from operations and planned commercial bank borrowings will be sufficient to meet our anticipated cash needs, including our cash needs for working capital, capital expenditures and potential acquisitions for at least the next 12 months. We may, however, require additional cash due to changing business conditions or other future developments. If our cash is insufficient to meet our requirements, we may seek to sell additional equity securities or debt securities or borrow from lending institutions. We cannot assure you that financing will be available in the amounts we need or on terms acceptable to us, if at all.

RISK FACTORS

Your investment in the notes involves a high degree of risk. You should carefully consider the risks described below as well as other information and data included in this prospectus, including in our most recent annual report on Form 20-F and the documents incorporated by reference in this prospectus, as the same may be updated from time to time by our future filings under the Securities Exchange Act of 1934, or the Exchange Act, before making an investment decision. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial may also adversely impact our business operations. If any of the events described in the risk factors below, or other events described in the risk factors incorporated by references occur, our business, financial condition, operating results and prospects could be materially affected and you could lose all or part of your investment.

Risks Related to Our Company and Our Industry

Evaluating our business and prospects may be difficult because of our limited operating history.

There is limited historical information available about our company upon which you can base your evaluation of our business and prospects. We began business operations in October 2001 and shipped our first solar module products in March 2002. With the rapid growth of the solar power industry, we have experienced a high growth rate since our inception and, in particular, since 2004 after we began to sell standard solar modules. As such our historical operating results may not provide a meaningful basis for evaluating our business, financial performance and prospects. We may not be able to achieve growth rates in future periods similar to those we have experienced in recent periods, and our business model at higher volumes is unproven. Accordingly, you should not rely on our results of operations for any prior periods as an indication of our future performance. You should consider our business and prospects in light of the risks, expenses and challenges that we will face as an early-stage company seeking to develop and manufacture new products in a rapidly growing market.

Our quarterly operating results may fluctuate from period to period in the future.

Our quarterly operating results may fluctuate from period to period based on a number of factors, including:

- the average selling prices of our solar modules and products;
- the availability and pricing of raw materials, particularly high-purity silicon and reclaimable silicon;
- the availability, pricing and timeliness of delivery of solar cells and wafers from our suppliers and toll manufacturers;
- the rate and cost at which we are able to expand our internal manufacturing capacity to meet customer demand and the timeliness and success of these expansion efforts;
- the impact of seasonal variations in demand linked to construction cycles and weather conditions, with purchases of solar products tending to decrease during the winter months in our key markets, such as Germany, due to adverse weather conditions that can complicate the installation of solar power systems;
- timing, availability and changes in government incentive programs and regulations, particularly in our target markets;
- unpredictable volume and timing of customer orders, some of which are not fixed by contract but vary on a purchase order basis;
- the loss of one or more key customers or the significant reduction or postponement of orders from these customers;
- availability of financing for on-grid and off-grid solar power applications;
- unplanned additional expenses such as manufacturing failures, defects or downtime;
- acquisition and investment related costs;

- geopolitical turmoil within any of the countries in which we operate or sell products;
- foreign currency fluctuations, particularly in the Euro, U.S. Dollar and RMB;
- our ability to establish and expand customer relationships;
- changes in our manufacturing costs;
- changes in the relative sales mix of our products;
- our ability to successfully develop, introduce and sell new or enhanced solar modules and products in a timely manner, and the amount and timing of related research and development costs;
- the timing of new product or technology announcements or introductions by our competitors and other developments in the competitive environment; and
- increases or decreases in electric rates due to changes in fossil fuel prices or other factors.

We base our planned operating expenses in part on our expectations of future revenue, and a significant portion of our expenses will be fixed in the short-term. If revenue for a particular quarter is lower than we expect, we likely will be unable to proportionately reduce our operating expenses for that quarter, which would harm our operating results for that quarter. This may cause us to miss analysts' guidance or any guidance announced by us. If we fail to meet or exceed analyst or investor expectations or our own future guidance, even by a small amount, our share price could decline, perhaps substantially.

The current industry-wide shortage of high-purity silicon may constrain our revenue growth and decrease our margins and profitability.

We produce solar modules, which are an array of interconnected solar cells encased in a weatherproof package, and products that use solar modules. High-purity silicon is an essential raw material in the production of solar cells and is also used in the semiconductor industry generally. While we do have in-house solar cell manufacturing capabilities, we continue to depend on solar cell supplies from a few producers. There is currently an industry-wide shortage of high-purity silicon because of increased demand as a result of recent expansions of, and increased demand in, the solar power and semiconductor industries. The shortage of high-purity silicon has driven the overall increase in silicon feedstock prices. For example, according to a March 2007 report by Solarbuzz, the average long-term silicon feedstock contracted price increased from approximately $28-32 per kilogram in 2004 to $60-65 per kilogram in 2007. In addition, according to Solarbuzz, prices of silicon feedstock obtained through spot purchases or short-term contracts went as high as $300 per kilogram in 2006, peaking in the third quarter of 2006 before decreasing by 10% from this peak by the first quarter of 2007. The shortage of high-purity silicon has also resulted in a shortage of, and significant price increases for, solar cells. According to Solarbuzz, the average selling price of solar cells increased from the fourth quarter of 2004 to the fourth quarter of 2005 by approximately 20% to 25%, depending on the size of the solar cells and the type of technology; mainstream multicrystalline silicon cell prices increased from the first quarter of 2006 to the first quarter of 2007 by an average of 8%, while monocrystalline silicon PV cell prices increased by a similar proportion.

The average price of silicon feedstock and solar cells remained high in 2007. Any further increase in the demand from the semiconductor industry will compound the shortage and price increases. The shortage of high-purity silicon has constrained our revenue growth in the past and may continue to do so. Increases in the prices of silicon feedstock and solar cells have in the past increased our production costs and may impact our cost of revenues and net income in the future. The production of high-purity silicon is capital intensive and adding additional capacity requires significant lead time. While we are aware that several new facilities for the manufacture of high-purity silicon are under construction, we do not believe that the supply shortage will be remedied in the very near term. We expect that demand for high-purity silicon will continue to outstrip supply for the near future. Furthermore, if we cannot fulfill our solar cell needs through internal production and obtain solar wafers and solar cells externally at commercially viable prices, this could adversely affect our margins and operating results. This would have a material negative impact on our business and operating results.

If we are unable to secure an adequate and cost effective supply of solar wafers, cells or reclaimable silicon, our revenue, margins and profits could be adversely affected.

Solar cells are the most important component of solar module products. We engage in vertical integration of our supply chain to secure a sufficient and cost-effective supply of solar cells through a combination of internal solar cell component manufacturing and also our sourcing of silicon feedstock, toll manufacturing arrangements with suppliers of ingots, wafers and cells and direct purchases from solar cell suppliers. While we have been able to secure silicon to meet our production needs in the past, due to ongoing industry shortages of silicon feedstock, solar wafers and solar cells, we cannot assure you that we will be able to continue to successfully manage our supply chain and secure an adequate and cost-effective supply of solar cells. For example, we have entered into several long-term contracts with silicon raw material suppliers, but we cannot assure you that we will be able to obtain adequate supplies from them under these contracts or from other suppliers in sufficient quantities and at commercially viable prices in the future. Moreover, toll manufacturing arrangements may not be available to us in the future or at higher volumes, in particular as high-purity silicon becomes more readily available in the future, which could have an adverse effect on our margins and profitability. While we produce solar cells internally to meet a portion of our solar cell needs, we cannot guarantee you that we will be able to successfully produce enough solar cells to supplement our solar cell needs. If we are unable to procure an adequate supply of solar cells, either via contractual arrangements providing solar cells to us at commercially viable prices or through in-house production, we may be unable to meet demand for our products and could lose our customers and market share, and our margins and revenues could decline.

In addition, while we have been able to generate cost savings in the past through our recycling of reclaimable silicon, we cannot assure you that we will be able to secure sufficient reclaimable silicon at higher volumes and reasonable prices in the future as we believe there is a limited supply of reclaimable silicon available in the market and intensified competition for these materials as a result of new competitors entering the market. Recently, there has been increased scrutiny by the Chinese Customs authorities on the import of scrap silicon over a concern that the recycling process for certain types of scrap silicon may cause environmental damage if not performed in a fully licensed factory. This has created certain disruptions to our silicon reclamation business. Since December 2006, 1.2 tons of our scrap silicon has been under detention by the Chinese Customs authorities. In August 2007, following testing by Chinese Customs authorities, one-fourth of this amount was identified by them as prohibited solid waste. Although the case is still pending, if the investigation deems any portion of this scrap silicon to be prohibited solid waste, such portion of the scrap silicon will have to be returned to its point of origin and we may be assessed a fine with a penalty ranging from RMB100,000 (US$12,813.80) to RMB1 million (US$128,137.70). We are actively working with local industry groups, the Chinese Customs authorities and the Chinese Environment Protection Administration to define new procedures and regulations governing scrap silicon. These new regulations may increase the cost of reclamation and limit our ability to sustain or expand our silicon reclamation program. If we are unable to secure a sufficient supply of reclaimable silicon at reasonable prices and reclaim this silicon on a cost-efficient basis, we cannot assure you that we will be able to save cost through our reclamation program and maintain our profit margin as a result of further negative changes in the government policy.

Because the markets in which we compete are highly competitive and many of our competitors have greater resources than us, we may not be able to compete successfully and we may lose or be unable to gain market share.

We compete with a large number of competitors in the solar module market. These include international competitors such as BP Solar International Inc., or BP Solar, Sharp Solar Corporation, or Sharp Solar, SolarWorld AG, or SolarWorld, and competitors located in China such as Suntech Power Holdings Co., Ltd., Yingli Green Energy Holding Company Limited, Solarfun Power Holdings Co., Ltd. and Trina Solar Limited. We expect to face increasing competition in the future. Further, many of our competitors are developing and are currently producing products based on new solar power technologies that may ultimately have costs similar to, or lower than, our projected costs. For example, some of our competitors are developing or currently producing products based on alternative solar technologies, such as thin film photovoltaic materials, which they believe will ultimately cost the same as or less than crystalline silicon technologies, which we use. Solar modules produced using thin film materials, such as amorphous silicon and cadmium telluride, require significantly less silicon to produce than crystalline silicon solar modules, such as our products, and are less susceptible to increases in silicon costs. We may

also face competition from semiconductor manufacturers, several of which have either announced plans to start or have already commenced production of solar modules. In addition, from a technological and capital investment point of view, the entry barriers are relatively low in the solar module manufacturing business given the low capital requirements and relatively little technological complexity involved. Due to the scarcity of high-purity silicon, supply chain management, access to financing and establishment of name brand recognition and a strong customer base are key entry barriers at present. However, if high-purity silicon supplies increase, some of these barriers may disappear or lessen and many new competitors may enter into the industry resulting in rapid industry fragmentation and loss of our market share.

Many of our current and potential competitors have longer operating histories, greater name recognition, access to larger customer bases and resources and significantly greater economies of scale. In addition, our competitors may have stronger relationships or may enter into exclusive relationships with some of the key distributors or system integrators to whom we sell our products. As a result, they may be able to respond more quickly to changing customer demand or to devote greater resources to the development, promotion and sales of their products than we can. The sale of our solar module products generated 97.7% and 87.6% of our net revenues in 2005 and 2006, respectively, and 94.7% for the nine months ended September 30, 2007. Our competitors with more diversified product offerings may be better positioned to withstand a decline in the demand for solar power products. Some of our competitors have also become vertically integrated, from upstream silicon wafer manufacturing to solar power system integration. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share, which would harm our business. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share.

In the immediate future, we believe that in order to remain competitive, we will need to continue focusing on securing silicon feedstock and solar wafers for our in-house solar cell manufacturing needs and expanding our internal production capacity, developing our in-house solar wafer manufacturing capacity, maintaining strategic relationships with a few select suppliers to fulfill our remaining solar cell and solar wafer needs and increasing our sales and marketing efforts to secure customer orders. Many of our competitors have greater access to silicon raw materials and cell supply, including stronger strategic relationships with leading global and domestic silicon feedstock suppliers, or have more significant silicon wafer and cell manufacturing capabilities. We believe that as the supply of high-purity silicon stabilizes and customers become more knowledgeable and selective, the key to competing successfully in the industry will shift to more traditional sales and marketing activities. We have conducted very limited advertising to date, focusing primarily on medium to larger sized solar power distributors and integrators in the European market in the past, and cannot assure you that we will be able to make that transition successfully. The greater name recognition of some of our competitors may make it difficult for us to compete as a result of this industry transition. In addition, the solar power market in general competes with other sources of renewable energy and conventional solar power generation. If prices for conventional and other renewable energy resources decline, or if these resources enjoy greater policy support than solar power, the solar power market could suffer.

The reduction or elimination of government subsidies and economic incentives for solar power could cause demand for our products, our revenues, profits and margins to decline.

We believe that the near-term growth of the market, particularly for on-grid applications, depends in large part on the availability and size of government subsidies and economic incentives. Because a substantial portion of our sales is made in the on-grid market, the reduction or elimination of government subsidies and economic incentives may adversely hinder the growth of this market or result in increased price competition, which could cause our revenues to decline.

Today, the cost of solar power substantially exceeds the cost of power provided by the electric utility grid in many locations. Governments around the world have used different policy initiatives to accelerate the development and adoption of solar power and other renewable energy sources. Renewable energy policies are in place in the European Union, most notably Germany and Spain, certain countries in Asia, and many of the states in Australia and the United States. Examples of customer-focused financial incentives include capital cost rebates, feed-in tariffs, tax credits and net metering and other incentives to end users, distributors, system integrators and manufacturers of solar power products to promote the use of solar power in both on-grid and off-grid applications and to reduce dependency on other forms of energy. These government economic incentives could be reduced or

eliminated altogether, or governmental entities could reprioritize solar initiatives that they have launched. For example, according to Solarbuzz, plans by the Shanghai municipal government to install solar energy heating systems on 100,000 rooftops have stalled. Reductions in, or eliminations of, government subsidies and economic incentives before the solar power industry reaches a scale of economy sufficient to be cost-effective in a non-subsidized market place could result in decreased demand for our products and decrease our revenues, profits and margins.

Existing regulations and policies and changes to these regulations and policies may present technical, regulatory and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products.

The market for electricity generation products is heavily influenced by government regulations and policies concerning the electric utility industry, as well as policies promulgated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation. In a number of countries, these regulations and policies have been modified and may continue to be modified. Customer purchases of, or further investment in the research and development of, alternative energy sources, including solar power technology, could be deterred by these regulations and policies, which could result in a significant reduction in the potential demand for our products. For example, without a regulatory mandated exception for solar power systems, utility customers are often charged interconnection or standby fees for putting distributed power generation on the electric utility grid. These fees could increase the cost to our customers of using our solar module products and make them less desirable, thereby harming our business, prospects, results of operations and financial condition. In addition, pricing regulations and policies may place limits on our ability to increase the price of our solar module products in response to increases in our solar raw material costs, including solar cells. We anticipate that our products and their installation will be subject to oversight and regulation in accordance with national and local regulations relating to building codes, safety, environmental protection, utility interconnection and metering and related matters. It is difficult to track the requirements of individual jurisdictions and design products to comply with the varying standards. For example, the European Union's Restriction of Hazardous Substances Directive, which took effect in July 2006, is a general directive. Each European Union member state will adopt its own enforcement and implementation policies using the directive as a guide. Therefore, there could be many different versions of this law that we will have to comply with to maintain or expand our sales in Europe. Any new government regulations or utility policies pertaining to our solar module products may result in significant additional expenses to us and, as a result, could cause a significant reduction in demand for our solar module products. In particular, any changes to existing regulations and policies or new regulations and policies in Germany could have a material adverse effect on our business and operating results. Sales to customers located in Germany accounted for 75.3% and 56.9% of our net revenues in 2005 and 2006, respectively, and 72.8% for the nine months ended September 30, 2007, in part because of the availability and amounts of government subsidies and economic incentives in Germany.

If solar power technology is not suitable for widespread adoption, or sufficient demand for solar power products does not develop or takes longer to develop than we anticipate, our revenues may not continue to increase or may even decline, and we may be unable to sustain our profitability.

The solar power market is at a relatively early stage of development, and the extent of acceptance of solar power products is uncertain. Market data on the solar power industry is not as readily available as for other more established industries where trends can be assessed more reliably from data gathered over a longer period of time. In addition, demand for solar power products in our targeted markets, including Germany, Spain, Korea, Italy and Greece, may not develop or may develop to a lesser extent than we anticipate. Many factors may affect the viability of widespread adoption of solar power technology and demand for solar power products, including:

- cost-effectiveness, performance and reliability of solar power products compared to conventional and other renewable energy sources and products;
- availability of government subsidies and incentives to support the development of the solar power industry;

- success of other alternative energy generation technologies, such as wind power, hydroelectric power and biomass;
- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil and other fossil fuels;
- capital expenditures by end users of solar power products, which tend to decrease when the economy slows down;
- deregulation of the electric power industry and broader energy industry; and
- changes in seasonal demands for our products, as illustrated by the slowdown of our sales to Germany in the fourth quarter of 2006.

If solar power technology is not suitable for widespread adoption or sufficient demand for solar power products does not develop or takes longer to develop than we anticipate, our revenues may suffer and we may be unable to sustain our profitability.

The lack or unavailability of financing for on-grid and off-grid solar power applications could cause our sales to decline.

Our solar module products are used in both on-grid applications and off-grid applications. Off-grid applications are used where access to utility networks is not economical or physically feasible. In some developing countries, government agencies and the private sector have, from time to time, provided financing on preferential terms for rural electrification programs. We believe that the availability of financing programs could have a significant effect on the level of sales of solar modules for both on-grid and off-grid applications. If existing financing programs for on-grid and off-grid applications are eliminated or if financing programs are inaccessible or inadequate, the growth of the market for on-grid and off-grid applications may be materially and adversely affected, which could cause our sales to decline. In addition, a rise in interest rates could render existing financings more expensive and present an obstacle for potential financings that would otherwise spur the growth of the solar power industry, which could materially and adversely affect our business.

Our dependence on a limited number of solar wafer, solar cell and silicon raw material suppliers could prevent us from timely delivering our products to our customers in the required quantities, which could result in order cancellations and decreased revenues.

We purchase silicon raw materials, which include polysilicon, solar wafers and solar cells, from a limited number of third-party suppliers. Our major suppliers of silicon raw materials include Luoyang Zhong Gui High Tech Co. Ltd., or Luoyang Poly, of China, which provides us with specified minimum levels of polysilicon, LDK of China, and Deutsche Solar AG, or Deutsche Solar, of Germany, which provide us specified minimum levels of solar wafers; and China Sunergy Co., Ltd., or China Sunergy, and Gintech Energy Corporation of Taiwan, or Gintech, which provides us specified minimum levels of solar cells. We have also entered into annual supply agreements with a few other overseas and domestic Chinese solar wafer and solar cell suppliers. These suppliers may not be able to meet the specified minimum levels set forth in the contracts. If we fail to develop or maintain our relationships with these or our other suppliers, we may not be able to internally produce or secure a supply of solar cells at cost-effective prices, or at all. If that were to occur, we may be unable to manufacture our products in a timely manner or our products may be manufactured only at a higher cost, and we could be prevented from delivering our products to our customers in the required quantities and at prices that are profitable. Problems of this kind could cause us to experience order cancellations and loss of market share and harm our reputation. The failure of a supplier to supply solar wafers, solar cells or silicon raw materials that meet our quality, quantity and cost requirements in a timely manner could impair our ability to manufacture our products or increase our costs, particularly if we are unable to obtain these solar wafers, solar cells or silicon raw materials from alternative sources on a timely basis or on commercially reasonable terms. For example, in late 2006, one of our major suppliers of solar wafers incurred serious fire damage with its silicon cast ingot furnaces. This resulted in a chain reaction and caused the shortage and price increase of multi-crystalline solar wafers, which is a key material for our products.

Our dependence on a limited number of customers and our lack of long-term contracts may cause significant fluctuations or declines in our revenues.

We currently sell a substantial portion of our solar module products to a limited number of customers, including distributors and system integrators, and various manufacturers who either integrate our products into their own products or sell them as part of their product portfolio. Our top five customers collectively accounted for approximately 53.4% and 84.0% of our net revenues in 2006 and for the nine months ended September 30, 2007, respectively. Each of Iliotec and Bihler contributed over 10% of our net revenues in 2006. Each of Schüco, City Solar AG and pro solar Solarstrom contributed over 10% of our net revenues for the nine months period ended September 30, 2007. Sales to our customers are typically made through one-year frame work sales agreements with quarterly firm orders stipulating prices and product amounts as adjusted or negotiated with customers. We anticipate that our dependence on a limited number of customers will continue for the foreseeable future. Consequently, any one of the following events may cause material fluctuations or declines in our revenues:

- reduction, delay or cancellation of orders from one or more of our significant customers;
- loss of one or more of our significant customers and our failure to identify additional or replacement customers; and
- failure of any of our significant customers to make timely payment for our products.

Even though our top five customers have contributed to a significant portion of our revenues, we have experienced changes in our top customers. As we continue to grow our business and operations, we expect our top customers may continue to change. We cannot assure you that we will be able to develop a consistent customer base.

Cancellation of customer product orders may make us unable to recoup prepayments made to suppliers.

Suppliers of solar wafers, cells and silicon raw materials typically require us to make prepayments well in advance of shipment. While we also sometimes require our customers to make partial prepayments, there is typically a lag between the time of our prepayment for solar wafers, cells and silicon raw materials and the time that our customers make prepayments to us. As a result, the purchase of solar wafers, cells and silicon feedstock, and other silicon raw materials through toll manufacturing arrangements, has required, and will continue to require, us to make significant working capital commitments beyond that generated from our cash flows from operations to support our estimated production output. In the event our customers cancel their orders, we may not be able to recoup prepayments made to suppliers in connection with our customers' orders, which could have an adverse impact on our financial condition and results of operations.

We may not be able to manage our expansion of operations effectively.

We commenced business operations in October 2001 and have since grown rapidly. We expect to continue to significantly expand our business to meet the growth in demand for our products, as well as to capture new market opportunities. To manage the potential growth of our operations, we will be required to improve our operational and financial systems and procedures and controls. Our rapid growth has strained our resources and made it difficult to maintain and update our internal procedures and controls as necessary to meet the expansion of our overall business. We must also increase production output, expand, train and manage our growing employee base, and successfully establish new subsidiaries to operate new or expanded facilities. Additionally, access to additional funds to support the expansion of our business may not always be available to us. Furthermore, our management will be required to maintain and expand our relationships with our customers, suppliers and other third parties.

We cannot assure you that our current and planned operations, personnel, systems and internal procedures and controls will be adequate to support our future growth. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies or respond to competitive pressures.

Technological changes in the solar power industry could render our products uncompetitive or obsolete, which could reduce our market share and cause our revenues and profit to decline.

The solar power market is characterized by evolving technology standards that require improved features, such as more efficient and higher power output, improved aesthetics and smaller size. This requires us to develop new solar module products and enhancements for existing solar module products to keep pace with evolving industry standards and changing customer requirements. Technologies developed by others may prove more advantageous than ours for the commercialization of solar module products and may render our technology obsolete. Our failure to further refine our technology and develop and introduce new solar module products could cause our products to become uncompetitive or obsolete, which could reduce our market share and cause our revenues to decline. We will need to invest significant financial resources in research and development to maintain our market position, keep pace with technological advances in the solar power industry and effectively compete in the future.

If our future innovations fail to enable us to maintain or improve our competitive position, we may lose market share. If we are unable to successfully design, develop and introduce or bring to market competitive new solar module products, or enhance our existing solar module products, we may not be able to compete successfully. Competing solar power technologies may result in lower manufacturing costs or higher product performance than those expected from our solar module products. In addition, if we are unable to manage product transitions, our business and results of operations would be negatively affected.

Our future success substantially depends on our ability to significantly expand our internal solar components manufacturing capacity, which exposes us to a number of risks and uncertainties.

Our future success depends on our ability to significantly increase our internal solar components manufacturing capacity. If we are unable to do so, we may be unable to expand our business, decrease our costs per watt, maintain our competitive position and improve our profitability. Our ability to establish additional manufacturing capacity is subject to significant risks and uncertainties, including:

- the need to raise significant additional funds to purchase raw materials and to build additional manufacturing facilities, which we may be unable to obtain on commercially viable terms or at all;
- delays and cost overruns as a result of a number of factors, many of which are beyond our control, including delays in equipment delivery by vendors;
- delays or denial of required approvals by relevant government authorities;
- diversion of significant management attention and other resources; and
- failure to execute our expansion plan effectively.

If we are unable to establish or successfully operate our internal solar components manufacturing capabilities, or if we encounter any of the risks described above, we may be unable to expand our business as planned. Moreover, even if we do expand our manufacturing capacity we might not be able to generate sufficient customer demand for our solar power products to support our increased production levels.

Our business depends substantially on the continuing efforts of our executive officers, and our business may be severely disrupted if we lose their services.

Our future success depends substantially on the continued services of our executive officers, especially Dr. Shawn Qu, our chairman, president and chief executive officer, Bing Zhu, our chief financial officer, Bencheng Li, our vice president, domestic corporate development, Gregory Spanoudakis, our vice president of international sales and marketing and Robert Patterson, our vice president of corporate and product development and general manager of Canadian operations. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Therefore, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new officers, in particular those with a significant mix of both international and China-based solar power industry experience as many of our current officers have. In addition, if any of our executives joins a competitor or forms a competing company, whether in violation of their agreements with us or otherwise, we may lose some of our customers.

We face risks associated with the marketing, distribution and sale of our solar module products internationally. If we are unable to effectively manage these risks, they could impair our ability to expand our business abroad.

In 2005 and 2006 and for the nine months ended September 30, 2007, we sold approximately 97.2%, 79.3% and 97.8%, respectively, of our products to customers located outside of China. The marketing, distribution and sale of our solar module products in the international markets expose us to a number of risks, including:

- fluctuations in the currency exchange rates of the Euro, U.S. dollar and RMB;
- difficulty in engaging and retaining distributors and system integrators who are knowledgeable about and, can function effectively in, overseas markets;
- increased costs associated with maintaining marketing efforts in various countries;
- difficulty and cost relating to compliance with the different commercial and legal requirements of the overseas markets in which we offer our products;
- cultural, language and logistical barriers to working with customers in different countries; and
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries.

Problems with product quality or product performance, including defects, in our products could damage our reputation, or result in a decrease in customers and revenue, unexpected expenses and loss of market share.

Our products may contain defects that are not detected until after they are shipped or are installed because we cannot test for all possible scenarios. These defects could cause us to incur significant costs, divert the attention of our personnel from product development efforts and significantly affect our customer relations and business reputation. If we deliver solar module products with errors or defects, or if there is a perception that our products contain errors or defects, our credibility and the market acceptance and sales of our solar module products could be harmed. In one instance in 2005 and another in 2006, customers raised concerns about the stated versus actual performance output of some of our solar modules. We determined that these concerns resulted from differences in calibration methodologies and we resolved the issue with these customers. However, the corrective actions and procedures that we took may turn out to be inadequate to prevent further incidents of the same problem or to protect against future errors or defects. As we continue to develop our internal solar cell manufacturing capabilities and expand into in-house solar ingot and solar wafer production, we may have problems standardizing product quality in these new areas of business. In addition, some of our ingot, wafer and cell suppliers with whom we have toll manufacturing arrangements previously raised concerns about the quality and consistency of the silicon feedstock, in particular the reclaimable silicon that we recycle through our silicon reclamation program for re-use in the solar power industry, that we have provided to them for their ultimate conversion into solar cells. The use of reclaimed silicon in the solar power supply chain has an inherent risk as it is difficult to maintain the consistency and quality of reclaimed silicon at the same level as high-purity silicon. The successful use of reclaimed silicon requires extensive experience, know-how and additional quality control measures from both the provider of reclaimed silicon and the toll manufacturers. If we cannot successfully maintain the consistency and quality of the reclaimed silicon from our silicon reclamation program at an acceptable level, this may result in less efficient solar cells for our solar modules or in a lower conversion ratio of solar cells per ton of silicon feedstock that we provide, and may potentially delay and reduce our supply of solar cells. This may reduce or eliminate the cost advantages of recycling silicon through our silicon reclamation program. This could also cause problems with product quality or product performance, including defects in our products, and increase the cost of producing our products.

We obtain some of the solar wafers and solar cells that we use in our products from third parties, either directly or through toll manufacturing arrangements, and we have limited control over the quality of that portion of the solar wafers and solar cells we incorporate into our solar modules. Unlike solar modules, which are subject to certain uniform international standards, solar wafers and solar cells generally do not have uniform international standards, and it is often difficult to determine whether solar module product defects are a result of the solar cells or other components or reasons. We also rely on third party suppliers for other components that we use in our products, such as glass, frame and backing for our solar modules, and electronic components for our specialty solar modules and

products. Furthermore, the solar cells and other components that we purchase from third party suppliers are typically sold to us without any, or with only limited, warranty. The possibility of future product failures could cause us to incur substantial expense to repair or replace defective products. Furthermore, widespread product failures may damage our market reputation, reduce our market share and cause our revenues to decline.

Since we cannot test our products for the duration of our standard warranty periods, we may be subject to unexpected warranty expense.

Our standard solar modules are typically sold with a two-year guarantee for defects in materials and workmanship and a 10-year and 25-year warranty against declines of more than 10.0% and 20.0%, respectively, of the initial minimum power generation capacity at the time of delivery. Our specialty solar modules and products are typically sold with a one-year guarantee against defects in materials and workmanship and may, depending on the characteristics of the product, contain a limited warranty of up to ten years, against declines of the minimum power generation capacity specified at the time of delivery. We believe our warranty periods are consistent with industry practice. Due to the long warranty period, we bear the risk of extensive warranty claims long after we have shipped our products and recognized revenue. We began selling specialty solar modules and products in 2002 and only began selling standard solar modules in 2004. Any increase in the defect rate of our products would cause us to increase the amount of warranty reserves and have a corresponding negative impact on our operating results. Although we conduct quality testing and inspection of our solar module products, our solar module products have not been and cannot be tested in an environment simulating the up to 25-year warranty periods. As a result, we may be subject to unexpected warranty expense and associated harm to our financial results as long as 25 years after the sale of our products.

Our future growth depends in part on our ability to make strategic acquisitions and investments and to establish and maintain strategic relationships, and our failure to do so could have a material adverse effect on our market penetration and revenue growth.

The solar power industry has only recently emerged as a high growth market and is currently experiencing shortages of its key component, high-purity silicon, due to rapid industry growth and demand. We believe it is critical that we continue to manage upstream silicon supply sources by, among other strategies, continuing to pursue strategic acquisitions and investments in solar cell and silicon raw materials suppliers to secure a guaranteed supply and better control the specifications and quality of the materials delivered and fostering strategic relationships, particularly with silicon feedstock suppliers, as we continue to develop our in-house solar component manufacturing abilities, and partnerships with solar wafer and solar cell suppliers. We cannot assure you, however, that we will be able to successfully make such strategic acquisitions and investments or establish strategic relationships with third parties that will prove to be effective for our business. Our inability in this regard could have a material adverse effect on our market penetration, our revenue growth and our profitability.

Strategic acquisitions, investments and relationships with third parties could subject us to a number of risks, including risks associated with sharing proprietary information and loss of control of operations that are material to our business. Moreover, strategic acquisitions, investments and relationships may be expensive to implement and subject us to the risk of non-performance by a counterparty, which may in turn lead to monetary losses that materially and adversely affect our business.

We may not succeed in developing and maintaining a cost-effective solar cell manufacturing capability.

We plan to continue expanding our in-house solar cell manufacturing capabilities to support our core solar module manufacturing business. We completed installation of our first four solar cell production lines in 2007, and expect the annual solar cell production capacity from these production lines to reach 100MW by the end of 2007. However, we only have limited and recent operating experience in this area and we will face significant challenges in the solar cell business. Manufacturing solar cells is a highly complex process and we may not be able to produce solar cells of sufficient quality to meet our solar module manufacturing standards. Minor deviations in the manufacturing process can cause substantial decreases in yield and in some cases cause production to be suspended or yield no output. We will need to make capital expenditures to purchase manufacturing equipment for solar cell production and will also need to make significant investments in research and development to keep pace with technological advances in solar

power technology. The technologies, designs and customer preferences for solar cells change more rapidly, and solar cell product life cycles are shorter than those for solar modules. We may not be able to successfully address these new challenges. We will also face increased costs to comply with environmental laws and regulations. Any failure to successfully develop and maintain cost-effective solar cell manufacturing capability may have a material adverse effect on our business and prospects.

In addition, although we intend to continue direct purchasing of solar cells and our toll manufacturing arrangements through a limited number of strategic partners, if we engage in the large scale production of solar cells it may disrupt our existing relationships with solar cell suppliers. One of our suppliers has raised concerns with us over our decision to implement internal solar cell product capabilities. If solar cell suppliers discontinue or reduce the supply of solar cells to us, either through direct sales or through toll manufacturing arrangements, and we are not able to compensate for the loss or reduction with our own manufacturing of solar cells, our business and results of operations may be materially and adversely affected.

We may experience difficulty in developing our internal production capabilities for ingots and wafers and, if developed, in achieving acceptable yields and product performance as a result of manufacturing problems.

We are in the process of developing our internal production capabilities for the manufacture of silicon ingots and wafers. We do not have prior operational experience in ingot and wafer production and will face significant challenges in developing this line of business, and may not be successful in doing so. The technology is complex, and will require costly equipment and the hiring of highly skilled personnel to implement. In addition, we may experience delays in developing these capabilities and in obtaining governmental permits required to carry on these operations.

If we are able to successfully develop these production capabilities, we will need to continuously enhance and modify these capabilities in an effort to improve yields and product performance. Microscopic impurities such as dust and other contaminants, difficulties in the manufacturing process, disruptions in the supply of utilities or defects in the key materials and tools used to manufacture wafers can cause a percentage of the wafers to be rejected, which in each case, negatively affects our yields. We may experience production difficulties that cause manufacturing delays and lower than expected yields.

Problems in our facilities may limit our ability to manufacture products, including but not limited to, production failures, construction delays, human errors, equipment malfunction or process contamination, which could seriously harm our operations. We may also experience floods, droughts, power losses and similar events beyond our control that would affect our facilities. A disruption to any step of the manufacturing process will require us to repeat each step and recycle the silicon debris, thus adversely affecting our yields.

We may fail to successfully bring to market our new specialty solar modules and products, which may prevent us from achieving increased sales, margins and market share.

We expect to continue to derive part of our revenues from sales of our new specialty solar modules and products and will increase our research and development expenses in connection with developing these products. If we fail to successfully develop our new specialty solar modules and products, we will likely be unable to recover the expenses that we will incur to develop these products and may be unable to increase our sales and market share and to increase our margins. Many of our new specialty solar modules and products have yet to receive market acceptance, and it is difficult to predict whether we will be successful in completing their development or whether they will be commercially successful. We may also need to develop new manufacturing processes that have yet to be tested and which may result in lower production output.

Our failure to protect our intellectual property rights in connection with new specialty solar modules and products may undermine our competitive position.

As we develop and bring to market new specialty solar modules and products, we may need to increase our expenses to protect our intellectual property and our failure to protect our intellectual property rights may undermine our competitive position. We currently use contractual arrangements with employees and trade secret protections to protect our intellectual property. Nevertheless, these afford only limited protection and the actions we take to

protect our intellectual property rights as we develop new specialty solar modules and products may not be adequate. We currently have only three patents and five patent applications pending in China for products that make up a relatively small percentage of our net revenues and two trademark applications pending in China. Policing unauthorized use of proprietary technology can be difficult and expensive. Also, litigation, which can be costly and divert management attention, may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others.

We may be exposed to infringement, misappropriation or other claims by third parties, which, if determined adversely to us, could cause us to pay significant damage awards.

Our success depends on our ability to use and develop our technology and know-how and sell our solar module products without infringing the intellectual property or other rights of third parties. We do not have, and have not applied for, any patents for our proprietary technologies outside China, although we have sold, and expect to continue to sell, a substantial portion of our products outside China. The validity and scope of claims relating to solar power technology patents involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. We may be subject to litigation involving claims of patent infringement or violation of intellectual property rights of third parties. In addition, we have not yet registered our trade name, "CSI," outside of China, and our trademark application in China is still pending. As a result, we could be subject to trademark disputes and may not be able to police the unauthorized use of our trade name. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time consuming and may significantly divert the efforts and resources of our technical and management personnel. Additionally, we use imported equipment in our production lines, without supplier guarantees that our use does not infringe on third party intellectual property rights in China. This creates a potential source of litigation or infringement claims arising from such use. An adverse determination in any such litigation or proceedings to which we may become a party could subject us to significant liability to third parties, require us to seek licenses from third parties, to pay ongoing royalties, or to redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

In addition, our competitors and other third parties may initiate legal proceedings against us or our employees that may strain our resources, divert our management attention and damage our reputation. For example, in March 2002, ICP Global Technologies Inc., or ICP Global, a manufacturer of solar power products, filed an action in the Superior Court of the Province of Quebec, Canada (Action No. 500-05 071241-028) against our vice president of international sales and marketing, Gregory Spanoudakis, and ATS Automation Tooling Systems Inc., or ATS. ICP Global subsequently amended the complaint to include us, our subsidiary, CSI Solartronics, and our chairman and chief executive officer, Dr. Shawn Qu, as defendants. The amended complaint contends that all of the defendants jointly engaged in unlawful conduct and unfair competition in directing a business opportunity away from ICP Global to us. Although there have been no meaningful discovery, court filings or communications from the plaintiff on this matter since early 2004, we cannot assure you that ICP Global will not move forward with this case or that the litigation will not be determined adversely to us. We also cannot assure you that similar proceedings will not occur in the future.

We rely on dividends paid by our subsidiaries for our cash needs.

We conduct significantly all of our operations through our subsidiaries, CSI Solartronics (Changshu) Co., Ltd., CSI Solar Manufacture Inc., CSI Solar Technologies Inc., CSI Central Solar Power Co., Ltd., CSI Cells Co., Ltd. and Changshu CSI Advanced Solar Inc., which are companies established in China. We rely on dividends paid by these subsidiaries for our cash needs, including the funds necessary to pay dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. These subsidiaries are also required to set aside at least 10.0% of their after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reach 50.0% of its

registered capital. These reserves are not distributable as cash dividends. In addition, if any of these subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

If we are unable to attract, train and retain technical personnel, our business may be materially and adversely affected.

Our future success depends, to a significant extent, on our ability to attract, train and retain technical personnel. Recruiting and retaining capable personnel, particularly those with expertise in the solar power industry, are vital to our success. There is substantial competition for qualified technical personnel, and there can be no assurance that we will be able to attract or retain our technical personnel. If we are unable to attract and retain qualified employees, our business may be materially and adversely affected.

Fluctuations in exchange rates could adversely affect our business.

Historically, a major portion of our sales were denominated in Euros, with the remainder in Renminbi and U.S. dollars. A major portion of our costs and expenses is denominated in U.S. dollars and Renminbi. Our Renminbi costs and expenses primarily related to domestic sourcing of solar cells, wafers, silicon and other raw materials, toll manufacturing fees, labor costs and local overhead expenses. From time to time, we also have loan arrangements with Chinese commercial banks that are denominated in U.S. dollars and Renminbi. Therefore, fluctuations in currency exchange rates could have a material adverse effect on our financial condition and results of operations. Fluctuations in exchange rates, particularly among the U.S. dollar, Renminbi and Euro, affect our gross and net profit margins and could result in fluctuations in foreign exchange and operating gains and losses. We cannot predict the impact of future exchange rate fluctuations on our results of operations and we may incur net foreign currency losses in the future.

Product liability claims against us could result in adverse publicity and potentially significant monetary damages.

As with other solar module product manufacturers, we are exposed to risks associated with product liability claims if the use of our solar module products results in injury. Since our products generate electricity, it is possible that users could be injured or killed by our products as a result of product malfunctions, defects, improper installation or other causes. We only shipped our first products in March 2002 and, because of our limited operating history, we cannot predict whether product liability claims will be brought against us in the future or the effect of any resulting negative publicity on our business. Although we carry limited product liability insurance, we may not have adequate resources to satisfy a judgment if a successful claim is brought against us. The successful assertion of product liability claims against us could result in potentially significant monetary damages and require us to make significant payments. Even if the product liability claims against us are determined in our favor, we may suffer significant damage to our reputation.

Our founder, Dr. Shawn Qu, has substantial influence over our company and his interests may not be aligned with the interests of our other shareholders.

As of February 14, 2008, Dr. Shawn Qu, our founder, chairman and chief executive officer, beneficially owned 50.0% of our outstanding share capital comprised of 27,320,389 common shares, excluding restricted shares granted but yet to be vested and subject to restrictions on voting and dividend rights and transferability. As such, Dr. Qu has substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our common shares. These actions may be taken even if they are opposed by our other shareholders.

Compliance with environmental regulations can be expensive, and noncompliance with these regulations may result in adverse publicity and potentially significant monetary damages, fines and suspensions of our business operations.

We are required to comply with all national and local regulations regarding protection of the environment. As we expand our silicon reclamation program and research and development activities and move into solar ingot, solar wafer and solar cell manufacturing, we have begun to generate material levels of noise, waste water, gaseous wastes and other industrial wastes in the course of our business operations. Additionally, as we expand our internal solar components production capacity, our risk of facility incidents with a potential environmental impact also increases.

Except for a failure to obtain certain approvals prior to starting production as disclosed in "— Risks Related to Doing Business in China — We may face a potential risk for failing to comply with certain PRC legal requirements," we believe that we are in compliance with present environmental protection requirements and have all necessary environmental permits to conduct our business as it is presently conducted. However, if more stringent regulations are adopted in the future, the costs of compliance with these new regulations could be substantial. For example, we increased our expenditures to comply with the European Union's Restriction of Hazardous Substances Directive, which took effect in July 2006, by reducing the amount of lead and other restricted substances used in our solar module products. Furthermore, we may need to comply with the European Union's Waste Electrical and Electronic Equipment Directive if we begin to sell specialty solar modules and products to customers located in Europe or if our customers located in other markets demand that our products be compliant.

If we fail to comply with present or future environmental regulations, we may be required to pay substantial fines, suspend production or cease operations. For instance, the Chinese Customs have recently increased their scrutiny on the import of scrap silicon over a concern that the recycling process for certain types of scrap silicon may cause environmental damage if not performed in a fully licensed factory and have subjected certain importations of recyclable silicon by some China-based companies, including us. See the section entitled "— If we are unable to secure an adequate and cost effective supply of solar wafers, cells or reclaimable silicon, our revenue, margins and profits could be adversely affected." Any failure by us to control the use of, or to restrict adequately the discharge of, hazardous substances could subject us to potentially significant monetary damages and fines or suspensions of our business operations.

We may not be successful in establishing our brand names among all consumers in important markets and the products we sell under our brand name may compete with the products we manufacture on an OEM basis for our customers.

We sell our products primarily under our own brand name and also on an OEM basis for our customers. In certain markets our brand may not be as prominent as other more established solar power vendors, and there can be no assurance that the "CSI" brand name or any of our potential future brand names, will gain acceptance among customers. Moreover, because the range of products we sell under our own brands and those we manufacture for our customers may be substantially similar, there can be no assurance that, currently or in the future, there will not be direct or indirect competition between products sold under the CSI brand, or any of our other potential future brands, and products that we manufacture on an OEM basis. This could negatively affect our relationship with these customers.

If we grant employee share options, restricted shares or other share-based compensation in the future, our net income could be adversely affected.

We adopted a share incentive plan in 2006. As of November 26, 2007, we had issued 1,725,321 share options and 566,190 restricted shares under our share incentive plan. In December 2004, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards, or SFAS, No. 123R, "Share-Based Payment." This statement, which became effective in our first quarter of 2006, will prescribe how we account for share-based compensation, and may have an adverse or negative impact on our results of operations or the price of our common shares. SFAS No. 123R requires us to recognize share-based compensation as compensation expense in the statement of operations based on the fair value of equity awards on the date of the grant, with the compensation expense recognized over the period in which the recipient is required to provide service in exchange

for the equity award. This statement also requires us to adopt a fair value-based method for measuring the compensation expense related to share-based compensation. The additional expenses associated with share-based compensation may reduce the attractiveness of issuing share options or restricted shares under our share incentive plan. However, if we do not grant share options or restricted shares, or reduce the number of share options or restricted shares that we grant, we may not be able to attract and retain key personnel. If we grant more share options or restricted shares to attract and retain key personnel, the expenses associated with share-based compensation may adversely affect our net income.

There have been historical deficiencies with our internal controls and there remain areas of our internal and disclosure controls that require improvement. If we fail to maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our common shares may be adversely impacted.

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring every public company to include a management report on such company's internal controls over financial reporting in the company's annual report, which contains management's assessment of the effectiveness of the company's internal controls over financial reporting. In addition, an independent registered public accounting firm must attest to and report on management's assessment of the effectiveness of the company's internal controls over financial reporting. These requirements will first apply to our annual report on Form 20-F for the fiscal year ending on December 31, 2007. Our management may conclude that our internal controls over our financial reporting are not effective. Moreover, even if our management concludes that our internal controls over financial reporting is effective, our independent registered public accounting firm may still decline to attest to our management's assessment or may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. Our reporting obligations as a public company will place a significant strain on our management, operational and financial resources and systems in the foreseeable future.

Prior to our initial public offering, we were a private company of limited operating history with limited accounting and other resources with which to adequately address our internal controls and procedures. As a result, in our past audits, our auditors had identified material weaknesses and deficiencies with our internal controls. In our audit for the fiscal year ended December 31, 2006, our auditors observed a number of weaknesses and deficiencies with respect to our internal controls under the standards established by the Public Company Accounting Oversight Board. The material weaknesses identified by our independent registered public accounting firm include (i) insufficient accounting resources to properly identify adjustments, analyze transactions and prepare financial statements in accordance with U.S. GAAP, and (ii) a lack of formal accounting policies and procedures for U.S. GAAP to ensure that our accounting policies and procedures are appropriately or consistently applied. Following the identification of these material weaknesses and other deficiencies, we have undertaken remedial steps and plan to continue to take additional remedial steps to address these material weaknesses and deficiencies and to further improve our internal and disclosure controls, including hiring additional staff, training our new and existing staff and installing new enterprise resource planning, or ERP systems, in order to build up a unified and integrated database of our company. In addition, since the beginning of 2007, we have engaged an advisory firm to advise us about complying with requirements of the Sarbanes-Oxley Act, and have hired an individual experienced in handling compliance with the requirements of Sarbanes-Oxley Act. However, if we are unable to remedy the existing material weaknesses and deficiencies in our internal and disclosure controls and procedures, or if we fail to maintain an effective system of internal and disclosure controls in the future, we may be unable to accurately report our financial results or prevent fraud and as a result, investor confidence and the market price of our common shares may be adversely impacted. Furthermore, we anticipate that we will incur considerable costs and devote significant management time and efforts and other resources to comply with Section 404 of the Sarbanes Oxley Act.

Risks Related to Doing Business in China

Uncertainties with respect to the Chinese legal system could have a material adverse effect on us.

We conduct substantially all of our manufacturing operations through our subsidiaries in China. These subsidiaries are generally subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign-owned enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

Fluctuation in the value of the Renminbi may have a material adverse effect on your investment.

The change in value of the Renminbi against the U.S. dollar, Euro and other currencies is affected by, among other things, changes in China's political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in an approximately 5.7% appreciation of Renminbi against the U.S. dollar between July 21, 2005 and December 31, 2006. While the international reaction to the Renminbi revaluation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar. As a portion of our costs and expenses is denominated in Renminbi, the revaluation in July 2005 and potential future revaluation has and could further increase our costs in U.S. dollar terms. In addition, as we rely entirely on dividends paid to us by our operating subsidiaries in China, any significant revaluation of the Renminbi may have a material adverse effect on our revenues and financial condition, and the value of, and any dividends payable on, our common shares. For example, to the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our common shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

Certain portions of our revenue and expenses are denominated in Renminbi. If our revenues denominated in Renminbi increase or expenses denominated in Renminbi decrease in the future, we may need to convert a portion of our revenues into other currencies to meet our foreign currency obligations, including, among others, payment of dividends declared, if any, in respect of our common shares. Under China's existing foreign exchange regulations, our PRC subsidiaries are able to pay dividends in foreign currencies, without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, we cannot assure you that the PRC government will not take further measures in the future to restrict access to foreign currencies for current account transactions.

Foreign exchange transactions by our PRC subsidiaries under most capital accounts continue to be subject to significant foreign exchange controls and require the approval of PRC governmental authorities. In particular, if we finance our PRC subsidiaries by means of additional capital contributions, these capital contributions must be approved by certain government authorities including the Ministry of Commerce or its local counterparts. These limitations could affect the ability of our PRC subsidiaries to obtain foreign exchange through equity financing.

We may face a potential risk for failing to comply with certain PRC legal requirements.

We are required to comply with the PRC Environmental Protection Law. For example, some of our subsidiaries, such as CSI Luoyang and CSI Cells, are required to have their manufacturing facilities examined and approved by

the PRC Environmental Protection Agency prior to the start of production. However, due to discrepancies between interpretation of the written law and its application to date, both CSI Luoyang and CSI Cells began production earlier this year without obtaining such approvals. As a result, there is a risk that we may be ordered by the relevant environmental protection administration to cease manufacturing at these operations and face fines. We are currently negotiating with the relevant authorities to complete the examination and obtain the requisite approvals. We will need to undergo similar reviews and obtain approvals prior to launching our solar wafer manufacturing operations. There can be no assurance that we will obtain the necessary approvals for our manufacturing operations in a timely manner, if at all.

Also, some registration certificates of the PRC subsidiaries have expired or have not been updated with current subsidiary registration information, which may result in administrative fines. We are currently conducting efforts to renew and update these certificates with the relevant governmental authorities and are hopeful of obtaining the renewed and updated certificates in a timely manner.

In addition, we adopted a share incentive plan in 2006 that grants employees, including some of our PRC employees, share options and restricted shares. However, we have not yet filed our share incentive plan with SAFE as required by the Implementation Rule of the Individual Foreign Exchange Administrative Measures ("SAFE Rules"). Since the SAFE Rules were only adopted in February 2007, there is some uncertainty as to how they will be interpreted and implemented. If SAFE subsequently determines that we were required to obtain its approval before allowing our PRC employees to participate in our share incentive plan, this could have an adverse effect on our ability to grant our PRC employees share options and restricted shares.

Our business benefits from certain PRC government incentives. Expiration of, or changes to, these incentives could have a material adverse effect on our operating results.

Under current PRC laws and regulations, a foreign invested enterprise, or FIE, in China is typically subject to enterprise income tax, or EIT, at the rate of 30% on taxable income, and local income tax at the rate of 3% on taxable income. The PRC government has provided various incentives to FIEs, including each of our PRC subsidiaries, to encourage the development of foreign investments. Such incentives include reduced tax rates and other measures. FIEs that are determined by PRC tax authorities to be manufacturing companies with authorized terms of operation more than ten years, are eligible for: (i) a two-year exemption from EIT from their first profitable year; and (ii) a 50% reduction in its applicable EIT rate in the succeeding three years. CSI Solartronics is entitled to a preferential EIT rate of 24%, as it is a manufacturing enterprise located in a coastal economic development zone in Changshu. CSI Solartronics' first profitable year was 2002 and its initial EIT preferential period ended in 2006. However, CSI Solartronics has been granted a three year extension for the 50% reduction in its EIT rate by Changshu tax authority. Thus, CSI Solartronics is currently subject to an EIT rate of 12%. CSI Solar Manufacturing is entitled to a preferential EIT rate of 15%. CSI Solar Manufacturing's first profitable year was 2005 and it was exempt from EIT until 2006. It is now subject to an EIT rate of 7.5% until 2009. CSI Luoyang and CSI Cells became profitable in 2007. As such, both CSI Luoyang and CSI Cells are exempted from EIT until 2008 and will enjoy a 50% reduction in their applicable EIT rates from 2009 to 2011. CSI Solar Technologies and CSI Advanced are not currently profitable and have therefore not applied for preferential tax treatment. If these subsidiaries turn profitable, they will apply for preferential tax rates and tax holidays. However, with the new PRC EIT law becoming effective on January 1, 2008, a foreign-invested enterprise which has yet to enjoy preferential treatment due to lack of profitability, commencement of the preferential five-year tax holiday will coincide with the year the new EIT law comes into effect, i.e. January 1, 2008. As these tax benefits expire, the effective tax rate of our PRC subsidiaries may increase significantly, and any increase of their EIT rates in the future could have a material adverse effect on our financial condition and results of operations.

In addition, the National People's Congress, the Chinese legislature, passed a new enterprise income tax law, which is scheduled to take effect on January 1, 2008. The new law applies a uniform 25% enterprise income tax rate to both foreign invested enterprises and domestic enterprises. An enterprise registered under the laws of a jurisdiction outside China may be deemed a Chinese tax resident if its place of effective management is in China and it will consequently be subject to the EIT upon its worldwide income. Existing companies are required to transition to the new EIT rate over a five year period starting January 1, 2008. The PRC State Council has recently promulgated detailed implementation rules for the new Enterprise Income Tax Law. Because the tax law and related

implementation rules are newly executed, there is uncertainty as to how they will be interpreted and implemented. Although we are carefully monitoring these legal developments and will timely adjust our effective income tax rate when necessary, we cannot assure you that the new Enterprise Income Tax Law will not cause increases in the EIT rates applicable to our PRC subsidiaries, which could have a material adverse effect on our financial condition and results of operations.

Subject to the interpretation of the new enterprise income tax law and its implementation rules, if we are deemed to be a non-PRC tax resident following the implementation of the new Enterprise Income Tax Law, we may be subject to an EIT rate of 10% on the dividends paid to us by our subsidiaries. However, as the PRC has not promulgated further guidance on the applicability of the new law or its related implementation rules, there is uncertainty as to how it will be applied and affect us.

There may be some uncertainty surrounding a recently adopted PRC regulation that requires certain offshore listings to be approved by the China Securities Regulatory Commission.

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or CSRC, promulgated a regulation that took effect on September 8, 2006. This regulation, among other things, requires offshore special purpose vehicles, or SPVs, formed for listing purposes through acquisitions of PRC domestic companies and controlled by Chinese domestic companies or PRC individuals to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published on its official website a notice specifying the documents and materials that are required to be submitted for obtaining CSRC approval. We believe, based on the advice of our PRC counsel, that this regulation does not apply to us and that CSRC approval is not required because we are not an SPV covered by the new regulation as we are owned and controlled by non-PRC individuals and entities, and all our PRC subsidiaries are foreign-funded and have been incorporated through our direct investment instead of acquisition. However, since the regulation has been adopted only for a few months, there may be some uncertainty as to how this regulation will be interpreted or implemented. If the CSRC or other PRC regulatory body subsequently determines that we needed to obtain the CSRC's approval for our initial public offering in November 2006, we may face sanctions by the CSRC or other PRC regulatory agencies. In such event, these regulatory agencies may impose fines and penalties on our operations in the PRC, limit our operating privileges in the PRC, or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our common shares. In the future, we may grow our business in part by directly acquiring complementary businesses. Complying with the requirements of the new regulations and any other PRC laws to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the PRC regulatory agencies, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face risks related to health epidemics and other outbreaks.

Our business could be adversely affected by the effects of avian flu or another epidemic or outbreak. From 2005 to 2007, there have been reports on the occurrences of avian flu in various parts of China, including a few confirmed human cases and deaths. Any prolonged recurrence of avian flu or other adverse public health developments in China may have a material adverse effect on our business operations. These could include our ability to travel or ship our products outside of China, as well as temporary closure of our manufacturing facilities. Such closures or travel or shipment restrictions would severely disrupt our business operations and adversely affect our results of operations. We have not adopted any written preventive measures or contingency plans to combat any future outbreak of avian flu or any other epidemic.

Risks Related to Our Common Shares

The market price for our common shares may be volatile.

The market price for our common shares has been and may continue to be highly volatile and subject to wide fluctuations during the period from November 9, 2006, the first day on which our common shares were listed on the Nasdaq Global Market, until February 29, 2008, the trading prices of our common shares ranged from $6.50 to

$31.44 per share and the closing sale price on February 29, 2008 was $18.95 per share. The market price for our common shares may continue to be volatile and subject to wide fluctuations in response to factors including the following:

- announcements of technological or competitive developments;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other solar power companies;
- addition or departure of our executive officers and key research personnel;
- announcements regarding patent litigation or the issuance of patents to us or our competitors;
- fluctuations in the exchange rates between the U.S. dollar, the Euro and RMB;
- release or expiry of lock-up or other transfer restrictions on our outstanding common shares; and
- sales or perceived sales of additional common shares.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our common shares.

Substantial future sales or perceived sales of our common shares in the public market could cause the price of our common shares to decline.

Sales of our common shares in the public market, or the perception that these sales could occur, could cause the market price of our common shares to decline. As of February 14, 2008, we had 27,320,389 common shares outstanding, excluding restricted shares granted but yet to be vested and subject to restrictions on voting and dividend rights and transferability. In addition, the common shares outstanding will increase and be available for sale when certain option holders receive our common shares if they exercise their share options upon vesting, subject to volume, holding period and other restrictions as applicable under Rule 144 and Rule 701 under the Securities Act. To the extent these shares are sold into the market, the market price of our common shares could decline.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

Our articles of continuance contain anti-takeover provisions that could adversely affect the rights of holders of our common shares.

We adopted an amendment to our articles of continuance that became effective immediately upon the closing of our initial public offering. We have included certain provisions in our amended articles of continuance that would limit the ability of others to acquire control of our company, and deprive our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

We have included the following provisions in our amended articles of continuance that may have the effect of delaying or preventing a change of control of our company:

- Our board of directors has the authority, without approval by the shareholders, to issue an unlimited number of preferred shares in one or more series. Our board of directors may establish the number of shares to be included in each such series and may fix the designations, preferences, powers and other rights of the shares of a series of preferred shares.
- Our board of directors shall fix and may change the number of directors within the minimum and maximum number of directors provided for in our articles. Our board of directors may appoint one or more additional directors, who shall hold office for a term expiring no later than the close of the next annual meeting of shareholders, subject to the limitation that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

You may have difficulty enforcing judgments obtained against us.

We are a corporation organized under the laws of Canada and substantially all of our assets are located outside of the United States. Substantially all of our current operations are conducted in the PRC. In addition, most of our directors and officers, are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts, judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, we have been advised by our Canadian counsel that a monetary judgment of a U.S. court predicated solely upon the civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. We cannot assure you that this will be the case. It is unlikely that an action could be brought in Canada in the first instance for civil liability under U.S. federal securities laws. There is uncertainty as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. In addition, it is uncertain whether such PRC courts would be competent to hear original actions brought in the PRC against us or such persons predicated upon the securities laws of the United States or any state.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders of our notes or common shares.

Based on the market price of our common shares and the composition of our income and assets and our operations, we believe we were not a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes for our taxable year ended December 31, 2007. However, we must make a separate determination each year as to whether we are a PFIC (after the close of each taxable year). Accordingly, we cannot assure you that we will not be a PFIC for our current taxable year or any future taxable year. A non-U.S. corporation will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income. The market value of our assets is generally determined by reference to the market price of our common shares, which may fluctuate considerably. If we were treated as a PFIC for any taxable year during which a U.S. person held a note or common share, certain adverse U.S. federal income tax consequences could apply to such U.S. person. See the section entitled “Taxation — Certain U.S. Federal Income Tax Considerations — Passive Foreign Investment Company.”

We incur increased costs as a result of being a public company.

As a public company, we incur a significantly higher level of legal, accounting and other expenses than we did as a private company. In addition, the Sarbanes-Oxley Act of 2002, as well as new rules subsequently implemented by SEC, and the Nasdaq Global Market, have required changes in corporate governance practices of public companies.

We expect these new rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We are currently evaluating and monitoring developments with respect to these new rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

Risks Related to the Notes

The notes are unsecured, are effectively subordinated to all of our existing and future secured indebtedness and are structurally subordinated to all liabilities of our subsidiaries, including trade payables.

The notes are unsecured, are effectively subordinated to all of our existing and future secured indebtedness, to the extent of the assets securing such indebtedness, and are structurally subordinated to all liabilities of our subsidiaries, including trade payables. The notes rank equally with all our existing and future unsecured, unsubordinated debt, and senior to all our future subordinated debt. The notes rank junior to all our existing and future secured debt to the extent of the collateral securing such debt and are effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. As of September 30, 2007, we had:

- $15.3 million of unsecured, unsubordinated indebtedness outstanding equal in right of payment to the notes;
- no secured indebtedness outstanding effectively senior in right of payment to the notes to the extent of the collateral securing such indebtedness; and
- no subordinated indebtedness.

As of September 30, 2007, our subsidiaries had liabilities (including trade and other payables but excluding intercompany indebtedness) outstanding in an amount of $80.6 million, which is structurally senior to the notes. The indenture for the notes does not restrict us or our subsidiaries from incurring additional debt or other liabilities. Our subsidiaries will not guarantee any of our obligations under the notes.

We expect from time to time to incur additional indebtedness and other liabilities and to refinance our existing indebtedness. The indenture pursuant to which the notes are issued does not limit the amount of indebtedness that we or any of our subsidiaries may incur. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, we may not have sufficient assets to pay amounts due on any or all of the notes then outstanding. See the section entitled “Description of Notes — General.”

Our holding company structure makes us dependent on cash flow from our subsidiaries to meet our obligations.

Most of our operations are conducted through, and most of our assets are held by, our subsidiaries; therefore, we are dependent on the cash flow of our subsidiaries to meet our debt obligations, including our obligations under the notes. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the notes or the guarantee or to make any funds available for that purpose, whether by dividends, loans or other payments. The ability of our subsidiaries to pay dividends or otherwise transfer assets to us is subject to various restrictions, including restrictions under applicable law.

None of our subsidiaries has guaranteed or otherwise become obligated with respect to the notes. Our right to receive assets from and of our subsidiaries upon its liquidation or reorganization, and the right of holders of the notes to participate in those assets, is structurally subordinated to claims of that subsidiary’s creditors, including trade creditors. Even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of that subsidiary and any indebtedness of that subsidiary senior to that held by us. Furthermore, none of our subsidiaries is under any obligation to make payments to us, and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations. Statutory, contractual or other restrictions may also limit our subsidiaries’ ability to pay dividends or make distributions, loans or advances to us. For these reasons, we may not have access to any assets or cash flows of our subsidiaries to make payments on the notes.

There are no restrictive covenants in the indenture for the notes relating to our ability to incur future indebtedness or complete other transactions.

The indenture governing the notes does not contain any financial or operating covenants or restrictions on the payment of dividends, the incurrence of indebtedness, transactions with affiliates, incurrence of liens or the issuance or repurchase of securities by us or any of our subsidiaries. We therefore may incur additional debt, including secured indebtedness that would be effectively senior to the notes to the extent of the value of the assets securing such debt, or indebtedness at the subsidiary level to which the notes would be structurally subordinated. We cannot assure you that we will be able to generate sufficient cash flow to pay the interest on our debt, including the notes offered hereby, or that future working capital, borrowings or equity financing will be available to pay or refinance any such debt.

The make whole premium that may be payable upon conversion in connection with certain fundamental changes may not adequately compensate you for the lost option time value of your notes as a result of such fundamental change.

If you convert notes in connection with certain fundamental changes that occur prior to December 24, 2012, we may be required to increase the conversion rate for notes so surrendered for conversion, as described under the section entitled “Description of Notes — Adjustment to Conversion Rate upon Occurrence of a Fundamental Change.” While these increases in the applicable conversion rate are designed to compensate you for the lost option time value of your notes as a result of such change, such increases are only an approximation of such lost value and may not adequately compensate you for such loss. In addition, even if a fundamental change occurs, in some cases described below under the section entitled “Description of Notes — Adjustment to Conversion Rate upon Occurrence of a Fundamental Change” there will be no such conversion rate increase.

The conversion rate for the notes may not be adjusted for all dilutive events that may occur.

The conversion rate for the notes is subject to adjustment for certain events including, but not limited to, the issuance of share dividends on common shares, the issuance of certain rights or warrants, subdivisions or combinations of our common shares, certain distributions of assets, debt securities, share capital or cash to holders of our common shares and certain issuer tender or exchange offers as described under the section entitled “Description of Notes — Conversion Rate Adjustments.” Such conversion rates will not be adjusted for other events, such as share issuances for cash or third-party tender offers, that may adversely affect the trading price of the notes or any common shares. See the section entitled “Description of Notes — Conversion Rate Adjustments.” We are not restricted from issuing additional common shares during the life of the notes and have no obligation to consider the interests of holders of the notes in deciding whether to issue common shares. There can be no assurance that an event that adversely affects the value of the notes, but does not result in an adjustment to the conversion rate, will not occur.

Because your right to require repurchase of the notes is limited, the market price of the notes may decline if we enter into a transaction that is not a designated event under the indenture.

The term “fundamental change” is limited and may not include every event that might cause the market price of the notes to decline or result in a downgrade of the credit rating of the notes. The term “fundamental change” does not apply to transactions in which 90% of the consideration (excluding cash payments fractional shares and cash payments made in respect of dissenters’ appraisal rights and cash payment of the required cash payment, if any) paid for our common shares in a merger or similar transaction is publicly traded common shares. Our obligation to repurchase the notes upon a designated event may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. See the section entitled “Description of Notes — Fundamental Change Requires Us to Make an Offer to Purchase Notes.”

If we have elected to pay cash or a combination of cash and common shares upon conversion of the notes, you may receive less proceeds than expected because the value of our common shares may decline after you exercise your conversion right.

Under the notes, if we have received shareholder approval and have elected to pay cash or a combination of cash and common shares upon conversion of the notes, a converting holder will be exposed to fluctuations in the value of our common shares during the period from the date such holder surrenders notes for conversion until the date we settle our conversion obligation. Under the notes, if we elect to settle all or any portion of our conversion obligation in cash (other than solely cash in lieu of any fractional shares), the amount of consideration that you will receive upon conversion of your notes is in part determined by reference to the volume weighted average prices of our common shares for each trading day in a ten-trading day period. In addition, if we elect to settle a portion, but less than all, of our conversion obligation in cash (other than solely cash in lieu of any fractional shares), and the market price of our common shares at the end of such ten-trading day period is below the average of the volume weighted average price of our common shares during such period, the value of any common shares that you will receive in satisfaction of our conversion obligation will be less than the value used to determine the number of shares you will receive.

If you hold notes, you are not entitled to any rights with respect to our common shares, but you are subject to all changes made with respect to our common shares.

If you hold notes, you are not entitled to any rights with respect to our common shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on common shares), but you are subject to all changes affecting the common shares. You will only be entitled to rights on the common shares if and when we deliver common shares to you in exchange for your notes. For example, in the event that an amendment is proposed to our certificate of incorporation or by-laws requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of the common shares, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common shares.

We may not be able to raise the funds necessary to repay the notes when due, finance a fundamental change, purchase the notes on specified dates or make the payments due upon conversion, if any.

At maturity, the entire outstanding principal amount of the notes will become due and payable. In addition, upon the occurrence of a fundamental change and upon each of December 24, 2012 and December 15, 2014, holders of notes may require us to purchase their notes. Furthermore, if we have received shareholder approval and have elected to pay cash or a combination of cash and common shares upon conversion of the notes, we will be required to make cash payments to holders on conversion thereof. However, it is possible that we would not have sufficient funds to repay the notes at maturity, make the required purchase of the notes or make cash payments on conversion. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a fundamental change under the indenture. See the section entitled “Description of Notes — Fundamental Change Requires Us to Make an Offer to Purchase Notes.”

The fundamental change purchase feature of the notes may delay or prevent an otherwise beneficial attempt to take over our company.

The terms of the notes require us to make an offer to purchase the notes for cash in the event of a fundamental change. A takeover of our company would trigger an option of the holder of the notes to require us to purchase the notes. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to investors in the notes.

An active trading market for the notes may not develop.

If you are able to sell your notes, we cannot assure you as to the price at which any sales will be made. There is currently no established public market for the notes, and no active trading market might ever develop. Furthermore, trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, the price, and volatility in the price, of our common shares, our performance and other factors. In

addition, we do not know whether an active trading market will develop for the notes. To the extent that an active trading market does not develop, the liquidity and trading prices for the notes may be harmed.

We have no plans to list the notes on a securities exchange. At the time of the original issuance of the notes, the initial purchaser of the notes informed us that it intended to make a market in the notes. However, that purchaser is not obligated to do so. Any market-making activity, if initiated, may be discontinued at any time, for any reason or for no reason, without notice. If the initial purchaser ceases to act as the market maker for the notes, we cannot assure you another firm or person will make a market in the notes.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. An active or liquid trading market for the notes may not develop.

The price of our common shares may be volatile, which may affect the trading price of the notes.

In the past, the price of our common shares has experienced volatility due to a number of factors, some of which are beyond our control. The price of our notes and the common shares into which the notes are convertible may continue to experience volatility in the future from time to time. Among the factors that could affect the price of our notes and the common shares into which the notes are convertible are:

- our operating and financial performance and prospects;
- quarterly variations in key financial performance measurer, such as earnings per share, net income and revenue;
- changes in revenue or earnings estimates or publication of research reports by financial analysts;
- announcements of technological innovations or new products by us or our competitors;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- sales of our common shares or other actions by investors with significant shareholdings;
- general market conditions; and
- domestic and international economic, legal, political and regulatory factors unrelated to our performance.

The stock markets in general have experienced substantial volatility that has often been unrelated to the operating of particular companies. These broad market fluctuations may adversely affect the trading price of our notes and the underlying common shares. Any adverse effect upon the trading price of our common shares would, in turn, adversely affect the trading price of the notes.

Conversion of the notes will dilute the ownership interest of existing shareholders, including holders who had previously converted their notes, or may otherwise depress the price of our common shares.

The conversion of some or all of the notes will dilute the ownership interests of existing shareholders. Any sales in the public market of the common shares issuable upon such conversion could adversely affect prevailing market prices of our common shares. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could be used to satisfy short positions, or anticipated conversion of the notes into our common shares could depress the price of our common shares.

REASONS FOR THE OFFER AND USE OF PROCEEDS

All sales of the notes or common shares issuable upon conversion of the notes will be by or for the account of the selling securityholders listed in this and any subsequent prospectus supplement. We will not receive any proceeds from the sale by any selling shareholder of the notes or the common shares issuable upon conversion of the notes.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed changes on a historical basis for the period indicated. The ratios are calculated by dividing earnings by fixed charges. For this purpose, earnings consist of pre-tax income from continuing operations before adjustment for minority interests, plus fixed charges. Fixed charges represent interest, amortization of debt discount and expense, and the estimated interest portion of rental charges.

	Year Ended December 31,					Nine Months Ended September 30,
	2002	2003	2004	2005	2006	2007
Ratio of earnings to fixed charges	142X	149X	166X	17X	—(1)	—(2)

(1) Earnings for the year ended December 31, 2006 were insufficient to cover fixed charges by approximately $9.0 million as our operating results were negatively impacted by downward market performance mainly in the last quarter of this year.

(2) Earnings for the nine months ended September 30, 2007 were insufficient to cover fixed charges by approximately $6.3 million as our operating results were negatively impacted by a rapid increase in the cost of goods sold due to the price pressure resulting from an industry-wide raw materials shortage and the downward market performance in the first quarter of this year.

For the purpose of computing the consolidated ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes, fixed charges, amortization of capitalized interest, distributed income of equity investees and losses before tax of equity investees for which charges arising from guarantees are included in fixed charges, minus capitalized interest and minority interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of interest expense, including capitalized interest, amortized premiums, discounts and capitalized expenses related to indebtedness and estimated interest included in rental expense.

PRICE RANGE OF COMMON SHARES

Our common shares are traded on the Nasdaq Global Market under the symbol "CSIQ." The following table sets forth the high and low intraday sales prices of our common shares for each period indicated as reported on the Nasdaq Global Market. Our common shares commenced trading on the Nasdaq Global Market on November 9, 2006.

Period	Sales Price	
	High US$	Low US$
2006		
Fourth Quarter (from November 10)	16.73	9.43
2007		
First Quarter:		
January	11.87	9.26
February	14.36	10.30
March	11.68	8.72
Second Quarter:		
April	13.88	9.60
May	11.80	8.78
June	10.87	9.21
Third Quarter:		
July	11.70	8.57
August	9.25	6.50
September	10.95	7.08
Fourth Quarter:		
October	11.65	8.67
November	18.88	9.99
December	31.44	15.62
2008		
First Quarter:		
January	31.10	14.74
February	24.15	17.32

The closing price of our common shares on February 29, 2008 as reported by the Nasdaq Global Market was US$18.95.

DIVIDEND POLICY

We have never declared or paid any dividends, nor do we have any present plan to pay any cash dividends on our common shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Our board of directors has complete discretion on whether to pay dividends, subject to restrictions under the Canada Business Corporations Act (the "CBCA"). See the section entitled "Description of Share Capital — Common Shares — Dividends." Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. Cash dividends on our common shares, if any, will be paid in U.S. dollars.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our capitalization (unaudited, in thousands, except per share data) as of January 31, 2008.

This table should be read in conjunction with “Summary Consolidated Financial Data” included in this prospectus and our consolidated financial statements and notes thereto incorporated by reference in this prospectus.

	As of January 31, 2008
Cash and cash equivalents	$ 35,572
Restricted cash	1,670
Long-term debt:	
6.0% Convertible Senior Notes due 2017	$ 75,000
Other long-term debt	18,080
Total long-term debt	93,080
Shareholders’ equity	
Common shares, unlimited authorized shares; 27,320,389 shares issued and outstanding(1)	99,454
Additional paid-in capital	26,534
Accumulated deficit	(146)
Accumulated other comprehensive income	7,754
Total shareholders’ equity	133,888
Total capitalization	226,968

(1) Excludes 1,725,321 common shares issuable upon the exercise of options outstanding as of the date of this prospectus and 768,367 common shares reserved for future issuance under our 2006 equity incentive plan.

EXCHANGE RATE INFORMATION

Our business is primarily conducted in China, our functional currency is Renminbi and a portion of our revenues are denominated in Renminbi. We record transactions denominated in other currencies at the rates of exchange prevailing when the transaction occur. We translate monetary assets and liabilities denominated in other currencies into Renminbi at rates of exchange in effect at the balance sheet dates and record exchange gains and losses in our statements of operations. We have chosen the U.S. dollar as our reporting currency. Accordingly we translate assets and liabilities using exchange rates in effect at each period end and we use average exchange rates for the statement of operations. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On February 29, 2008, the noon buying rate was RMB7.1115 to US$1.00.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated based on the noon buying rate in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

	Noon Buying Rate			
Period	Period End	Average(1)	Low	High
	(RMB Per US$1.00)			
2002	8.2800	8.2770	8.2800	8.2669
2003	8.2767	8.2772	8.2800	8.2765
2004	8.2765	8.2768	8.2774	8.2764
2005	8.0702	8.1826	8.2765	8.0702
2006	7.8041	7.9597	8.0702	7.8041
2007	7.2946	7.5806	7.8127	7.2946
2008				
January	7.1818	7.2405	7.2946	7.1818
February	7.1115	7.1644	7.1973	7.1100

(1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

DESCRIPTION OF NOTES

We issued the notes under an indenture dated as of December 10, 2007 between us and The Bank of New York, as trustee. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. The notes and any common shares issuable upon conversion of the notes are covered by a resale registration rights agreement which we have entered into as of December 10, 2007 pursuant to which we have agreed to, for the benefit of the holders of notes, file this shelf registration statement with the SEC covering resale of notes, as well as our common shares issuable upon conversion of notes.

The following description is a summary of the material provisions of the notes, the indenture and the resale registration rights agreement. It does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the notes, the indenture and the resale registration rights agreement, including the definitions of certain terms used therein. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes. You may request copies of these documents from us upon written request at our address, which is listed in this prospectus under the section entitled "Where You Can Find More Information."

For purposes of this description, references to "the Company," "we," "our" and "us" refer only to Canadian Solar, Inc. and not to its subsidiaries and references to "holders" refer to the holders of notes.

General

The notes:

- are our general unsecured unsubordinated obligations, and rank equally with our other unsecured unsubordinated indebtedness, but are effectively subordinated to the indebtedness and other liabilities of our subsidiaries;
- are limited to an aggregate principal amount of US$75,000,000, except as set forth below;
- will mature on December 15, 2017, unless earlier converted, repurchased or redeemed;
- bear interest at a rate of 6.0% per annum on the principal amount, payable semi-annually, in arrears, on each June 15 and December 15, beginning on June 15, 2008 to holders of record at the close of business on the preceding June 1 and December 1, respectively;
- will bear additional interest if we fail to comply with certain obligations set forth under the section entitled "— Resale Registration Rights;"
- include a requirement that we make an offer to purchase, in whole or in part, for cash upon occurrence of a "fundamental change" (as defined under the section entitled "— Fundamental Change Requires Us to Make an Offer to Purchase Notes") at a price equal to 100% of the principal amount of any notes being purchased, plus accrued and unpaid interest (including additional interest), if any, to, but excluding, the repurchase date as described under the section entitled "— Fundamental Requires Us to Make an Offer to Purchase Notes;"
- are redeemable by us at any time on or after December 24, 2012, for cash at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to, but excluding, the redemption date (i) in whole or in part, if the last reported sale price (as defined below under the section entitled "— Conversion Rights — General") of our common shares for at least 20 trading days in a period of 30 consecutive trading days, the last of which occurs no more than five trading days prior to the date upon which notice of such redemption is published, is at least 130% of the applicable conversion price per common share in effect on such trading date, or (ii) in whole only, if at least 95% of the initial aggregate principal amount of the notes originally issued have been redeemed, converted or repurchased and, in each case, cancelled;
- will be redeemable, in whole but not in part, if as a result of a change in or amendment to the laws of a Relevant Jurisdiction (as defined under the section entitled "— Additional Amounts") we are required

to pay Additional Amounts at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest and Additional Amounts, if any, subject to a holder's election not to be subject to such redemption;

- are subject to purchase by us at the option of the holder on December 24, 2012 and December 15, 2014, subject to certain conditions, at a purchase price in cash equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to, but excluding, the date of repurchase as described under "— Purchase of Notes at Your Option on Specified Dates;"
- were issued in denominations of US$1,000 and integral multiples of US$1,000; and
- are represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form.

At any time prior to the close of business on the business day before the stated maturity date, the notes may be converted into common shares at an initial conversion rate of 50.6073 common shares per US$1,000 principal amount of notes (equivalent to a conversion price of approximately US$19.76 per common share), subject to prior repurchase or redemption. The conversion rate is subject to adjustment if certain events occur. See the section entitled "— Conversion Rate Adjustments" and "— Adjustment to Conversion Rate upon Occurrence of a Fundamental Change."

We use the term "note" in this prospectus to refer to each US$1,000 principal amount of notes. The registered holder of a note will be treated as the owner of it for all purposes.

We may, without the consent of the holders, reopen the notes and issue additional notes under the indenture with the same terms and with the same CUSIP numbers as the notes offered hereby in an unlimited aggregate principal amount, provided that no such additional notes may be issued unless fungible with the notes offered hereby for U.S. federal income tax purposes. We may also from time to time repurchase the notes in open market purchases or negotiated transactions without prior notice to the holders.

The indenture does not limit the amount of debt which may be issued by us or our subsidiaries under the indenture or otherwise.

Holders may not sell or otherwise transfer the notes or any common shares issuable upon conversion of the notes except in compliance with the provisions set under "— Resale Registration Rights."

Other than restrictions described under "— Fundamental Change Requires Us to Make an Offer to Purchase Notes" and "— Consolidation, Merger and Sale of Assets" below, and except for the provisions set forth under "— Conversion Rights — Adjustment to Conversion Rate upon Conversion upon Fundamental Change," the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect the holders.

Payments on the Notes; Paying Agent and Registrar

We will make all payments on the notes exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts. The trustee will initially act as the registrar and the paying agent for notes. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and we may act as paying agent or registrar.

We will pay principal of, and interest on, notes in global form registered in the name of or held by The Depository Trust Company, or DTC, or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global notes.

We will pay the principal of and interest on certificated notes (i) to registered holders having an aggregate principal amount of US$5,000,000 or less, by check mailed to the registered holders of these notes and (ii) to registered holders having an aggregate principal amount of more than US$5,000,000, either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately

available funds to that holder's account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

If any payment date with respect to the notes falls on a day that is not a business day, we will make the payment on the next business day. "Business day" means any day, except a Saturday or Sunday or any other day on which the Federal Reserve Bank of New York is closed. The payment made on the next business day will be treated as though it had been made on the original payment date, and no interest will accrue on the payment for the additional period of time.

Transfer and Exchange

Subject to the provisions described under "— Resale Registration Rights," a holder of notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. We are not required to transfer or exchange any note selected for redemption or surrendered for conversion or repurchase, except, in each case, for that portion of the notes not being redeemed, converted or repurchased.

Ranking

The notes are our senior, unsecured obligations and rank equal in right of payment to all of our other unsecured and unsubordinated indebtedness. The notes are effectively subordinated in right of payment to all of our existing and future secured debt to the extent of such security and structurally subordinated to the indebtedness and other liabilities of our subsidiaries. As of September 30, 2007, we had approximately no secured debt outstanding and our direct and indirect subsidiaries had approximately US$61.7 million of total debt outstanding on a consolidated basis.

The notes are our exclusive obligation. Our cash flow and our ability to service our indebtedness, including the notes, is dependent upon the earnings of our subsidiaries. In addition, we are dependent on the distribution of earnings, loans or other payments by our subsidiaries to us. Our subsidiaries are separate and distinct legal entities. Our subsidiaries have not guaranteed the notes or have any obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

Our right to receive any assets of any subsidiary upon its liquidation or reorganization, and, therefore, our right to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

Interest

The notes bear interest at a rate of 6.0% per annum from December 10, 2007, or from the most recent date to which interest has been paid or duly provided for. Interest is payable semiannually in arrears on June 15 and December 15 of each year, beginning June 15, 2008. Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

Interest will be paid to the person in whose name a note is registered at the close of business on June 1 or December 1, as the case may be, immediately preceding the relevant interest payment date, except in the situations described in "— Conversion Rights — General."

Additional Amounts

All payments made by us or any successor to us under or with respect to the notes, including payments of cash or delivery of common shares upon conversion, will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which we or any successor are organized or resident for tax purposes or through which payment is made (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "Relevant Taxing Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, we will pay to the holder of each note such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by the holder after such withholding or deduction (including any taxes on the Additional Amounts) shall equal the amounts which would have been received by such holder had no such withholding or deduction been required, except that no Additional Amount shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the holder or beneficial owner of such note and the Relevant Taxing Jurisdiction other than merely holding such note or the receipt of payments thereunder, including, without limitation, such holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present, carried on business or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such note became due and payable pursuant to the terms thereof or was made or duly provided for; or

(iii) the failure of the holder or beneficial owner to comply with a timely request from us or any successor to provide certification, information, documents or other evidence concerning such holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Taxing Jurisdiction to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder or beneficial owner;

(b) any estate, inheritance, gift, sale, transfer, capital gains, excise, personal property or similar tax, assessment or other governmental charge;

(c) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments under or with respect to the notes; or

(d) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b) or (c); or

(2) with respect to any payment of the principal of, or premium, if any, or interest on, such note to a holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of that payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any note or any amount payable with respect to such note, such mention shall be deemed to include payment of Additional Amounts provided for in the indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Conversion Rights

General

At any time prior to the close of business on the business day immediately preceding the stated maturity date and subject to prior repurchase or redemption, holders may convert each of their notes into the common shares at an initial conversion rate of 50.6073 common shares per US$1,000 principal amount of notes (equivalent to an initial conversion price of approximately US$19.76 per common share).

In certain circumstances, common shares issued upon conversion of notes will be issued and delivered in the form of restricted common shares.

The conversion rate and the equivalent conversion price in effect at any given time are referred to as the "applicable conversion rate" and the "applicable conversion price," respectively, and will be subject to adjustment as described below. The applicable conversion price at any given time will be computed by dividing US$1,000 by the applicable conversion rate at such time. A holder may convert fewer than all of such holder's notes so long as the notes converted are an integral multiple of US$1,000 principal amount.

Upon conversion, you will not receive any separate cash payment for accrued and unpaid interest, unless such conversion occurs between a record date and the related interest payment date. Our settlement of conversions as described below under "— Settlement upon Conversion" will be deemed to satisfy our obligation to pay:

- the principal amount of the note; and
- accrued and unpaid interest to, but not including, the conversion date.

As a result, accrued and unpaid interest to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the preceding paragraph, if notes are converted after the close of business on a record date but prior to the opening of business on the related interest payment date, holders of such notes at the close of business on the record date will receive the interest payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes surrendered for conversion during the period from the close of business on any record date to the opening of business on the related interest payment date must be accompanied by funds in cash equal to the amount of interest payable on such interest payment date on the notes so surrendered; provided that no such payment need be made:

- if we have specified a redemption date that is after such record date but on or prior to the related interest payment date;
- if we have specified a fundamental change purchase date that is after such record date but on or prior to the related interest payment date; or
- in respect of any overdue interest accrued on the notes, if any overdue interest exists at the time of conversion with respect to such notes.

We will pay any documentary, stamp or similar issue or transfer tax due on the issuance and delivery of any common shares upon conversion, unless the tax is due because a holder requests any common shares to be issued in a name other than the holder's name, in which case the holder will pay that tax. In addition, we will pay any other costs or expenses incurred in connection with the issuance and delivery of any common shares upon conversion.

Notes in respect of which a holder has delivered a purchase notice or a notice of acceptance of our offer to purchase its notes upon the occurrence of a fundamental change (defined below) may not be surrendered for conversion until the holder has withdrawn the notice in accordance with the indenture.

The "last reported sale price" of our common shares on any date means the closing sale price per common share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one, the average of the average bid and the average ask prices) on that date as reported on the Nasdaq Global Market or other principal U.S. securities exchange on which our common shares are traded. If our common shares are not listed for trading on a United States national or regional securities exchange on the relevant date, the "last reported sale price" of our common shares will be the last quoted bid price for our common shares in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If our common shares are not so quoted, the "last reported sale price" of the common shares will be the average of the mid-point of the last bid and ask prices for our common shares on the relevant date from each of at least three U.S. nationally recognized independent investment banking firms selected by us for this purpose. The "last reported sale price" of our common shares will be determined without reference to extended or after hours trading.

The term "trading day" means a day during which (i) there is no market disruption event (as defined below) and (ii) the Nasdaq Global Market, or if our common shares are not listed on the Nasdaq Global Market, the principal U.S. securities exchange on which our common shares are listed, is open for trading or if our common shares are not admitted for trading or quotation on or by any exchange, bureau or other organization referred to in the preceding paragraph (excluding the third sentence of that paragraph), "trading day" will mean any business day.

The term "market disruption event" means the occurrence or existence for more than one-half hour period in the aggregate on any trading day for our common shares of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our common shares or in any options, contracts or future contracts relating solely to our common shares, and such suspension or limitation occurs or exists at any time before 1:00 p.m. (New York City time) on such day.

Conversion upon Notice of Redemption

A holder of notes that we call for redemption may surrender those notes for conversion at any time prior to the close of business on the business day preceding the redemption date. Notes in respect of which a holder has delivered a purchase notice or a notice of acceptance of our offer to purchase its notes upon the occurrence of a fundamental change (defined below) may not be surrendered for conversion until the holder has withdrawn the notice in accordance with the indenture.

Conversion upon Specified Corporate Transactions

Holders who convert notes in connection with any fundamental change occurring on or prior to December 24, 2012 will also be entitled to an increase in the conversion rate to the extent described below under "— Adjustment to Conversion Rate upon Occurrence of a Fundamental Change." Upon the occurrence of a fundamental change, we are required to make an offer to purchase their notes as set forth below under "— Fundamental Change Requires Us to Make an Offer to Purchase Notes."

Conversion Procedures

You will not be required to pay transfer taxes or duties relating to the issuance or delivery of our common shares if you exercise your conversion rights, but you will be required to pay any transfer tax or duties that may be payable relating to any transfer involved in the issuance or delivery of the common shares in a name other than your own. Certificates representing common shares will be issued or delivered after all applicable transfer taxes and duties, if any, payable by you have been paid.

If you hold a beneficial interest in a global note, to convert you must comply with DTC's procedures for converting a beneficial interest in a global note and, if required, pay funds equal to interest payable on the next interest payment date.

If you hold a certificated note, to convert you must:

- complete and manually sign the conversion notice on the back of the note, or a facsimile of the conversion notice;
- deliver the conversion notice, which is irrevocable, and the note to the conversion agent;

- if required, furnish appropriate endorsements and transfer documents;
- if required, pay funds equal to interest payable on the next interest payment date; and
- pay all required transfer taxes or duties.

The date you comply with these requirements is the "conversion date" under the indenture.

If a holder has already delivered a purchase notice as described under "— Fundamental Change Requires Us to Make an Offer to Purchase Notes" or "— Purchase of Notes at Your Option on Specified Dates" with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the notice in accordance with the indenture.

Settlement Elections

With the consent of at least 25% of holders, as specified in "Modification and Amendment," we and the trustee may amend the indenture to permit settlement upon conversion in cash or any combination of cash and common shares in lieu of delivery of common shares in satisfaction of our obligation upon conversion of notes.

If we make such amendment to the indenture, we will inform the holders through the trustee of the method we choose to satisfy our obligation upon conversion (and the specified cash amount (as defined below), if applicable), as follows:

- in respect of notes to be converted during the period beginning 12 scheduled trading days immediately preceding a redemption date, purchase date, fundamental change purchase date or the maturity date for such notes, no later than the date we deliver our notice of redemption, repurchase, fundamental change or the 13th scheduled trading day preceding the maturity date, as applicable; and
- in all other cases, no later than two trading days following the applicable conversion date.

If we do not give any notice within the time periods described as to how we intend to settle, we will satisfy our conversion obligation only in common shares (except for any cash in lieu of fractional common shares).

Cash Settlement Notices

With the consent of at least 25% of holders, as specified in "Modification and Amendment," we and the trustee may amend the indenture to permit settlement upon conversion in cash or any combination of cash and common shares. If we make such amendment to the indenture and choose to satisfy any portion of our conversion obligation in cash, other than solely cash in lieu of any fractional common shares, we will notify holders as described above of the amount to be satisfied in cash as a fixed dollar amount per $1,000 principal amount of notes (the "specified cash amount") or we will specify that we will satisfy the entire conversion obligation in cash.

We will treat all holders with the same cash settlement averaging period (as defined below) in the same manner. We will not, however, have any obligation to settle our conversion obligations arising with respect to different cash settlement averaging periods in the same manner. That is, we may choose with respect to one cash settlement averaging period to settle in common shares only and choose with respect to another cash settlement averaging period to settle in cash or a combination of cash and common shares.

Settlement Upon Conversion

If we elect to settle a conversion of notes only in common shares, such settlement will occur as soon as practicable after we notify holders that we have chosen this method of settlement, but in any event within three business days of the relevant conversion date.

Settlements made entirely or partially in cash (other than cash in lieu of fractional common shares), subsequent to obtaining consent from holders, will occur on the third business day following the final trading day of the cash settlement averaging period.

The amount of cash and/or number of common shares, as the case may be, due upon conversion will be determined as follows:

(1) If we elect to satisfy the entire conversion obligation in common shares, we will deliver to the holder a number of common shares equal to (i) (A) the aggregate principal amount of notes to be converted, *divided by* (B) 1,000, *multiplied by* (ii) the conversion rate in effect on the relevant conversion date (*provided* that we will deliver cash in lieu of fractional common shares as described below).

(2) If we have obtained consent from holders as specified in "Modification & Amendment" and we elect to satisfy the entire conversion obligation in cash, we will deliver to the holder, for each $1,000 principal amount of notes, cash in an amount equal to the conversion value, as defined below.

(3) If we have obtained consent from holders as specified in "Modification & Amendment" and we elect to satisfy the conversion obligation in a combination of cash and common shares, we will deliver to the holder, for each $1,000 principal amount of notes:

- cash in an amount equal to the lesser of (A) the specified cash amount and (B) the conversion value (as defined below); and
- if the conversion value is greater than the specified cash amount, a number of common shares equal to the sum of the daily common share amounts (as defined below) for each of the ten trading days in the cash settlement averaging period (as defined below), plus cash in lieu of any fractional common shares as described below.

The "conversion value" means the product of (1) the conversion rate, *multiplied by* (2) the average of the volume weighted average price (as defined below) per common share on each of the trading days during the cash settlement averaging period.

The "volume weighted average price" per common share on any trading day means such price as displayed on Bloomberg (or any successor service) page CSIQ <equity> VAP in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such trading day; or, if such price is not available, the volume weighted average price means the market value per common share on such day as determined by a nationally recognized independent investment banking firm retained for this purpose by us.

The "cash settlement averaging period" means:

- with respect to any conversion date occurring on or after the 12th scheduled trading day immediately preceding a redemption date, repurchase date, fundamental change purchase date or the maturity date, the 10 consecutive trading day period beginning on, and including, the 12th scheduled trading day immediately prior to such redemption date or the maturity date, subject to any extension due to a market disruption event;
- in all other cases, the 10 consecutive trading day period beginning on, and including, the third trading day immediately following the relevant conversion date.

The "daily common share amount" means, for each trading day of the cash settlement averaging period and each $1,000 principal amount of notes surrendered for conversion, a number of common shares (but in no event less than zero) determined pursuant to the following formula:

$$\frac{\left(\begin{array}{c}\text{volume weighted average price}\\ \text{per common share on such trading day}\end{array} \times \begin{array}{c}\text{conversion rate}\\ \text{in effect on the}\\ \text{conversion date}\end{array}\right) - \begin{array}{c}\text{specified}\\ \text{cash}\\ \text{amount}\end{array}}{\text{volume weighted average price per common share on such trading day}} \times 10$$

In calculating the daily common share amount, the conversion rate on any day shall be appropriately adjusted to take into account the occurrence on or before such trading day of any event which would require an adjustment to the conversion rate as set forth above under "— Conversion Rate Adjustments."

A "scheduled trading day" means a day that is scheduled to be a trading day.

It is expected that any newly issued common shares will be accepted into the book-entry system maintained by DTC, and no person receiving common shares shall receive or be entitled to receive physical delivery of common shares, except in the limited circumstances set forth in the indenture.

We will agree to take all such actions and obtain all such approvals and registrations, including, without limitation, the specific registrations with the relevant authority, with respect to the conversion of the notes into our common shares.

We will deliver cash in lieu of any fractional common shares issuable in connection with payment of the amounts above (based on the last reported sale price of the common shares on the last day of the applicable observation period).

Conversion Rate Adjustments

The conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if:

- holders of the notes participate, as a result of holding the notes, in the relevant transaction described below without having to convert their notes as if they held the full number of common shares underlying their notes; or
- holders of common shares are not eligible to participate in the relevant transaction described below.

Adjustment Events.

(1) If we issue our common shares as a dividend or distribution on common shares (including a common share bonus or as a result of the capitalization of profits or reserves), or if we effect a common share split or common share combination, the conversion rate will be adjusted based on the following formula:

$$CR' = OS_0 \times \frac{OS'}{OS_0}$$

where,

CR_0= the conversion rate in effect immediately prior to the ex-dividend date for such dividend or distribution, or the effective date of such common share split or common share combination, as the case may be;

CR' = the conversion rate in effect immediately after the opening of business on the ex-dividend date for such dividend or distribution, or the effective date of such common share split or common share combination, as the case may be;

OS_0= the number of common shares outstanding immediately prior to the ex-dividend date for such dividend or distribution, or the effective date of such common share split or common share combination, as the case may be; and

OS' = the number of common shares outstanding immediately after the opening of business on the ex-dividend date for such dividend or distribution, or the effective date of such common share split or common share combination, as the case may be.

(2) If we distribute to all or substantially all holders of our common shares any rights (including subscription bonuses) or warrants entitling them for a period of not more than 45 calendar days from the record date for such distribution to subscribe for or purchase common shares, at a price per common share less than the last reported sale price of our common shares on the trading day

immediately preceding the date of announcement of such distribution, the conversion rate will be adjusted based on the following formula (provided that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration):

$$CR' = CR_0 \times \frac{OS_0+X}{OS_0+Y}$$

where,

CR_0= the conversion rate in effect immediately prior to the ex-dividend date for such distribution;

CR' = the conversion rate in effect immediately after the opening of business on the ex-dividend date for such distribution;

OS_0= the number of common shares outstanding immediately prior to the ex-dividend date for such distribution;

X = the total number of common shares issuable pursuant to such rights or warrants; and

Y = the number of common shares equal to the aggregate price payable to exercise such rights or warrants divided by the average of the last reported sale prices of our common shares over the ten consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution.

(3) If we distribute our share capital, evidences of our indebtedness or other assets or property, or rights to acquire our share capital or other securities, to all or substantially all holders of our common shares, excluding:

- dividends or distributions and rights or warrants described in clause (1) or (2) above;
- dividends or distributions paid exclusively in cash; and
- spin-offs to which the provisions set forth below in this paragraph (3) shall apply;

then the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{SP_0}{SP_0-FMV}$$

where,

CR_0= the conversion rate in effect immediately prior to the ex-dividend date for such distribution;

CR' = the conversion rate in effect immediately after the opening of business on the ex-dividend date for such distribution;

SP_0= the average of the last reported sale prices of our common shares over the ten consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value (as determined by our board of directors) of our share capital, evidences of indebtedness, assets, property or rights distributed with respect to each outstanding common share on the ex-dividend date for such distribution.

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our share capital of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit (a “spin-off”), the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{FMV_0+MP_0}{MP_0}$$

where,

CR_0= the conversion rate in effect immediately prior to the end of the valuation period (as defined below);

CR' = the conversion rate in effect immediately after the end of the valuation period;

FMV_0= the average of the last reported sale prices of the share capital or similar equity interest distributed to holders of our common shares applicable to one common share over the first ten consecutive trading-day period beginning on and including the fifth trading day after the effective date of the spin-off (the "valuation period"); and

MP_0= the average of the last reported sale prices of our common shares over the valuation period.

The adjustment to the conversion rate under the preceding paragraph will occur on the fifteenth trading day from, and including, the effective date of the spin-off. As a result, any conversion within the fifteen trading days following the effective date of any spin-off will be deemed not to have occurred until the end of such fifteen trading-day period.

(4) If we pay any cash dividend or distribution (other than the cash portion of any distributions for which the conversion rate is adjusted pursuant to paragraph (3) above) to all or substantially all holders of our common shares (including as a result of capital reductions and common share redemptions or amortizations), the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{SP_0}{SP_0\text{-}C}$$

where,

CR_0= the conversion rate in effect immediately prior to the ex-dividend date for such dividend or distribution;

CR' = the conversion rate in effect immediately after the opening of business on the ex-dividend date for such dividend or distribution;

SP_0= the average of the last reported sale prices of our common shares over the ten consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

C = the full amount of such dividend or distribution per common share we distribute to holders of our common shares.

(5) If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our common shares, if (a) the cash and value of any other consideration included in the payment per common share exceeds (b) the last reported sale price of our common shares on the trading day immediately following the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{AC+(SP'\text{-}OS')}{OS_0 \times SP'}$$

where,

CR_0= the conversion rate in effect on the day immediately prior to the effective date of the adjustment;

CR' = the conversion rate in effect immediately following the effective date of the adjustment;

AC = the aggregate value of all cash and any other consideration (as determined by our board of directors) paid or payable for common shares purchased in such tender or exchange offer;

OS_0= the number of common shares outstanding immediately prior to the date such tender or exchange offer expires;

OS' = the number of common shares outstanding immediately after the date such tender or exchange offer expires; and

SP' = the average of the last reported sale prices of our common shares over the ten consecutive trading-day period commencing on the trading day immediately following the date such tender or exchange offer expires.

The adjustment to the conversion rate under the preceding paragraph will occur at the close of business on the tenth trading day from and including the trading day immediately following the date such tender or exchange offer expires. As a result, any conversion within such ten trading-day period will be deemed not to have occurred until the end of such ten trading-day period.

If, however, the application of the foregoing formulae (other than in connection with a common share combination) would result in a decrease in the conversion rate, no adjustment to the conversion rate will be made.

As used in this section, "ex-dividend date" means the first date on which a sale of the common shares does not automatically transfer the right to receive the relevant issuance, dividend or distribution in question from the seller of the common share to its buyer.

Except as stated herein and under "— Adjustment to Conversion Rate upon Occurrence of a Fundamental Change," we will not adjust the conversion rate for the issuance of our common shares or any securities convertible into or exchangeable for our common shares or the right to purchase our common shares or such convertible or exchangeable securities.

Events that Will Not Result in Adjustments. The applicable conversion rate will not be adjusted, among other things:

- upon the issuance of any common shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in common shares under any such plan;
- upon the issuance of any common share, or any option, warrant, right or exercisable, exchangeable or convertible security to purchase our common shares, pursuant to any future agreements entered into with suppliers of raw materials or machinery or consideration or inducement to enter into such supply agreement, except if such distribution is to all or substantially all holders of our common shares;
- upon the issuance of any common shares or options or rights to purchase those common shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by us or any of our subsidiaries;
- upon the issuance of any common shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the proceeding bullet and outstanding as of the date the notes were first issued;
- for a change in the par value of our common shares; or
- for accrued and unpaid interest, if any.

Adjustments to the applicable conversion rate will be calculated to the nearest 1/10,000th of a common share. We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate and make such carried forward adjustments, regardless of whether the aggregate adjustment is less than 1%, within one year of the first such adjustment carried forward, upon a fundamental change, with respect to an offer to purchase by us to the holders, upon any call of the notes for redemption or upon maturity.

Treatment of Reference Property. In the event of:

- any reclassification of our common shares; or
- a consolidation, merger or combination involving us; or
- a sale or conveyance to another person of all or substantially all of our property and assets,

in which holders of our outstanding common shares would be entitled to receive cash, securities or other property for their common shares, you will be entitled thereafter to convert your notes into:

- cash up to the aggregate principal amount thereof; and
- in lieu of common shares otherwise deliverable, the same type (in the same proportions) of consideration received by holders of our common shares in the relevant event (the "reference

property"), subject to our right to deliver cash in lieu of all or a portion of the reference property in accordance with the applicable procedures set forth under "— Settlement upon Conversion."

The amount of cash and any reference property you receive will be based on the daily conversion values of the reference property and the applicable conversion rate, as described above.

For purposes of the foregoing, the type and amount of consideration that a holder of our common shares would have been entitled to in the case of reclassifications, consolidations, mergers, combination, sales or conveyances of assets or other transactions that cause our common shares to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election) will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our common shares that affirmatively make such an election.

If holders of notes would otherwise be entitled to receive, upon conversion of the notes, any property (including cash) or securities that would not constitute "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) (referred to herein as "ineligible consideration"), such holders shall not be entitled to receive such ineligible consideration but we or the successor or acquirer, as the case may be, shall have the right (at the sole option of us or the successor or acquirer, as the case may be) to deliver either such ineligible consideration or "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) with a market value equal to the market value of such ineligible consideration. In general, prescribed securities would include our common shares and other shares which are not redeemable by the holder within five years of the date of issuance of the notes. Because of this, certain transactions may result in the notes being convertible into prescribed securities that are highly illiquid. This could have a material adverse effect on the value of the notes. We agree to give notice to the holders of notes at least 30 days prior to the effective date of such transaction in writing and by release to a business newswire stating the consideration into which the notes will be convertible after the effective date of such transaction. After such notice, we or the successor or acquirer, as the case may be, may not change the consideration to be delivered upon conversion of the note except in accordance with any other provision of the indenture.

Treatment of Rights. To the extent that we have a rights plan in effect upon conversion of the notes into common shares, you will receive, in addition to the common shares, the rights under the rights plan, unless prior to any conversion, the rights have separated from the common shares, in which case the conversion rate will be adjusted at the time of separation as if we distributed to all holders of our common shares, share capital, evidences of indebtedness assets property, rights or warrants as described in clause (3) under "— Adjustment Events" above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

Voluntary Increases of Conversion Rate. We are permitted, to the extent permitted by law and subject to the applicable rules of the Nasdaq Global Market, to increase the conversion rate of the notes by any amount for a period of at least 20 days if our board of directors determines that such increase would be in our best interest. We may also (but are not required to) increase the conversion rate to avoid or diminish income tax to holders of our common shares or rights to purchase our common shares in connection with a dividend or distribution of common shares (or rights to acquire common shares) or similar event.

Tax Effect. A holder may, in some circumstances, including the distribution of cash dividends to holders of our common shares, be deemed to have received a distribution or dividend subject to U.S. federal income tax as a result of an adjustment or the nonoccurrence of an adjustment to the conversion rate. For a discussion of the U.S. federal income tax treatment of an adjustment to the conversion rate, see the section entitled "Taxation — Certain U.S. Federal Income Tax Considerations — Constructive Distributions."

Adjustment to Conversion Rate upon Occurrence of a Fundamental Change

If a fundamental change (as defined below under "— Fundamental Change Requires Us to Make an Offer to Purchase Notes"), occurs prior to December 24, 2012, and a holder elects to convert its notes in connection with such transaction, we will, under certain circumstances, increase the conversion rate for the notes so surrendered for conversion as described below. A conversion of notes will be deemed for these purposes to be "in connection with" such fundamental change if the notice of conversion of the notes is received by the conversion agent from, and

including, the effective date of the fundamental change up to, and including, the business day immediately prior to the fundamental change purchase date. Upon surrender of notes for conversion in connection with a fundamental change we will deliver common shares unless we have previously obtained consent from holders as specified in "Modifications and Amendments" in which case we will have the right to deliver, in lieu of common shares, including the additional common shares, cash or a combination of cash and common shares as described under "— Conversion Rights — Settlement Upon Conversion."

Notwithstanding the foregoing, the holders will not be entitled to an adjustment to the conversion rate upon the occurrence of a fundamental change if at least 90% of the consideration for our common shares (excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights and cash payment of the required cash payment, if any) in the transaction or transactions constituting the fundamental change consists of securities traded on a United States national securities exchange, or which will be so traded when issued or exchanged in connection with the fundamental change, and as a result of such transaction or transactions the notes become convertible solely into such securities.

In connection with an applicable fundamental change, we will increase the conversion rate by the number of additional common shares (the "additional common shares") as determined by reference to the table below, based on the date on which the fundamental change occurs or becomes effective (the "effective date"), and the price paid per common share, translated, if necessary, into U.S. dollars at the exchange rate in effect on such, in the fundamental change (the "common share price"). If holders of our common shares receive only cash in the fundamental change, the common share price shall be the cash amount paid per common share, translated, if necessary, into U.S. dollars at the exchange rate in effect on the effective date of the fundamental change. Otherwise, the common share price shall be the average of the last reported sale prices of our common shares over the five trading-day period ending on the trading day preceding the effective date of the fundamental change.

The common share prices set forth in the first row of the table below (i.e., column headers) will be adjusted as of any date on which the conversion rate of the notes is otherwise adjusted. The adjusted common share prices will equal the common share prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the common share price adjustment and the denominator of which is the conversion rate as so adjusted. The number of additional common shares will be adjusted in the same manner as the conversion rate as set forth under "— Conversion Rate Adjustments."

The following table sets forth the hypothetical common share price and the number of additional common shares to be received per US$1,000 principal amount of notes:

	Common Share Price (US$)													
Effective Date	**$17.64**	**$19.00**	**$20.00**	**$21.00**	**$22.00**	**$23.00**	**$24.00**	**$25.00**	**$26.00**	**$27.00**	**$28.00**	**$30.00**	**$32.50**	**$35.00**
December 10, 2007	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.73	1.42	1.15	0.92	0.56	0.25	0.07
December 15, 2008	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.73	1.42	1.15	0.92	0.56	0.25	0.07
December 15, 2009	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.71	1.39	1.11	0.88	0.52	0.23	0.06
December 15, 2010	6.07	2.93	4.19	3.53	2.92	2.38	1.94	1.56	1.25	0.98	0.76	0.43	0.17	0.02
December 15, 2011	6.07	2.93	4.05	3.23	2.46	1.94	1.53	1.19	0.92	0.69	0.51	0.25	0.07	0.00
December 24, 2012	6.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The exact common share prices and effective dates may not be set forth in the table above, in which case:

- If the common share price is between two common share price amounts in the table or the effective date is between two effective dates in the table, the number of additional common shares will be determined by a straight-line interpolation between the number of additional common shares set forth for the higher and lower common share price amounts and the two dates, as applicable, based on a 365-day year.
- If the common share price is greater than US$35.00 (subject to adjustment), the conversion rate will not be adjusted.
- If the common share price is less than US$17.64 (subject to adjustment), the conversion rate will not be adjusted.

Notwithstanding the foregoing, in no event will the total number of common shares issuable upon conversion exceed 56.6773 per US$1,000 principal amount of notes, subject to adjustment in the same manner as the conversion rate as set forth under "— Conversion Rate Adjustments."

Our obligation to increase the conversion rate as described above could be considered a penalty, in which case the enforceability thereof would be subject to general principles of economic remedies.

Optional Redemption by Us

We may not redeem the notes prior to December 24, 2012, except as described under "— Tax Redemption." At any time on or after December 24, 2012, we may redeem for cash all of the notes in integral multiples of US$1,000, at a price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to, but excluding, the redemption date (i) in whole or in part, if the "last reported sale price" (as defined above under "— Conversion Rights — General") of our common shares for at least 20 trading days in a period of 30 consecutive trading days, the last of which occurs no more than five trading days prior to the date upon which notice of such redemption is published, is at least 130% of the applicable conversion price per common share in effect on such trading date or (ii) in whole only, if at least 95% of the initial aggregate principal amount of the notes originally issued have been redeemed, converted or repurchased and, in each case, cancelled. However, if the redemption date occurs after a record date and on or prior to the corresponding interest payment date, we will pay the full amount of accrued and unpaid interest due on such payment date to the record holder on the record date corresponding to such interest payment date, and the redemption price payable to the holder who presents the note for redemption will be 100% of the principal amount of such note. We will give at least 20 days and no more than 60 days notice of such redemption.

You may convert notes or portions of notes called for redemption until the close of business on the business day prior to the redemption date.

If we decide to redeem fewer than all of the notes, the trustee will select the notes to be redeemed by lot, or in its discretion, on a pro rata basis. If any note is to be redeemed in part only, a new note in principal amount equal to the unredeemed principal portion will be issued. If a portion of your notes is selected for partial redemption and you convert a portion of your notes, the converted portion will be deemed to be part of the portion selected for redemption.

No sinking fund is provided for the notes.

Purchase of Notes at Your Option on Specified Dates

On December 24, 2012 and December 15, 2014, you may require us to purchase all or a portion of your notes in integral multiples of US$1,000 at a purchase price in cash equal to 100% of the principal amount of the notes being purchased plus accrued and unpaid interest to, but excluding, the purchase date, subject to certain additional conditions. However, we will, on the purchase date, pay the accrued and unpaid interest to, but excluding, such date to the holder of record at the close of business on the immediately preceding record date. Accordingly, the holder submitting a note for purchase will not receive this accrued and unpaid interest unless that holder was also the holder of record at the close of business on the immediately preceding record date.

On the purchase date, we will purchase each outstanding note for which you have properly delivered and not withdrawn a written purchase notice. You may submit your written purchase notice and notes for purchase to the paying agent at any time from the opening of business on the date that is 25 business days prior to the purchase date until the close of business on the fifth business day prior to the purchase date.

Required Notices and Procedure

On a date not less than 25 business days prior to each purchase date, we will be required to give notice to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, stating, among other things, the procedures that holders must follow to require us to purchase their notes.

The purchase notice given by you electing to require us to purchase notes must be given so as to be received by the paying agent no later than the close of business on the fifth business day prior to the purchase date and must state:

- if certificated, the certificate numbers of your notes to be delivered for purchase;
- the principal amount of notes to be purchased, which must be US$1,000 or an integral multiple thereof; and
- that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

You may withdraw any purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the purchase date. The notice of withdrawal shall state:

- if certificated notes have been issued, the certificate number of the withdrawn notes, or if not certificated, your notice must comply with appropriate DTC procedures;
- the principal amount of the withdrawn notes; and
- the principal amount, if any, of the notes which remains subject to the purchase notice.

In connection with any purchase offer, we will:

- comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act;
- file a Schedule TO, Form CB, Form F-X or any successor or similar schedule or form, if required, under the Exchange Act; and
- otherwise comply with all federal and state securities laws in connection with any offer by us to purchase the notes.

Our obligation to pay the purchase price for a note as to which a purchase notice has been delivered and not validly withdrawn is conditioned upon the holder delivering the note, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. We will cause the purchase price for the note to be paid promptly following the later of the purchase date or the time of delivery of the note.

If the paying agent holds money or securities sufficient to pay the purchase price of the notes on the business day following the purchase date, then:

- the notes will cease to be outstanding and interest will cease to accrue (whether or not book-entry transfer of the notes is made or whether or not the notes are delivered to the paying agent); and
- all other rights of the holder will terminate (other than the right to receive the purchase price upon delivery or transfer of the notes).

We may not have enough funds to pay the purchase price at the specified purchase dates. See the section entitled “Risk Factors — Risks Related to the Notes — We may not be able to raise the funds necessary to repay the notes when due, finance a fundamental change, purchase the notes on specified dates or make the payments due upon conversion, if any.” Any future debt agreements or instruments relating to our or our subsidiaries’ indebtedness could contain provisions prohibiting our repurchase of the notes under certain circumstances. If we fail to purchase the notes when required on a purchase date, we will be in default under the indenture.

No notes may be purchased at the option of holders if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the purchase price of the notes.

Fundamental Change Requires Us to Make an Offer to Purchase Notes

If a fundamental change (as defined below) occurs at any time, we will be required to make you an offer to purchase for cash all or a portion of your notes in integral multiples of US$1,000, on a date (the “fundamental change purchase date”) of our choosing that is not less than 20 nor more than 35 business days after the date of the

fundamental change notice described below. The price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest to, but excluding, the fundamental change purchase date. However, if the fundamental change purchase date occurs after a record date and on or prior to the corresponding interest payment date, we will pay the full amount of accrued and unpaid interest due on such payment date to the record holder on the record date corresponding to such interest payment date, and the fundamental change purchase price payable to the holder who presents the note for purchase will be 100% of the principal amount of such note.

A "fundamental change" will be deemed to have occurred upon a change in control.

A "change in control" means any of the following events:

(i) a "person" or "group" within the meaning of Section l3(d)(3) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of our common shares representing more than 50% of the voting power of our common shares entitled to vote generally in the election of directors but with respect to Dr. Shawn Qu and his Affiliated Entities, representing more than 60%; or

(ii) the first day on which a majority of the members of our board of directors does not consist of continuing directors (as defined below); or

(iii) a consolidation, merger or binding share exchange (other than any such transaction (a) that does not result in any reclassification, conversions, exchange or cancellation of outstanding common shares, and (b) pursuant to which holders of our common shares immediately before the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all common shares entitled to vote generally in elections of directors of the continuing or surviving or successor person immediately after giving effect to such issuance), or any conveyance, transfer, sale, lease or other disposition of all or substantially all of our properties and assets to another person; or

(iv) our shareholders approve any plan or proposal for our liquidation.

For purposes of defining a fundamental change:

- the term "person" and the term "group" have the meanings given by Section 13(d) and 14(d) of the Exchange Act or any successor provisions;
- the term "group" includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act or any successor provision;
- the term "beneficial owner" is determined in accordance with Rules 13d-3 and 13d-5 under the Exchange Act or any successor provisions, except that a person will be deemed to have beneficial ownership of all common shares that person has the right to acquire irrespective of whether that right is exercisable immediately or only after the passage of time;
- the term "Affiliated Entities" means Dr. Shawn Qu and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are sole beneficiaries or the grantors, or any person of which any of the forgoing, individually or collectively, beneficially own voting securities representing at least a majority of the total voting power of all classes of share capital of such person (exclusive of any matters as to which class voting rights exist); and
- the term "continuing directors" means as of any date of determination, any individual who on the date of the indenture was a member of the board of directors, together with any directors whose election, or, solely to fill the vacancy of a continuing director, appointment by the board or whose nomination for election by our shareholders is duly approved by the vote of a majority of the directors on the board (or such lesser number comprising a majority of a nominating committee if authority for such nominations or elections has been delegated to a nominating committee whose authority and composition have been approved by at least a majority of the directors who were continuing directors

at the time such committee was formed) then still in office who were either directors on the date of the indenture or whose election, appointment (in the case of a vacancy of a continuing director), or nomination for election was previously approved by a majority of the continuing directors, either by specific vote or by approval of the proxy statement issued by us in which such individual is named as a nominee for director.

Notwithstanding the foregoing, in the case of a consolidation or merger, it will not constitute a change in control if at least 90% of the consideration for our common shares (excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights and cash payment of the required cash payment, if any) in the consolidation or merger constituting the change in control consists of securities traded on a United States national securities exchange, or which will be so traded when issued or exchanged in connection with the change in control, and as a result of such consolidation or merger the notes become convertible solely into such securities.

Within 20 business days after the occurrence of a fundamental change, we will provide to all holders of the notes and the trustee and paying agent a written notice of the occurrence of the fundamental change and of the resulting purchase right (the "fundamental change notice"). Such notice shall state, among other things:

- the events causing a fundamental change;
- the date of the fundamental change;
- the last date on which a holder may accept the purchase offer;
- the fundamental change purchase price;
- the fundamental change purchase date;
- the name and address of the paying agent and the conversion agent, if applicable;
- the applicable conversion rate and any adjustments to the applicable conversion rate;
- that the notes with respect to which a fundamental change acceptance notice has been delivered by a holder may be converted only if the holder withdraws the fundamental change acceptance notice in accordance with the terms of the indenture; and
- the procedures that holders must follow to accept our offer to purchase their notes.

Simultaneously with providing such notice, we will publish a notice containing this information in a newspaper of general circulation in the City of New York or publish the information on our website or through such other public medium as we may use at that time.

To accept the offer to purchase, you must deliver, on or before the fifth business day prior to the fundamental change purchase date, a written acceptance notice to the paying agent. Your acceptance notice must state:

- if certificated, the certificate numbers of your notes to be delivered for purchase;
- the principal amount of notes to be purchased, which must be US$1,000 or an integral multiple thereof; and
- that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

If the notes are not in certificated form, a holder wishing to exercise this offer to purchase must comply with the applicable procedures of the DTC.

You may withdraw any acceptance notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the fundamental change purchase date. The notice of withdrawal shall state:

- if certificated notes have been issued, the certificate numbers of the withdrawn notes, or if not certificated, your notice must comply with appropriate DTC procedures;

- the principal amount of the withdrawn notes; and
- the principal amount, if any, of the notes which remains subject to the acceptance notice.

If the notes are not in certificated form, a holder must comply with the applicable procedures of the DTC in order to withdraw its notes.

In connection with any fundamental change purchase offer, we will:

- comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act;
- file a Schedule TO, Form CB, Form F-X or any successor or similar schedule or form, if required, under the Exchange Act; and
- otherwise comply with all federal and state securities laws in connection with any offer by us to purchase the notes.

Our obligation to pay the fundamental change purchase price for a note as to which a fundamental change acceptance notice has been delivered and not validly withdrawn is conditioned upon the holder delivering the note, together with necessary endorsements, to the paying agent at any time after delivery of the fundamental change acceptance notice. We will cause the fundamental change purchase price for the note to be paid promptly following the later of the fundamental change purchase date or the time of delivery of the note.

If the paying agent holds money or securities sufficient to pay the fundamental change purchase price of the notes on the business day following the fundamental change purchase date, then:

- the notes will cease to be outstanding and interest will cease to accrue (whether or not book-entry transfer of the notes is made or whether or not the notes are delivered to the paying agent); and
- all other rights of the holder will terminate (other than the right to receive the fundamental change purchase price upon delivery or transfer of the notes).

The purchase rights of the holders could discourage a potential acquirer, even if the acquisition may be beneficial to you. The fundamental change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization or similar transaction involving us.

If a fundamental change were to occur, we may not have enough funds to pay the fundamental change purchase price. See the section entitled "Risk Factors — Risks Related to the Notes — We may not be able to raise the funds necessary to repay the notes when due, finance a fundamental change, purchase the notes on specified dates or make the payments due upon conversion, if any." Any future debt agreements or instruments relating to our or our subsidiaries' indebtedness could contain provisions prohibiting our repurchase of the notes under certain circumstances. If we fail to make an offer to purchase the notes when required following a fundamental change or fail to pay any fundamental change purchase price on the fundamental change purchase date, we will be in default under the indenture. In addition, we may in the future incur other indebtedness with change in control provisions permitting the holders thereof to accelerate or to require us to purchase such indebtedness upon the occurrence of specified change in control events or on some specific dates.

No notes may be purchased at the option of holders upon a fundamental change if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the fundamental change purchase price of the notes.

Tax Redemption

If as a result of any change in or amendment to the statutes (or any rules or regulations thereunder) of a Relevant Taxing Jurisdiction (as defined above under "— Additional Amounts"), or any amendment to or change in an official interpretation, administration or application of such statutes, rules or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official interpretation, is announced on or after the issue date of the notes or, in the case of a successor, on or after the date the successor assumes the obligations under the notes, we or our successor has or will become obligated to pay Additional Amounts as described above under "— Additional Amounts", we or our successor may, at our or its option, redeem all, but not less than all, of the notes, for cash at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to, but excluding, the date fixed for redemption and Additional Amounts, if any, upon giving irrevocable notice not less than 20 days nor more than 60 days prior to the date fixed for redemption (a "tax redemption"). However, if the redemption date occurs after a record date and on or prior to the corresponding interest payment date, we will pay the full amount of accrued and unpaid interest due on such payment date to the record holder on the record date corresponding to such interest payment date, and the redemption price payable to the holder who presents the note for redemption will be 100% of the principal amount of such note and Additional Amounts, if any. No notice of such tax redemption may be given earlier than 60 days prior to the earliest date on which we or any such successor would, but for such tax redemption, be obligated to pay the Additional Amounts. Notwithstanding the foregoing, we or any such successor shall not have the right to so redeem the notes unless we have or it has taken reasonable measures to avoid the obligation to pay Additional Amounts.

In the event that we or any successor elects to so redeem the notes, we or it will deliver to the trustee: (1) a certificate, signed in our name or our successor's name by any two of our or its executive officers or by our or its attorney in fact in accordance with our or its bylaws, stating that we or our successor is entitled to redeem the notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to our right or the right of any successor to so redeem have occurred or been satisfied including, that we cannot avoid payment of such Additional Amounts by taking reasonable measures available to us or it and that all governmental requirements necessary for us or any successor to effect the redemption have been complied with; and (2) an opinion of counsel, who is acceptable to the trustee, to the effect that we or our successor has or will become obligated to pay Additional Amounts as a result of the change or amendment.

Notwithstanding the foregoing, if we have or our successor has given notice of a tax redemption as described above, each holder of notes will have the right to elect that such holder's notes will not be subject to such tax redemption. If a holder elects not to be subject to a tax redemption, we or our successor will not be required to pay Additional Amounts with respect to payments made in respect of such holder's notes following the date fixed for redemption, and all subsequent payments in respect of such holder's notes will be subject to any tax required to be withheld or deducted under the laws of a Relevant Taxing Jurisdiction. The obligation to pay Additional Amounts to any electing holder for periods up to the date fixed for redemption will remain subject to the exceptions set forth above under "— Additional Amounts." Holders must exercise their option to elect to avoid a tax redemption by written notice to the trustee no later than the 15th day prior to the date fixed for redemption.

Consolidation, Merger and Sale of Assets

The indenture provides that we shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, unless (i) the resulting, surviving or transferee person is a person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia or the laws of Canada or any province or territory thereof, and such person (if not us) expressly assumes by supplemental indenture all of our obligations under the notes and the indenture, and (ii) immediately after giving effect to such transaction, no default or event of default has occurred and is continuing under the indenture. Upon any such consolidation, merger, conveyance or transfer, the resulting, surviving or transferee person shall succeed to, and may exercise every right and power of, ours under the indenture.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a fundamental change (as defined above) permitting each holder to require us to purchase the notes of such holder as described above.

Events of Default

Each of the following is an event of default:

(1) default in any payment of interest, including any related additional amounts, on any note when due and payable and the default continues for a period of 30 days;

(2) default in the payment of principal of any note, including any related Additional Amounts, when due and payable at stated maturity, upon redemption or required repurchase, upon declaration or otherwise;

(3) our failure to comply with our obligations to convert the notes into common shares, cash or a combination of cash and common shares, as applicable, upon exercise of a holder's conversion right;

(4) our failure to make an offer upon a fundamental change;

(5) our failure to issue a fundamental change notice, in accordance with the terms of the indenture;

(6) our failure for 60 days after written notice from the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding has been received to comply with any of our other agreements contained in the notes or indenture;

(7) failure by us or any of our significant subsidiaries (as defined below) to make any payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any debt for money borrowed in excess of US$5 million (or its equivalent in any other currency or currencies) in the aggregate of ours and/or any such subsidiary, whether such debt now exists or shall hereafter be created, resulting in such debt becoming or being declared due and payable, and such acceleration shall not have been rescinded or annulled within 30 days after written notice of such acceleration has been received by us or such subsidiary; or

(8) certain events of bankruptcy, insolvency, or reorganization with respect to us or any of our significant subsidiaries (collectively, the "bankruptcy provisions").

As used herein, the term "significant subsidiary" means any subsidiary of ours (or any successor) which, at the time of determination, either (a) had assets which, as of the date of our (or such successor's) most recent quarterly consolidated balance sheet, constituted at least 10% of our (or such successor's) total assets on a consolidated basis as of such date or (b) had revenues for the 12-month period ending on the date of our (or such successor's) most recent quarterly consolidated statement of income which constituted at least 10% of our (or such successor's) total revenues on a consolidated basis for such period; *provided* that CSI Solartronics (Changshu) Ltd., CSI Solar Manufacture Inc., CSI Solar Technologies Inc., CSI Central Solar Power Co., Ltd., CSI Solarchip International Co., Ltd. and Changshu CSI Advanced Solar Inc., and any of their respective successors shall at all times be significant subsidiaries.

If an event of default occurs and is continuing, the trustee by notice to us, or the holders of at least 25% in principal amount of the outstanding notes by notice to us and the trustee, may, and the trustee at the request of such holders shall, declare 100% of the principal of and accrued and unpaid interest, including additional amounts, if any, on all the notes to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest, including any additional amounts, will be due and payable immediately. However, upon an event of default arising out of the bankruptcy provisions relating to us, the aggregate principal amount and accrued and unpaid interest, including additional amounts, will be due and payable immediately.

The holders of a majority in aggregate principal amount of the outstanding notes may waive all past defaults (except with respect to nonpayment of principal or interest, including any additional amounts) and rescind any such acceleration with respect to the notes and its consequences if (1) rescission would not conflict with any judgment or

decree of a court of competent jurisdiction and (2) all existing events of default, other than the nonpayment of the principal of and interest, including additional amounts, on the notes that have become due solely by such declaration of acceleration, have been cured or waived.

Subject to the provisions of the indenture relating to the duties of the trustee, if an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders unless such holders have offered to the trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest, including any additional amounts, when due, no holder may pursue any remedy with respect to the indenture or the notes unless:

(1) such holder has previously given the trustee written notice that an event of default is continuing;

(2) holders of at least 25% in aggregate principal amount of the outstanding notes have made a written request to the trustee to pursue the remedy;

(3) such holders have offered the trustee security or indemnify satisfactory to it against any loss, liability or expense;

(4) the trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the holders of a majority in aggregate principal amount of the outstanding notes have not given the trustee a direction that, in the opinion of the trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in aggregate principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee. The indenture provides that if an event of default has occurred and is continuing, the trustee will exercise its powers and rights vested in it by the indenture to use the degree of care that a prudent person would use in the conduct of its own affairs. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder or that would involve the trustee in personal liability. Prior to taking any action under the indenture, the trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The indenture provides that if a default occurs and is continuing and is known to the trustee, the trustee must mail to each holder notice of the default within 90 days after it occurs. Except in the case of a default in the payment of principal of or interest on any note, the trustee may withhold notice if and so long as a committee of trust officers of the trustee in good faith determines that withholding notice is in the interests of the holders. In addition, we are required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any default that occurred during the previous year. We also are required to deliver to the trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain events of default, their status and what action we are taking or propose to take in respect thereof.

If any portion of the amount payable on the notes upon acceleration is considered by a court to be unearned interest (through the allocation of a portion of the value of the instrument to the embedded warrant or otherwise), the court could disallow recovery of any such portion.

Modification and Amendment

Subject to certain exceptions, the indenture or the notes may be amended with the consent of the holders of at least a majority in aggregate principal amount of the notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in aggregate principal amount of the notes then outstanding (including, without limitation, consents

obtained in connection with a purchase of, or tender offer or exchange offer for, the notes). However, without the consent of each holder of an outstanding note affected, no amendment may, among other things:

(1) reduce the percentage in aggregate principal amount of notes the holders of which must consent to an amendment;

(2) reduce the rate, or extend the stated time for payment, of interest on any note;

(3) reduce the principal amount, or extend the stated maturity, of any note;

(4) change the place or currency of payment of principal or interest in respect of any note;

(5) make any change that adversely affects the conversion rights of any notes, including any change to the provisions described under "— Conversion Rights;"

(6) reduce the fundamental change purchase price, redemption price or optional purchase price of any note or amend or modify in any manner adverse to the holders of notes our obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(7) impair the right of any holder to receive payment of principal of and interest on such holder's notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's notes;

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions; or

(9) change our obligation to pay additional amounts.

Notwithstanding the foregoing, with the consent of at least 25% of holders, we and the trustee may amend the indenture to permit settlement upon conversion in cash or any combination of cash and common shares as specified in "— Conversion Rights — Settlement Upon Conversion."

Notwithstanding the foregoing, without the consent of any holder, we and the trustee may amend the indenture to, among other things:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) provide for the assumption by a successor corporation, partnership, trust or limited liability company of our obligations as permitted under the indenture;

(3) add guarantees with respect to the notes;

(4) secure the notes;

(5) add to our covenants for the benefit of the holders or surrender any right or power conferred upon us;

(6) increase the conversion rate or interest rate on the notes;

(7) make any changes or modifications to the indenture necessary in connection with the registration of the public offer and sale of the notes under the Securities Act pursuant to the resale registration rights agreement or the qualification of the indenture under the Trust Indenture Act of 1939;

(8) evidence and provide for the acceptance of the appointment of a successor trustee under the indenture; or

(9) make any change that does not materially adversely affect the rights of any holder, provided that any amendment made solely to conform the provisions of the indenture or the notes to the description of the notes in this prospectus will not be deemed to materially adversely affect the rights of any holder.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. After an amendment under the indenture becomes effective, we are required to mail to the holders a notice briefly describing such

amendment. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment.

Discharge

We may satisfy and discharge our obligations under the indenture by delivering to the registrar for cancellation all outstanding notes or by depositing with the trustee or delivering to the holders, as applicable, after the notes have become due and payable, whether at stated maturity, or any purchase date, or upon redemption, conversion or otherwise, cash or securities sufficient to pay all of the outstanding notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

Calculations in Respect of Notes

Except as otherwise provided above, we will be responsible for making all calculations called for under the indenture and the notes. These calculations include, but are not limited to, determinations of the last reported sale prices of our common shares, accrued interest payable on the notes and the conversion rate of the notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of notes. We will provide a schedule of our calculations to each of the trustee and the conversion agent, and each of the trustee and conversion agent is entitled to rely conclusively upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of notes upon the written request of that holder.

Notices to the holders of the notes shall be validly given if in writing in English and mailed by first class mail to them at the Company's expense at their respective addresses in the register of the Notes. Any such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed.

Trustee

The Bank of New York is the trustee, registrar and conversion agent and the paying agent.

Governing Law and Submission to Jurisdiction

The indenture provides that it and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

Each of the parties to the indenture will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of all legal actions and proceedings instituted in connection with the notes and the indenture. We have appointed CT Corporation System, currently having an office at 111 Eighth Avenue, New York, N.Y. 10011, as our authorized agent upon which process may be served in any such action.

Listing And Trading

Prior to this offering, the notes have been eligible for trading in the PORTAL Market℠. Notes sold by means of this prospectus will not remain eligible for trading in the PORTAL Market℠. We do not intend to list the notes for trading on any national securities exchange or on the Nasdaq Global Market. Our common stock is quoted on the Nasdaq Global Market under the symbol "CSIQ."

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by us under or in connection with the notes, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or through the enforcement of, a judgment or order of a court of any jurisdiction, in our winding-up or dissolution or otherwise) by any holder of a note in respect of any sum expressed to be due to it from us will only constitute a discharge to us to the extent of the U.S. dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar

amount is less than the U.S. dollar amount expressed to be due to the recipient under any note, we will indemnify such holder against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such holder, such holder will, by accepting a note, be deemed to have agreed to repay such excess. In any event, we will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of a note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from our other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Resale Registration Rights

The following summary of the resale registration rights provided in the resale registration rights agreement is not complete. Holders should refer to the resale registration rights agreement for a full description of the resale registration rights that apply to the notes.

To the extent a holder receives common shares upon conversion of notes that are not restricted common shares, such common shares may be sold over the Nasdaq Global Market without needing to rely on the resale shelf registration statement described below.

The notes and any common shares issuable upon conversion of the notes are referred to collectively as “registrable securities.” Pursuant to the resale registration rights agreement, we have filed the shelf registration statement related to this prospectus to meet our obligations under the resale registration rights agreement. We will use our commercially reasonable efforts to keep the shelf registration statement, of which this prospectus is a part, effective until the earliest of:

(1) two years from the latest date of original issuance of the notes;

(2) the date when all registrable securities shall have been registered under the Securities Act and disposed of;

(3) the date on which all registrable securities held by non-affiliates are eligible to be sold to the public pursuant to Rule 144(k) under the Securities Act; and

(4) the date on which the registrable securities cease to be outstanding.

If we notify the holders in accordance with the resale registration rights agreement to suspend the use of the prospectus upon the occurrence of certain events, then the holders will be obligated to suspend the use of the prospectus until the requisite changes have been made.

A holder of registrable securities that sells registrable securities pursuant to the shelf registration statement generally will be required to provide information about itself and the specifics of the sale, be named as a selling securityholder in the related prospectus, deliver a prospectus to purchasers, be subject to relevant civil liability provisions under the Securities Act in connection with such sales and be bound by the provisions of the registration rights agreement which are applicable to such holder.

If, and while our obligation under the registration rights agreement to maintain an effective shelf registration rights agreement remains in effect, such shelf registration statement ceases to be effective (without being succeeded immediately by an effective replacement shelf registration statement), or the shelf registration statement or prospectus contained therein ceases to be usable in connection with the resales of notes and any common share or other security issuable upon the conversion of the notes, in accordance with and during the periods specified in the registration rights agreement for a period of time (including any suspension period) which exceeds 60 days in the aggregate in any consecutive 12-month period because either (i) any event occurs as a result of which the prospectus

forming part of such shelf registration statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, (ii) it shall be necessary to amend such shelf registration statement or supplement the related prospectus to comply with the Securities Act or Exchange Act or the respective rules thereunder, or (iii) the occurrence or existence of any pending corporate development or other similar event with respect to us or a public filing with the SEC that, in our reasonable discretion, makes it appropriate to suspend the availability of a shelf registration statement and the related prospectus (each such event, a "resale registration default"), additional interest will accrue on the notes, from and including the date on which the resale registration default shall occur to but excluding the date on which all such resale registration defaults have been cured, at the rate of (a) 0.25% of the principal amount of the notes per year to and including the 90th day following the occurrence of such resale registration default and (b) 0.50% of the principal amount of the notes per year from and after the 91st day following the occurrence of such resale registration default. If a holder has converted some or all of its notes into common shares, the holder will not be entitled to receive any additional interest with respect to such common shares or the principal amount of the notes converted.

Attached to the offering memorandum, dated December 4, 2007, related to the private placement of the notes or otherwise made available by us to holders, is a form of notice and questionnaire to be completed and delivered by a holder of notes prior to any intended distribution of registrable securities pursuant to the shelf registration statement. Holders will need to complete a notice and questionnaire if they wish to have their registrable securities covered by the shelf registration statement and related prospectus. Each holder wishing to be named as a selling securityholder and sell its registrable securities pursuant to the shelf registration statement and related prospectus after the date the shelf registration statement related to this prospectus is declared effective must deliver a questionnaire to us at least 10 business days prior to any intended distribution. Within five business days after the later of receipt of a questionnaire or the expiration of any suspension period in effect when such questionnaire is delivered, we will file, if required by applicable law, a post-effective amendment to the shelf registration statement or a supplement to the prospectus contained in the shelf registration statement. In no event will we be required to file more than one post-effective amendment in any calendar quarter or to file a supplement or post-effective amendment during any suspension period.

We will pay all expenses incident to our performance of and compliance with the registration rights agreement, provide each holder that is selling registrable securities pursuant to the shelf registration statement copies of the related prospectus as reasonably requested and take other actions as are required under the terms of the registration rights agreement to permit, subject to the foregoing, unrestricted resales of the registrable securities.

Pursuant to the registration rights agreement, each holder must indemnify us for certain losses in connection with the shelf registration statement.

DESCRIPTION OF SHARE CAPITAL

We are a Canadian corporation, and our affairs are governed by our articles of continuance, as amended from time to time (the "articles"), bylaws as effective from time to time, and the CBCA.

As of the date of this prospectus, our authorized share capital consists of an unlimited number of common shares. As of the date of this prospectus, 27,320,389 common shares were issued and outstanding.

The following summary description of our share capital does not purport to be complete and is qualified in its entirety by reference to our articles and our amended bylaws. If you would like more information on our common shares, you should review our articles and bylaws and the CBCA.

Common Shares

General

All of our common shares are fully paid and non-assessable. Our common shares are issued in registered form and may or may not be certificated although every shareholder is entitled at their option to a share certificate that complies with the CBCA. There are no limitations on the rights of shareholders who are not residents of Canada to hold and vote common shares.

Dividends

Holders of our common shares are entitled to receive, from funds legally available therefor, dividends when and as declared by the board of directors. The CBCA restricts the directors' ability to declare, and our ability to pay, dividends by requiring that certain solvency tests be satisfied at the time of such declaration and payment. See the section entitled "— Shareholders' Rights — Sources of Dividends."

Voting Rights

Each common share is entitled to one vote on all matters upon which the common shares are entitled to vote.

Liquidation

With respect to a distribution of assets in the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of our assets for the purposes of winding up our affairs, assets available for distribution among the holders of common shares shall be distributed among the holders of the common shares on a *pro rata* basis.

Variations of Rights of Shares

All or any of the rights attached to our common shares, or any other class of shares duly authorized may, subject to the provisions of the CBCA, be varied either with the unanimous written consent of the holders of the issued shares of that class or by a special resolution passed at a meeting of the holders of the shares of that class.

Preferred Shares

Our board of directors has the authority, without shareholder approval, to issue an unlimited number of preferred shares in one or more series. Our board of directors may establish the number of shares to be included in each such series and may set the designations, preferences, powers and other rights of the shares of a series of preferred shares. While the issuance of preferred shares provides us with flexibility in connection with possible acquisitions or other corporate purposes, it could, among other things, have the effect of delaying, deferring or preventing a change of control transaction and could adversely affect the market price of our common shares and the notes offered in this prospectus. We have no current plan to issue any preferred shares.

Transfer Agent and Registrar

The Bank of New York is the transfer agent and registrar for our common shares. The Bank of New York's address is One Wall Street, New York, New York 10286.

Shareholders' Rights

The CBCA and our articles and bylaws govern us and our relations with our shareholders. The following is a summary of certain rights of holders of our common shares under the CBCA. This summary is not intended to be complete and is qualified in its entirety by reference to our articles and bylaws.

Stated Objects or Purposes

Our articles do not contain any stated objects or purposes and do not place any limitations on the business that we may carry on.

Shareholder Meetings

We must hold an annual meeting of our shareholders at least once every year at a time and place determined by our board of directors, provided that the meeting must not be held later than 15 months after the preceding annual meeting or later than six months after the end of our preceding financial year. A meeting of our shareholders may be held at a place within Canada determined by our directors or, if determined by our directors, in New York, New York, United States of America, Los Angeles, California, United States of America, London, England, the Hong Kong Special Administrative Region of The People's Republic of China or Shanghai, The People's Republic of China.

Voting at any meeting of shareholders is by show of hands unless a poll or ballot is demanded. A poll or ballot may be demanded by the chairman of our board of directors or by any shareholder present in person or by proxy.

A special resolution is a resolution passed by not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution at a meeting at which a quorum is present. An ordinary resolution is a resolution passed by not less than a simple majority of the votes cast by the shareholders entitled to vote on the resolution at a meeting at which a quorum is present.

Notice of Meeting of Shareholders

Our bylaws provide that written notice stating the place, day and time of a shareholder meeting and the purpose for which the meeting is called, shall be delivered not less than 21 days nor more than 60 days before the date of the meeting.

Quorum

Under the CBCA, unless a corporation's bylaws provide otherwise, a quorum is present at a meeting of the shareholders, irrespective of the number of shareholders actually present at the meeting, if the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. Our bylaws provide that a quorum shall be at least two shareholders entitled to vote at the meeting represented in person or by proxy and holding at least one-third of our total issued and outstanding common shares.

Record Date for Notice of Meeting of Shareholders

Our directors may fix in advance a date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 60 days or by less than 21 days the date on which the meeting is to be held. If no record date is fixed, the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held. If a record date is fixed, notice thereof shall be given, not less than seven days before the date so fixed by

newspaper advertisement in the manner provided by the CBCA and by written notice to each stock exchange in Canada on which our shares are listed for trading.

Ability to Requisition Special Meetings of the Shareholders

The CBCA provides that the holders of not less than five percent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may give notice to the directors requiring them to call a meeting.

Shareholder Proposals

A shareholder entitled to vote at a meeting of shareholders who has held common shares with a fair market value of at least C$2,000 for at least six months may submit to us notice of a proposal and discuss at the meeting any matter in respect of which the shareholder would have been entitled to submit a proposal. A proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five percent of the shares entitled to vote at the meeting to which the proposal is to be presented. This requirement does not preclude nominations being made at a meeting of shareholders. The proposal must be submitted to us at least 90 days before the anniversary date of the notice of meeting that was sent to shareholders in connection with the last annual meeting.

Vote Required for Extraordinary Transactions

Under the CBCA, certain extraordinary corporate actions are required to be approved by special resolution. Such extraordinary corporate actions include:

- amendments to articles;
- arrangements;
- amalgamations other than amalgamations involving a holding body corporate, one or more wholly owned subsidiaries and/or one or more sister corporations;
- continuances under the laws of another jurisdiction;
- voluntary dissolutions; and
- sales, leases or exchanges of all or substantially all the property of a corporation other than in the ordinary course of business.

Related Party Transactions

The CBCA does not prohibit related party transactions.

Dissent Rights

The CBCA provides that our shareholders are entitled to exercise dissent rights and demand payment of the fair value of their shares in certain circumstances. For this purpose, there is no distinction between listed and unlisted shares. Dissent rights exist when we resolve to:

- amalgamate with a corporation other than a holding body corporate, one or more wholly owned subsidiaries and/or one or more sister corporations;
- amend the our articles of incorporation to add, change or remove any provisions restricting the issue, transfer or ownership of shares;
- amend the ours articles to add, change or remove any restriction upon the business or businesses that the we may carry on;
- continue under the laws of another jurisdiction;

- sell, lease or exchange of all or substantially all our property other than in the ordinary course of business; or
- carry out a going-private or squeeze-out transaction.

In addition, a court order in connection with an arrangement proposed by us may permit shareholders to dissent if the arrangement is adopted.

However, a shareholder is not entitled to dissent if an amendment to the articles of incorporation is effected by a court order approving a reorganization or by a court order made in connection with an action for an oppression remedy.

Action by Written Consent

Under the CBCA, shareholders can take action by written resolution and without a meeting only if all shareholders sign the written resolution.

Directors

Number of Directors and Election

Under the CBCA the number of directors of a corporation must be specified in the corporation's articles. The articles may provide for a minimum and maximum number of directors.

Our articles provide that the number of directors will not be less than three or more than ten. Our board of directors currently consists of six directors.

Our articles provide that our board of directors shall fix and may change the number of directors within the minimum and maximum number of directors provided for in our articles. In addition, our board of directors may appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

Shareholders of a corporation governed by the CBCA elect directors by ordinary resolution at each annual meeting of shareholders at which such an election is required.

Director Qualifications

Under the CBCA, at least 25% of the directors must be Canadian residents. A director must not be:

- under eighteen years of age;
- adjudicated as mentally unsound;
- a person that is not an individual; or
- a person who has the status of a bankrupt.

Removal of Directors; Staggered Term

Under the CBCA, a corporation's shareholders may remove at a special meeting any director before the expiration of his or her term of office and may elect any qualified person in such director's stead for the remainder of such term by ordinary resolution.

Under the CBCA, directors may be elected for a term expiring not later than the third annual meeting of shareholders following the election. If no term is specified, a director's term expires at the next annual meeting of shareholders. A director may be nominated for re-election to the board of directors at the end of the director's term.

Vacancies on the Board of Directors

Under the CBCA, vacancies that exist on the board of directors, except a vacancy resulting from an increase in the number or the minimum or maximum number of directors or a failure to elect the number or minimum number of directors provided for in the articles, may be filled by the board if the remaining directors constitute a quorum. In the absence of a quorum, the remaining directors shall call a meeting of shareholders to fill the vacancy.

Limitation of Personal Liability of Directors and Officers

Under the CBCA, in exercising their powers and discharging their duties, directors and officers must act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No provision in the corporation's articles, bylaws, resolutions or contracts can relieve a director or officer from the duty to act in accordance with the CBCA or relieve a director from liability for a breach thereof. However, a director will not be liable for breaching his or her duty to act in accordance with the CBCA if the director relied in good faith on:

- financial statements represented to him by an officer or in a written report of the auditor to fairly reflect the financial condition of the corporation; or
- a report of a person whose profession lends credibility to a statement made by such person.

Indemnification of Directors and Officers

Under the CBCA and pursuant to our bylaws, we may indemnify any present or former director or officer or an individual who acts or acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity. In order to qualify for indemnification such director or officer must:

- have acted honestly and in good faith with a view to our best interests, or, as the case may be, to the best interests of the other entity for which he or she acted as director or officer or in a similar capacity at our request; and
- in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, have had reasonable grounds for believing that his or her conduct was lawful.

Indemnification will be provided to an eligible director or officer who meets both these tests and was substantially successful on the merits in his or her defense of the action.

A director or officer is entitled to indemnification from us as a matter of right if he or she is not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and fulfilled the conditions set forth above.

Sources of Dividends

Dividends may be declared at the discretion of the board of directors. Under the CBCA, the directors may not declare, and we may not pay, dividends if there are reasonable grounds for believing that (i) we are, or would after such payment be unable to pay our liabilities as they become due or (ii) the realizable value of our assets would be less than the aggregate of our liabilities and of our stated capital of all classes of shares.

Amendments to the Bylaws

The directors may by resolution make, amend or repeal any bylaw unless the articles or bylaws provide otherwise. Our articles and bylaws do not restrict the power of our directors to make, amend or repeal bylaws. When the directors make, amend or repeal a bylaw, they are required under the CBCA to submit the change to the shareholders at the next meeting of shareholders. Shareholders may confirm, reject or amend the bylaw, amendment or repeal by ordinary resolution.

Interested Directors Transactions

Under the CBCA, if a director or officer has a material interest in a material contract or transaction, the director generally may not vote on any resolution to approve the contract or transaction, but the contract is not void or voidable by reason only of the relationship if such interest is disclosed in accordance with the requirements set out in the CBCA, the contract is approved by the other directors or by the shareholders and the contract was fair and reasonable to the corporation at the time it was approved.

Where a director or officer has an interest in a material contract or transaction or a proposed material contract or transaction that, in the ordinary course of the corporation's business, would not require approval by the directors or shareholders, the interested director or officer shall disclose in writing to the corporation or request to have entered in the minutes of meetings of directors, the nature and the extent of the interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.

Committees

Under the CBCA, directors of a corporation may appoint from their number a committee of directors and delegate to such committee certain powers of the directors.

Derivative Actions

Under the CBCA, a complainant (as defined below) may apply to the court for leave to bring an action in the name of and on behalf of a corporation or any of its subsidiaries, or to intervene in an existing action to which such body corporate is a party for the purpose of prosecuting, defending or discontinuing the action. A complainant includes a present or former shareholder, a present or former officer or director of the corporation or any of its affiliates, or any other person who in the discretion of the court is a proper person to make such an application. Under the CBCA, no action may be brought and no intervention in an action may be made unless the complainant has given 14 days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court. The court must be satisfied that:

- the complainant is acting in good faith; and
- it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Under the CBCA, the court in a derivative action may make any order it thinks fit, including orders pertaining to the conduct of the action, the making of payments to former and present shareholders and payment of reasonable legal fees incurred by the complainant.

Oppression Remedy

The CBCA provides an oppression remedy that enables a court to make any order it thinks fit to rectify the matters complained of, if the court is satisfied upon application of a complainant (as defined below) that:

- any act or omission of the corporation or any of its affiliates effects a result;
- the business or affairs of the corporation or any of its affiliates are or have been conducted in a manner; or
- the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner,

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer of the corporation.

A complainant for this purpose includes a present or former shareholder, a present or former officer or director of ours or any of our affiliates, the director appointed under the CBCA and any other person who in the discretion of the court is a proper person to make such an application.

The exercise of the court's jurisdiction does not depend on a finding of a breach of such legal and equitable rights. Furthermore, the court may order a corporation to pay the interim costs of a complainant seeking an oppression remedy, but the complainant may be held accountable for such interim costs on final disposition of the complaint.

Inspection of Books and Records

Under the CBCA, our shareholders and creditors and, their personal representatives may examine, free of charge during normal business hours:

- our articles, bylaws and all amendments thereto;
- the minutes and resolutions of shareholders;
- copies of all notices of directors filed under the CBCA; and
- our securities register.

Any of our shareholders may request a copy of the articles, bylaws and all amendments thereto free of charge.

Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws of Canada or exchange restrictions affecting the remittance of dividends or similar payments to non-resident holders of our common shares, except as described under "Taxation — Canadian Federal Income Tax Considerations."

ENFORCEABILITY OF CIVIL LIABILITIES

We were incorporated as an Ontario corporation in October 2001 and were continued as a Canadian corporation under the CBCA in June 2006.

We are a corporation organized under the federal laws of Canada. Most of our directors and officers and some of the experts named in this prospectus reside principally outside the United States. Because these persons are located outside the United States, it may not be possible for you to effect service of process within the United States upon those persons. Furthermore, it may not be possible for you to enforce against us or them, in the United States, judgments obtained in U.S. courts, because all or a substantial portion of our assets and the assets of those persons are located outside the United States. We have been advised by WeirFoulds LLP, our Canadian counsel, that there are defenses that can be raised to the enforceability, in original actions in Canadian courts, of liabilities based upon the U.S. federal securities laws and to the enforceability in Canadian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of U.S. federal securities laws, such that the enforcement in Canada of such liabilities and judgments is not certain. Therefore, it may not be possible to enforce those actions against us, our directors and officers or the experts named in this prospectus.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our current operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon us or such persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

Chen & Co. Law Firm, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of the PRC would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Chen & Co. Law Firm has advised us further that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between the PRC and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other arrangements that provide for the reciprocal recognition and enforcement of foreign judgments with the United States or Canada. As a result, it is generally difficult to recognize and enforce in China a judgment rendered by a court in either of these two jurisdictions.

TAXATION

Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax considerations to U.S. Holders (as defined below) of the purchase, ownership and disposition of notes and common shares into which the notes may be converted. This summary is based on the tax laws of the United States as in effect on the date of this prospectus and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. Except where noted, this summary deals only with notes held as capital assets by U.S. Holders and with common shares received by such U.S. Holders upon conversion of such notes and held as capital assets. This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to holders who may be subject to special tax treatment, including dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, or traders in securities that elect to use a mark-to-market method of accounting for their securities;
- tax consequences to holders holding notes or common shares as a part of a hedging, integrated or conversion transaction or a straddle or persons deemed to sell notes or common shares under the constructive sale provisions of the Internal Revenue Code of 1986, as amended (the "Code");
- tax consequences to holders of notes or common shares whose "functional currency" is not the U.S. dollar;
- tax consequences to holders of notes or common shares that own, actually or constructively, 10% or more of our common shares;
- tax consequences to investors in partnerships or other pass-through entities;
- alternative minimum tax consequences, if any;
- any state, local or non-U.S. tax consequences; and
- any estate or gift tax consequences.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds notes or common shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in partnerships (or other entities treated as partnerships for U.S. federal income tax purposes) holding the notes or common shares should consult their tax advisors.

INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES AND COMMON SHARES.

As used herein, the term "U.S. Holder" means a beneficial owner of notes or common shares received upon conversion of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (i) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Payment of Interest

Interest on a note will generally be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued in accordance with the U.S. Holder's method of accounting for tax purposes. Interest income on a note generally will constitute foreign source income and generally will constitute "passive category income" or, in the case of certain U.S. Holders, "general category income."

Additional Interest

We may be required to pay additional interest in certain circumstances described above under the heading "Description of Notes — Additional Amounts." We believe (and the rest of this discussion assumes) there is only a remote possibility that we will be obligated to make any such additional payments on the notes, and the notes therefore will not be treated as "contingent payment debt instruments" under applicable Treasury regulations. Assuming our position is respected, any such additional interest would generally be taxable to a U.S. Holder at the time such payments are received or accrued, in accordance with the U.S. Holder's usual method of accounting for tax purposes, subject to the discussion below under "— Amortizable Bond Premium."

Our determination that the notes are not contingent payment debt instruments is not binding on the Internal Revenue Service (the "IRS"). If the IRS were to successfully challenge our determination and the notes were treated as contingent payment debt instruments, a U.S. Holder would be required, among other things, to accrue interest income, regardless of the U.S. Holder's method of accounting, at a rate higher than the stated interest rate on the notes and to treat as taxable ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a note and the entire amount of realized gain upon a conversion of a note. Our determination that the notes are not contingent payment debt instruments is binding on U.S. Holders unless they disclose their contrary positions to the IRS in the manner that is required by applicable U.S. Treasury regulations.

Market Discount

If a U.S. Holder acquires a note other than at its original issue at a cost (excluding any amount attributable to accrued interest) that is less than the stated redemption price at maturity, the amount of such difference is treated as "market discount" for U.S. federal income tax purposes, unless such difference is less than .0025 multiplied by the stated redemption price at maturity multiplied by the number of complete years until maturity (from the date of acquisition).

Under the market discount rules of the Code, a U.S. Holder is required to treat any gain on the sale, exchange, retirement or other disposition of a note as ordinary income to the extent of the accrued market discount that has not been previously included in income. If a U.S. Holder disposes of a note with market discount in certain otherwise nontaxable transactions, such holder may be required to include accrued market discount as ordinary income as if the holder had sold the note at its then fair market value. In general, the amount of market discount that has accrued is determined on a ratable basis. A U.S. Holder may, however, elect to determine the amount of accrued market discount on a constant yield to maturity basis. This election is made on a note-by-note basis and is irrevocable.

With respect to notes with market discount, a U.S. Holder may not be allowed to deduct immediately a portion of the interest expense on any indebtedness incurred or continued to purchase or to carry the notes. A U.S. Holder may elect to include market discount in income currently as it accrues, in which case the interest deferral rule set forth in the preceding sentence will not apply. This election will apply to all debt instruments that a U.S. Holder acquires on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors before making this election.

Amortizable Bond Premium

In general, if a U.S. Holder's purchase price for a note, reduced by (i) an amount equal to the value of the conversion option and (ii) any amount attributable to accrued interest, exceeds the stated principal amount of the note, such excess will constitute bond premium. A U.S. Holder generally may elect to amortize the premium over the remaining term of the note on a constant yield method as an offset to interest when includible in income under such holder's regular accounting method. If a U.S. Holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss such holder would otherwise recognize on disposition of the note. An election to amortize premium on a constant yield method will also apply to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors before making this election.

Disposition of Notes

Except as provided below under "Conversion of Notes," and subject to the passive foreign investment rules discussed below under "Passive Foreign Investment Company," a U.S. Holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a note equal to the difference between the amount realized upon the disposition (less any amount attributable to accrued but unpaid interest not previously included in income, which will be taxable as such) and the U.S. Holder's tax basis in the note. A U.S. Holder's tax basis in a note generally will be the U.S. Holder's cost therefor, reduced by (i) any principal payments received by such holder and (ii) the amount of amortized bond premium, if any, taken into account with respect to the note, and increased by the amount of market discount, if any, previously included in income with respect to the note. Such gain or loss will be U.S. source gain or loss and generally will be capital gain or loss (except as described above under "— Market Discount") and will be long-term capital gain or loss if at the time of the sale, exchange, redemption or other disposition such note has been held by such U.S. Holder for more than one year. Such gain or loss will generally be U.S. source. Long-term capital gain realized by a non-corporate U.S. Holder will generally be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitations.

In the event we are a passive foreign investment company, a U.S. Holder generally will be taxed upon the sale, exchange, redemption or other taxable disposition of a note in the same manner that such U.S. Holder would be taxed upon the sale, exchange, redemption or other taxable disposition of common shares in a passive foreign investment company, except that the notes will not be eligible for the "mark-to-market" election. See the discussion under "Passive Foreign Investment Company," below.

Conversion of Notes

If a U.S. Holder receives solely cash in exchange for notes upon conversion, the U.S. Holder's gain or loss will be determined in the same manner as if the U.S. Holder disposed of the notes in a taxable disposition (as described above under "Disposition of Notes"). The tax treatment of a conversion of a note into cash and common shares is uncertain, and U.S. Holders should consult their tax advisors regarding the consequences of such a conversion.

Treatment as a Recapitalization. If a combination of cash and shares is received by a U.S. Holder upon conversion of notes, we intend to take the position that the notes are securities for U.S. federal income tax purposes and that the conversion would be treated as a recapitalization. In such case, gain, but not loss, would be recognized equal to the excess of the fair market value of the common shares and cash received (other than amounts attributable to accrued interest, which will be treated as such) over a U.S. Holder's tax basis in the notes, but in no event should the gain recognized exceed the amount of cash received (other than cash received in lieu of a fractional share or cash attributable to accrued interest). The amount of gain or loss recognized on the receipt of cash in lieu of a fractional share would be equal to the difference between the amount of cash a U.S. Holder would receive in respect of the fractional share and the portion of the U.S. Holder's tax basis in the common shares received that is allocable to the fractional share. Except as described above under "— Market Discount," any gain or loss recognized on conversion or upon the receipt of cash in lieu of a fractional share generally would be capital gain or loss and would be long- term capital gain or loss if, at the time of the conversion, the note has been held for more than one year. However, in the event we are a passive foreign investment company, a U.S. Holder generally will be subject to tax on such gain in

the same manner as if such gain were recognized on the sale of common shares in a passive foreign investment company. See the discussion under "Passive Foreign Investment Company," below.

The tax basis of the common shares received upon such a conversion (including any fractional share deemed to be received by the U.S. Holder but other than common shares attributable to accrued interest, the tax basis of which would equal the amount of accrued interest with respect to which the common shares were received) would equal the tax basis of the note that was converted, reduced by the amount of any cash received (other than cash received in lieu of a fractional share or cash attributable to accrued interest), and increased by the amount of gain, if any, recognized (other than with respect to a fractional share). A U.S. Holder's holding period for common shares would include the period during which the U.S. Holder held the notes, except that the holding period of any common shares received with respect to accrued interest would commence on the day after the date of conversion.

Alternative Treatment as Part Conversion and Part Redemption. If the above-discussed conversion of a note into cash and common shares were not treated as a recapitalization, the cash payment received may be treated as proceeds from the sale of a portion of the note and taxed in the manner described under "Disposition of Notes" above (or in the case of cash received in lieu of a fractional share, taxed as a disposition of a fractional share), in which case the common shares received on such a conversion would be treated as received upon a conversion of the other portion of the note, which generally would not be taxable to a U.S. Holder except to the extent of any common shares received with respect to accrued interest. In that case, the U.S. Holder's tax basis in the note would generally be allocated *pro rata* among the common shares received, the fractional share that is sold for cash and the portion of the note that is treated as sold for cash. The holding period for the common shares received in the conversion would include the holding period for the notes, except that the holding period of any common shares received with respect to accrued interest would commence on the day after the date of conversion.

Possible Effect of the Change in Conversion Consideration

In certain situations, we may provide for the conversion of the notes into shares of an acquirer. Depending on the circumstances, such an adjustment could result in a deemed taxable exchange to a U.S. Holder and the modified note could be treated as newly issued at that time, potentially resulting in the recognition of taxable gain or loss.

Dividends and Other Distributions on the Common Shares

Subject to the passive foreign investment company rules discussed below under "Passive Foreign Investment Company," the gross amount of all our distributions to a U.S. Holder with respect to the common shares (including any Canadian taxes withheld therefrom) will be included in the U.S. Holder's gross income as foreign source ordinary dividend income on the date of receipt by the U.S. Holder, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits, it will be treated first as a tax-free return of a U.S. Holder's tax basis in its common shares, and to the extent the amount of the distribution exceeds the U.S. Holder's tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders for taxable years beginning before January 1, 2011, dividends may constitute "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that (1) the common shares are readily tradable on an established securities market in the United States or we are eligible for the benefits of the income tax treaty between the United States and Canada, (2) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend was paid or the preceding taxable year, (3) certain holding period requirements are met and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Treasury guidance indicates that our common shares, which are listed on the Nasdaq Global Market, are readily tradable on an established securities market in the United States. There can be no assurance that our common shares will be considered readily tradable on an established securities market in later years. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to our common shares.

Subject to certain limitations, Canadian taxes withheld from a distribution to a U.S. Holder will be eligible for credit against such U.S. Holder's U.S. federal income tax liability. If a refund of the tax withheld is available to the U.S. Holder under the laws of Canada or under the income tax treaty between the United States and Canada, the amount of tax withheld that is refundable will not be eligible for such credit against the U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against the U.S. Holder's U.S. federal taxable income). If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to common shares generally will constitute "passive category income" but could, in the case of certain U.S. Holders, constitute "general category income." The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available. A U.S. Holder that does not elect to claim a foreign tax credit with respect to any foreign taxes for a given taxable year may instead claim an itemized deduction for all foreign taxes paid in that taxable year.

Constructive Distributions

The conversion rate of the notes will be adjusted in certain circumstances. Adjustments (or failures to make adjustments) that have the effect of increasing a U.S. Holder's proportionate interest in our assets or earnings may in some circumstances result in a deemed distribution to a U.S. Holder for U.S. federal income tax purposes. Adjustments to the conversion rate made pursuant to *a bona fide* reasonable adjustment formula that has the effect of preventing the dilution of the interest of the holders of the notes, however, will generally not be considered to result in a deemed distribution to a U.S. Holder. Certain of the possible conversion rate adjustments provided in the notes (including, without limitation, adjustments in respect of taxable dividends to holders of our common shares) will not qualify as being pursuant to *a bona fide* reasonable adjustment formula. If such adjustments are made, a U.S. Holder will be deemed to have received a distribution even though the U.S. Holder has not received any cash or property as a result of such adjustments. In addition, an adjustment to the conversion rate in connection with a fundamental change may be treated as a deemed distribution. Any deemed distributions will be taxable as a dividend, return of capital, or capital gain as described in "Dividends and Other Distributions on the Common Shares" above. It is not clear whether a constructive dividend deemed paid to a non-corporate U.S. Holder could be "qualified dividend income" as discussed above under "Dividends and Other Distributions on the Common Shares."

Dispositions of Common Shares

Subject to the passive foreign investment company rules discussed below under "Passive Foreign Investment Company," a U.S. Holder will recognize U.S. source taxable gain or loss on any sale, exchange or other taxable disposition of a common share equal to the difference between the amount realized for the common share and the U.S. Holder's tax basis in the common share. Except as discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange or other disposition such common shares have been held by such U.S. Holder for more than one year. Long-term capital gain realized by a non-corporate U.S. Holder will generally be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitations. Under the market discount rules of the Code, any gain recognized by a U.S. Holder upon the disposition of common stock should be treated as ordinary income to the extent of any accrued market discount not previously included in income by the U.S. Holder with respect to the note converted into such common stock.

Passive Foreign Investment Company

We do not expect to be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for our current taxable year ending December 31, 2008. However, our actual PFIC status for 2008 will not be determinable until after the close of our 2008 taxable year, and there can be no assurance that we will not be a PFIC for our 2008 taxable year or any future taxable year. A non-U.S. corporation is considered to be a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income, or

- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the "asset test").

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

We must make a separate determination each year as to whether we are a PFIC. As a result, our PFIC status may change. In particular, because the total value of our assets for purposes of the asset test will be calculated using the market price of our common shares (assuming that we continue to a publicly traded corporation for purposes of the applicable PFIC rules), our PFIC status will depend in large part on the market price of our common shares. Accordingly, fluctuations in the market price of our common shares may result in our being a PFIC for any year. If we are a PFIC for any year during which a U.S. Holder holds common shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds common shares, absent a special election. For instance, if we cease to be a PFIC, a U.S. Holder may avoid some of the adverse effects of the PFIC regime by making a deemed sale election with respect to the common shares. If we are a PFIC for any taxable year and any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of our subsidiaries.

If we are a PFIC for any taxable year during which a U.S. Holder holds common shares, such U.S. Holder will be subject to special tax rules with respect to any "excess distribution" that it receives and any gain it realizes from a sale or other disposition (including a pledge) of the common shares, unless the U.S. Holder makes a "mark-to-market" election as discussed below. Distributions received by a U.S. Holder in a taxable year that are greater than 125% of the average annual distributions such U.S. Holder received during the shorter of the three preceding taxable years or its holding period for the common shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the common shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the common shares cannot be treated as capital, even if the U.S. Holder holds the common shares as capital assets. A U.S. Holder's holding period in its common shares generally will include its holding period in the note exchanged for such common shares.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to shares of a PFIC to elect out of the tax treatment discussed above. If a U.S. Holder makes a valid mark-to-market election for the common shares, the U.S. Holder will include in income each year an amount equal to the excess, if any, of the fair market value of the common shares as of the close of its taxable year over its adjusted basis in such common shares. The U.S. Holder is allowed a deduction for the excess, if any, of the adjusted basis of the common shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the common shares included in the U.S. Holder's income for prior taxable years. Amounts included in a U.S. Holder's income under a mark-to-market election, as well as gain on the actual sale or other disposition of the common shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the common shares, as well as to any loss realized on the actual sale or disposition of the common shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such common shares. A U.S. Holder's basis in the common shares will be adjusted to reflect any such income or loss amounts. If a U.S. Holder makes such an

election, the tax rules that ordinarily apply to distributions by corporations that are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for "qualified dividend income" discussed above under "Dividends and Other Distributions on the Common Shares" would not apply.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange, including the Nasdaq Global Market, or other market, as defined in applicable U.S. Treasury regulations. We expect that our common shares will continue to be listed on the Nasdaq Global Market and, consequently, the mark-to-market election would be available to U.S. Holders of common shares were we to be a PFIC.

If a non-U.S. corporation is a PFIC, a holder of shares (but not a holder of convertible notes) in that corporation can avoid taxation under the rules described above by making a "qualified electing fund" election to include its share of the corporation's income on a current basis. However, a U.S. Holder can make a qualified electing fund election with respect to its common shares only if we furnish the U.S. Holder annually with certain tax information, and we do not intend to prepare or provide such information.

A U.S. Holder that holds common shares in any year in which we are a PFIC will be required to file IRS Form 8621 regarding distributions received on the common shares and any gain realized on the disposition of the common shares.

U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to their investment in notes and common shares.

Information Reporting and Backup Withholding

Payments of interest on the notes, dividends on common shares and the proceeds of a sale or redemption of a note or common share generally will be subject to information reporting to the IRS and possible U.S. backup withholding at a current rate of 28%, unless the conditions of an applicable exemption are satisfied. Backup withholding will not apply to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status can provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax consequences generally applicable to a person (in this summary, a "Holder") who acquires Notes under the Offering at par and who, at all relevant times for the purposes of the Income Tax Act (Canada) (the "Canadian Tax Act") deals at arm's length with and is not affiliated with the Company and is the beneficial owner of the Notes and any common shares to which the Notes have been converted (the "Common Shares" and together, the "Securities").

This summary is based on the facts set forth in this prospectus, the current provisions of the Canadian Tax Act and regulations thereunder, and counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the "CRA"), and takes into account all specific proposals to amend the Canadian Tax Act (the "Proposed Amendments") publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. It is assumed that all such amendments will be enacted as currently proposed, and that there will be no other change to any relevant law or administrative or assessing policy or practice, although no assurances can be given in this respect. Except as otherwise expressly set out herein, this summary also does not take into account any provincial, territorial or foreign income tax law, or any income tax treaty or convention, the implications of which may differ from the Canadian federal income tax considerations.

All amounts relative to the acquisition, holding or disposition of the Securities (including adjusted cost base, interest, dividends and proceeds of disposition) must be expressed in Canadian dollars for purposes of the Canadian Tax Act. An amount denominated in foreign currency, such as U.S. dollars, would generally need to be converted into Canadian dollars based on the rate of exchange quoted by the Bank of Canada at noon on the day such amount arose.

This summary is of a general nature only and is not exhaustive of all Canadian federal income tax considerations that may be relevant to a particular Holder. It is not intended to be, and should not be construed as, legal or tax advice to any particular Holder. Therefore, each person contemplating a purchase of Notes under the Offering is urged to consult the person's own tax advisers with respect to the person's particular circumstances.

Holders Who Are Not Residents of Canada

This section of the summary applies solely to Holders who at all relevant times for purposes of the Canadian Tax Act and any applicable tax treaty or convention,

- are not and are not deemed to be resident in Canada,
- hold the securities as capital property,
- do not and are not deemed to use or hold any Securities in or in the course of a business carried on in Canada, and
- do not carry on an insurance business in Canada and elsewhere,

(each such Holder, a "Non-Resident Holder").

Interest

A Non-Resident Holder to whom the Company pays or credits, or is deemed to pay or credit, an amount as, on account of, or in lieu of interest on a Note will not be subject to Canadian federal income tax under the Canadian Tax Act on the amount.

Conversion of Notes for Common Shares

A Non-Resident Holder who exchanges a Note for Common Shares pursuant to the terms of the Note will not be subject to Canadian federal income tax under the Canadian Tax Act as a result of such exchange.

Disposition of Notes or Common Shares

A Non-Resident Holder who realizes a capital gain on the actual or deemed disposition of a Note or Common Share will not be subject to Canadian federal income tax under the Canadian Tax Act in respect of the capital gain unless such Note or Common Share, as the case may be, constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Canadian Tax Act and the Non-Resident Holder is not exempt from Canadian federal income tax on such gain pursuant to the terms of an applicable tax treaty or convention.

Generally, a Common Share owned by a Non-Resident Holder will not be taxable Canadian property of the Non-Resident Holder at a particular time provided that, at that time,

- the common shares of the Company are listed on the Nasdaq Global Market,
- neither the Non-Resident Holder nor persons with whom the Non-Resident Holder does not deal at arm's length alone or in any combination has owned 25% or more of the shares of any class or series of shares in the capital of the Company at any time in the previous five years, and
- the Common Share was not acquired in a transaction (including on an exchange of the related Note pursuant to the terms of such Note) as a result of which it was deemed to be taxable Canadian property of the Non-Resident Holder.

The Notes will not constitute taxable Canadian property of a Non-Resident Holder provided that the common shares of the Company are not taxable Canadian property.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company on the Common Shares will be subject to Canadian withholding tax at the rate of 25% unless reduced by the terms of an applicable tax treaty or convention. Under the Canada-United States Tax Convention (1980) (the "U.S. Treaty"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is a resident in the United States for purposes of the U.S. Treaty (a "U.S. Holder") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Company's "voting stock" within the meaning of the U.S. Treaty).

U.S. Holders

On September 21, 2007, the Minister of Finance (Canada) and the United States Secretary of the Treasury signed the fifth protocol to the U.S. Treaty (the "Protocol") which includes amendments to many of the provision of the U.S. Treaty, including significant amendments to the limitation on benefits provision. The Protocol will enter into force once it is ratified by both the Canadian and United States governments and will have effect in respect of withholding taxes, after the first day of the second month that begins after the date on which the Protocol enters into force. U.S. Holders are urged to consult their own tax advisors to determine the impact of the Protocol and their entitlement to relief under the U.S. Treaty based on their particular circumstances.

Holders Who Are Residents of Canada

This section of the summary applies solely to a Holder who at all relevant times for the purposes of the Canadian Tax Act:

- is or is deemed to be resident in Canada,
- holds the Securities as capital property,
- is neither a "financial institution" for the purposes of the mark-to-market rules in the Tax Act nor a "specified financial institution",
- is not an entity an interest in which is a "tax shelter investment", and
- is not subject to proposed subsection 261(4) of the Canadian Tax Act.

(a "Resident Holder").

The Securities generally will be considered to be capital property to a Resident Holder unless the Resident Holder holds the Securities in the course of carrying on a business of trading or dealing in securities or otherwise as part of a business of buying and selling securities, or has acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

A Resident Holder whose Securities might not constitute capital property may, in certain circumstances, irrevocably elect under subsection 39(4) of the Tax Act to have the Securities and all other Canadian securities held by the Resident Holder treated as capital property.

Taxation of Interest

A Resident Holder that is a corporation, partnership, unit trust or trust of which a corporation is a beneficiary, will be required to include in its income for a taxation year any interest on a Note that accrues to the Resident Holder to the end of the taxation year or that becomes receivable or is received by it before the end of the taxation year, to the extent that the Resident Holder did not include the amount in income for a preceding taxation year.

Any other Resident Holder, including an individual, will be required to include in income for a taxation year any interest on a Note received or receivable (depending upon the method regularly followed by the Resident Holder in

computing income) by the Resident Holder in the taxation year to the extent that the Resident Holder did not include the interest in income for a preceding taxation year.

Conversion of Notes for Common Shares

A Resident Holder who exchanges a Note for Common Shares pursuant to the terms of the Note will be deemed to have acquired those Common Shares at a cost equal to the adjusted cost base of the Note to the Resident Holder immediately before the exchange. The exchange will not be considered to be a disposition of the Note for the purposes of the Canadian Tax Act, and therefore will not give rise to a capital gain or capital loss.

The adjusted cost base to the Resident Holder of the Common Shares so received will be determined by averaging the cost of those shares with the adjusted cost base of all other common shares of the Company held by the Resident Holder as capital property.

A Resident Holder who upon conversion of a Note receives $200 or less in lieu of a fraction of a Common Share may treat this amount either as proceeds of disposition of the fraction of the Common Share, thereby realizing a capital gain or capital loss, or as a reduction of the cost of the Common Shares that the Resident Holder receives on the conversion.

Disposition of Notes

A Resident Holder who disposes or is deemed to dispose of a Note, including by sale, conversion, redemption, repayment or purchase by the Company, generally will be required to include in income for the taxation year in which the disposition occurs the amount of interest accrued or deemed to accrue to the date of disposition, to the extent that the Resident Holder has not otherwise included the amount in income for the taxation year or a preceding taxation year.

A Resident Holder who disposes of a Note (but excluding a disposition by exchange of a Note exclusively for Common Shares (other than an amount not more than the U.S. dollar equivalent of Canadian $200 received in lieu of a fraction of a Common Share) pursuant to the terms of the Note) generally will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition, less reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Resident Holder. Any capital gain or loss so arising will be subject to the usual rules governing the taxation of capital gains and capital losses. See the section entitled "Canadian Federal Income Tax Considerations — Holders Who are Residents of Canada — Capital Gains and Capital Losses."

Disposition of Common Shares

A Resident Holder who disposes of a Common Share generally will realize a capital gain (or capital loss) equal to the amount by which the Resident Holder's proceeds of disposition, less reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Common Share to the Resident Holder. Any capital gain or loss so arising will be subject to the usual rules governing the taxation of capital gains and capital losses. See the section entitled "Canadian Federal Income Tax Considerations — Holders Who are Residents of Canada — Capital Gains and Capital Losses."

Capital Gains and Capital Losses

A Resident Holder who realizes a capital gain or capital loss in a taxation year will be required to include one half of the capital gain ("taxable capital gain") in income, and may deduct one half of the capital loss ("allowable capital loss") against taxable capital gains realized in the taxation year of the disposition. The Resident Holder may deduct any unused allowable capital loss against net taxable capital gains realized in any of the three preceding taxation years or any subsequent taxation year, subject to and accordance with the provisions of the Canadian Tax Act.

The amount of any capital loss arising from a disposition or deemed disposition of a Common Share by a Resident Holder may, to the extent and under circumstances specified in the Canadian Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the Resident Holder on a Common Share. Resident Holders to whom these rules may be relevant should consult their own tax advisers.

Resident Holders who are individuals (other than certain trusts) may be subject to alternative minimum tax in respect of realized capital gains.

Dividends

A Resident Holder who is an individual (other than certain trusts) will be required to include in income any taxable dividend that the Resident Holder receives, or is deemed to receive, on Common Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for "eligible dividends" (as defined in the Canadian Tax Act). A taxable dividend will be eligible for the enhanced gross-up and dividend tax credit if the paying corporation designates the taxable dividend as an eligible dividend by providing written notice to the dividend recipient. There may be limitations on the ability of a corporation to designate dividends as eligible dividends.

Resident Holders who are individuals (other than certain trusts) may be subject to alternative minimum tax in respect of taxable dividends.

A Resident Holder that is a corporation generally will be required to include in income any taxable dividend that it receives or is deemed to be receive on Common Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income.

A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Canadian Tax Act), may be liable under Part IV of the Canadian Tax Act to pay a refundable tax of $33^{1}/_{3}\%$ on any taxable dividend that it receives or is deemed to receive on Common Shares to the extent that such taxable dividend is deductible in computing such Resident Holder's taxable income. Any such Part IV tax will generally be refundable to such Resident Holder at the rate of $1 for every $3 of taxable dividends that it pays while it is a private corporation.

Canadian-Controlled Private Corporations

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Canadian Tax Act) may be liable to pay an additional refundable tax of $6^{2}/_{3}\%$ on its "aggregate investment income" (as defined in the Canadian Tax Act) for the year, including interest income, taxable capital gains and non-deductible dividends.

SELLING SECURITYHOLDERS

The notes were originally issued by us and sold by the initial purchaser of the notes in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed to be qualified institutional buyers as defined by Rule 144A under the Securities Act. Selling securityholders, including their transferees, pledgees or donees or their successors, may from time to time offer and sell pursuant to this prospectus any or all of the notes and common shares into which the notes are convertible. Those purchasers may have made subsequent transfers of the notes to purchasers that are qualified institutional buyers pursuant to Rule 144A. We have no knowledge whether the selling securityholders listed below received the notes on the initial distribution or through subsequent transfers after the close of the initial private placement.

The following table sets forth information, as of February 29, 2008, with respect to the selling securityholders and the principal amount of notes and the common shares issuable upon conversion of the notes beneficially owned by each securityholder that may be offered pursuant to this prospectus. The information is based on information provided by or on behalf of the selling securityholders.

The selling securityholders may offer all, some or none of the notes or the common shares into which the notes are convertible. Thus, we cannot estimate the amount of the notes or common shares that will be held by the selling securityholders upon consummation of any sales. The columns showing ownership after completion of the offering assumes that the selling securityholders will sell all of the notes and all of the shares of common stock issuable upon conversion of the notes offered pursuant to this prospectus. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their notes since the date on which they provided the information regarding their notes in transactions exempt from the registration requirements of the Securities Act.

The number of common shares issuable upon conversion of the notes shown in the table below assumes conversion of the full amount of notes held by each selling securityholder at the initial conversion rate of 50.6073 common shares per US$1,000 principal amount of notes and a cash payment in lieu of any fractional shares. This conversion price is subject to adjustment in certain events. Accordingly, the number of conversion shares may increase or decrease from time to time.

Name and Address of Securityholder	Principal Amount of Notes Beneficially Owned	Principal Amount of Notes Offered Hereby	Number of Common Shares Being Registered Hereby	Common Shares Owned After Completion of the Offering
Vicis Capital Master Fund c/o Vicis Capital LLC 126 East 56th Street, Suite 700 New York, NY 10022	$ 3,000,000	$ 3,000,000	151,821.99	—
Bancroft Fund Ltd. 65 Madison Avenue, Suite 550 Morristown, NJ 07960	1,000,000	1,000,000	50,607.33	—
Ellsworth Fund Ltd. 65 Madison Avenue, Suite 550 Morristown, NJ 07960	1,000,000	1,000,000	50,607.33	—
Aristeia International Limited c/o Aristeia Capital LLC 136 Madison Avenue, 3rd Floor New York, NY 10016	7,923,000	7,923,000	400,961.8756	—
Aristeia Partners LP c/o Aristeia Capital LLC 136 Madison Avenue, 3rd Floor New York, NY 10016	877,000	877,000	44,382.62841	—

Name and Address of Securityholder	Principal Amount of Notes Beneficially Owned	Principal Amount of Notes Offered Hereby	Number of Common Shares Being Registered Hereby	Common Shares Owned After Completion of the Offering
CALAMOS Market Neutral Income Fund — CALAMOS Investment Trust Calamos Advisors LLC 2020 Calamos Court Naperville, IL 60563	2,000,000	2,000,000	101,214.66	—
Radcliffe SPC, Ltd. for and on behalf of the Class A Segregated Portfolio c/o RG Capital Management, L.P. 3 Bala Plaza East, Suite 501 Bala Cynwyd, PA 19004	10,000,000	10,000,000	506,073.3	—
Sunrise Partners Limited Partnership 2 American Lane Greenwich, CT 06831	1,000,000	1,000,000	50,607.33	—
Fore ERISA Fund, Ltd. 280 Park Ave, 43rd Floor New York, NY 10017	385,000	385,000	19,483.81	—
Fore Convertible Master Fund, Ltd. 280 Park Ave, 43rd Floor New York, NY 10017	2,290,000	2,290,000	115,890.72	—

Based upon information provided by the selling securityholders, none of the selling securityholders nor any of their affiliates, officers, directors or principal equity holders has held any position or office or has had any material relationship with us within the past three years.

To the extent that any of the selling securityholders identified above are broker-dealers, they may be deemed to be, under interpretations of the SEC, “underwriters” within the meaning of the Securities Act, with respect to the securities it sells pursuant to this prospectus.

With respect to selling securityholders that are affiliates of broker-dealers, based on information provided by the selling securityholders we believe that such entities acquired their notes and underlying common shares in the ordinary course of business and, at the time of the purchase of the notes and the underlying common shares, such selling securityholders had no agreements or undertakings, directly or indirectly, with any person to distribute the notes or underlying common shares.

If, after the date of this prospectus, a holder notifies us pursuant to the registration rights agreement of its intent to dispose of notes pursuant to the registration statement, we may supplement this prospectus or amend the registration statement to include that information. With respect to any holder who acquires notes after the effectiveness of this registration statement, we may supplement this prospectus or amend the registration statement to add that holder to the foregoing table.

PLAN OF DISTRIBUTION

We will not receive any of the proceeds of the sale of the notes or the common shares issuable upon conversion of the notes offered by this prospectus. The notes or the common shares issuable upon conversion of the notes may be sold from time to time to purchasers:

- directly by the selling securityholders or their pledgees, donees, transferees or any successors in interest (all of whom may be selling securityholders); or
- through underwriters, broker-dealers or agents who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers of the notes or the common shares issuable upon conversion of the notes.

The selling securityholders and any such broker-dealers or agents who participate in the distribution of the notes or the common shares issuable upon conversion of the notes may be deemed to be "underwriters." As a result, any profits on the sale of the notes or the common shares issuable upon conversion of the notes by selling securityholders and any discounts, commissions or concessions received by any such broker-dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. If the selling securityholders were to be deemed underwriters, the selling securityholders may be subject to certain statutory liabilities of, including, but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

Any selling securityholder who is a "broker-dealer" may be deemed to be an "underwriter" within the meaning of Section 2(11) of the Securities Act. These securityholders purchased their notes in the open market, not directly from us, and we are not aware of any underwriting plan or agreement, underwriters' or dealers' compensation, or passive market-making or stabilization transactions involving the purchase or distribution of these securities by these securityholders. To our knowledge, none of the selling securityholders who are affiliates of broker-dealers purchased the notes outside of the ordinary course of business or, at the time of the purchase of the notes, had any agreement or understanding, directly or indirectly, with any person to distribute the securities.

If the notes or the common shares issuable upon conversion of the notes are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions.

The notes or the common shares issuable upon conversion of the notes may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in transactions:

- on any national securities exchange or quotation service on which the notes or the common shares issuable upon conversion of the notes may be listed or quoted at the time of the sale, including the Nasdaq Global Market;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market; or
- through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with sales of the notes or the common shares issuable upon conversion of the notes, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the notes or the common shares issuable upon conversion of the notes in the course of hedging their

positions. The selling securityholders may also sell the notes or the common shares issuable upon conversion of the notes or short and deliver notes or the common shares issuable upon conversion of the notes to close out short positions, or loan or pledge notes or the common shares upon conversion of the notes to broker-dealers that in turn may sell the notes or the common shares issuable upon conversion of the notes.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes or the common shares issuable upon conversion of the notes by the selling securityholders. There can be no assurance that any selling securityholder will sell any or all of the notes or the common shares issuable upon conversion of the notes pursuant to this prospectus. In addition, any notes or the common shares issuable upon conversion of the notes covered by this prospectus that qualify for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. We cannot assure you that any such selling securityholder will not transfer, devise or gift the notes or the common shares issuable upon conversion of the notes or by other means not described in this prospectus.

Although the notes issued in the initial placement are eligible for trading in the PORTAL Market℠, notes sold using this prospectus will no longer be eligible for trading in the PORTAL system. We have not listed, and do not intend to list, the notes on any securities exchange or automated quotation system.

Our common shares are listed on the Nasdaq Global Market under the symbol “CSIQ.”

The selling securityholders and any other person participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying common shares by the selling securityholders and any other such person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying common shares to engage in market-making activities with respect to the particular notes and the underlying common shares being distributed for a period of up to five business days prior to the commencement of such distribution. This may affect the marketability of the notes and the underlying common shares and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying common shares.

Pursuant to the registration rights agreement, we and the selling securityholders will be indemnified by the other against certain liabilities, including certain liabilities under the Securities Act or will be entitled to contribution in connection with these liabilities.

We have agreed to pay the expenses incidental to the registration, offering and sale of the notes and the common shares issuable upon conversion of the notes to the public other than commissions, fees and discounts of underwriters, brokers, dealers and agents.

LEGAL MATTERS

The validity of the notes offered by this prospectus will be passed upon for us by Latham & Watkins LLP. The validity of the common shares and certain other legal matters as to Canadian law will be passed upon for us by WeirFoulds LLP.

EXPERTS

The financial statements and related financial statement schedule incorporated in this prospectus by reference from our annual report on Form 20-F have been audited by Deloitte Touche Tohmatsu CPA Ltd., an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The offices of Deloitte Touche Tohmatsu CPA Ltd. are located at 30/F, Bund Center, 222 Yan An Road East, Shanghai, People’s Republic of China.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Expenses

The following is a statement of the expenses (all of which are estimated) to be incurred by Canadian Solar Inc. in connection with a distribution of securities registered under this registration statement:

SEC registration fee	$	2,947.50
Legal fees and expenses		200,000
Accounting fees and expenses		19,240.00
Printing fees		1,500.00
Miscellaneous		500.00
Total	$	224,187.50

Item 8. ***Indemnification of Directors and Officers.***

Under the Canada Business Corporations Act, and pursuant to our bylaws, we may indemnify any present or former director or officer or an individual who acts or acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity. In order to qualify for indemnification such director or officer must:

- have acted honestly and in good faith with a view to our best interests, or, as the case may be, to the best interests of the other entity for which he or she acted as director or officer or in a similar capacity at our request; and
- in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, have had reasonable grounds for believing that his or her conduct was lawful.

Indemnification will be provided to an eligible director or officer who meets both these tests and was substantially successful on the merits in his or her defense of the action.

A director or officer is entitled to indemnification from the company as a matter of right if he or she is not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and fulfilled the conditions set forth above.

Item 9. ***Exhibits.***

Exhibit Number	Exhibit Description
4.1*	Registrant's specimen certificate.
4.2	Indenture related to the Convertible Senior Notes due 2017, dated as of December 10, 2007, between the registrant and The Bank of New York, as trustee.
4.3	Form of 6.0% Convertible Senior Notes due 2017 (contained in Exhibit 4.2).
4.4	Registration Rights Agreement dated as of December 10, 2007 between the registrant and Piper Jaffray & Co.
5.1	Opinion of WeirFoulds LLP regarding the validity of common shares being registered.
5.2	Opinion of Latham & Watkins LLP regarding the validity of the Convertible Senior Notes.
8.1	Opinion of Latham & Watkins LLP regarding certain U.S. tax matters.
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of Deloitte Touche Tohmatsu CPA Ltd.
23.2	Consent of WeirFoulds LLP (included in Exhibit 5.1).
23.3	Consent of Chen & Co. Law Firm.

Exhibit Number	Exhibit Description
23.4	Consent of Latham & Watkins LLP (included in Exhibit 5.2 and Exhibit 8.1).
24.1	Powers of Attorney (included in signature pages in Part II of this registration statement).
25.1	Statement of Eligibility of The Bank of New York as trustee on Form T-1.

* Previously filed with the registrant's registration statement on Form F-1 (File No. 333-138144) and incorporated herein by reference

Item 10. ***Undertakings.***

(a) The Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933 (the "Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to that information in the registration statement;

Provided, however, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided that the Company includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.

(b) The Company hereby undertakes that, for purposes of determining any liability under the Act, each filing of its annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report under Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Suzhou, China, on March 3, 2008.

CANADIAN SOLAR INC.

By: /s/ Shawn (Xiaohua) Qu
Name: Shawn (Xiaohua) Qu
Title: Chairman and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes and appoints Mr. Shawn (Xiaohua) Qu, with full power to act alone, as his or her true and lawful attorney-in-fact, with the power of substitution, for and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated and as of March 3, 2008.

Signature	Title
/s/ Shawn (Xiaohua) Qu Shawn (Xiaohua) Qu	Chairman and Chief Executive Officer (principal executive officer)
/s/ Bing Zhu Bing Zhu	Director and Chief Financial Officer (principal financial and accounting officer)
/s/ Robert McDermott Robert McDermott	Director
/s/ Lars-Eric Johansson Lars-Eric Johansson	Director
/s/ Michael G. Potter Michael G. Potter	Director
/s/ Yan Zhuang Yan Zhuang	Director
/s/ Donald J. Puglisi Name: Donald J. Puglisi Title: Managing Director, Puglisi & Associates	Authorized Representative in the United States

Exhibit 4.2

EXECUTION COPY

CANADIAN SOLAR INC.

And

THE BANK OF NEW YORK,
as Trustee

INDENTURE

Dated as of

December 10, 2007

6.0% Convertible Senior Notes due 2017

CROSS REFERENCE TABLE*

*NOTE: This Cross Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

Trust Indenture Act Section	Indenture Section
Section 310(a)(1)	6.09
(a)(2)	6.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(a)(5)	6.09
(b)	6.08; 6.10; 6.11
(c)	Not Applicable
Section 311(a)	6.13
(b)	6.13
Section 312(a)	4.01; 4.02
(b)	4.02(a)
(c)	4.02(b)
Section 313(a)	4.03
(b)	4.03
(c)	4.03
(d)	4.03(a)
Section 314(a)	4.04
(b)	Not Applicable
(c)(1)	13.05
(c)(2)	13.05
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	13.05
Section 315(a)	6.01
(b)	5.08
(c)	6.01
(d)	6.01
(e)	5.09
Section 316(a)	7.01
(a)(1)(A)	7.01; 5.01
(a)(1)(B)	5.07
(a)(2)	Not Applicable
(b)	5.04
(c)	7.01
Section 317(a)(1)	5.03; 5.02; 5.05
(a)(2)	5.02
(b)	6.05; 11.01
Section 318(a)	13.07
(c)	13.07

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INDENTURE

INDENTURE dated as of December 10, 2007 between Canadian Solar Inc., a Canadian corporation (hereinafter called the "Company"), having its principal office at No. 199 Lushan Road, Suzhou New District, Suzhou, Jiangsu 215129, People's Republic of China, and The Bank of New York, a New York banking corporation, as trustee hereunder (hereinafter called the "Trustee").

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issue of its 6.0% Convertible Senior Notes due 2017 (the "Securities") and, to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee or a duly authorized authenticating agent, as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issue hereunder of the Securities have in all respects been duly authorized,

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Securities are, and are to be, authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Securities (except as otherwise provided below), as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Definitions. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. All other terms used in this Indenture that are defined in the Trust Indenture Act or which are by reference therein defined in the Securities Act (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the meanings assigned to such terms in the Trust Indenture Act (as defined herein) and in the Securities Act (as defined herein) as in force at the date of the execution of this Indenture. The words "herein", "hereof", "hereunder" and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other Subdivision. The terms defined in this Article include the plural as well as the singular.

"Additional Amounts" has the meaning specified in Section 15.09.

"Additional Common Shares" has the meaning specified in Section 15.13.

"Additional Interest" has the meaning given the term "Additional Interest Amount" in Section 2(e) of the Registration Rights Agreement.

"Additional Securities" means any Securities (other than the Initial Securities) issued pursuant to this Indenture in accordance with Section 2.01 hereof, as part of the same series and with the same CUSIP number as the Initial Securities.

"Agent Members" has the meaning specified in Section 2.05(a).

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control", when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliated Entities" means Dr. Shawn Qu and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are sole beneficiaries or the grantors, or any Person of which any of the forgoing, individually or collectively, beneficially own voting securities representing at least a majority of the total voting power of all classes of share capital of such Person (exclusive of any matters as to which class voting rights exist).

"Board of Directors" means the Board of Directors of the Company or a committee of such Board duly authorized to act for it hereunder.

"Business Day" means any day except a Saturday, Sunday or legal holiday on which The Federal Reserve Bank of New York is authorized or obligated by law, regulation or executive order to close.

"Cash Settlement Averaging Period" means (a) with respect to any Conversion Date occurring on or after the 12th Scheduled Trading Day immediately preceding the Maturity Date, Redemption Date, Repurchase Date or Fundamental Change Purchase Date, the ten (10) consecutive Trading Day period beginning on, and including, the 12th Scheduled Trading Day immediately preceding such date, subject to any extension due to a Market Disruption Event and (b) in all other cases, the ten (10) consecutive Trading Day period beginning on, and including, the third Trading Day immediately following the relevant Conversion Date.

"Change in Control" means the occurrence of any of the following transactions:

(i) a "person" or "group" within the meaning of Section l3(d)(3) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of Common Shares representing more than 50% of the voting power of the Common Shares entitled to vote generally in the election of the Board

of Directors, but with respect to Dr. Shawn Qu and his Affiliated Entities, representing more than 60%; or

(ii) the first day on which a majority of the members of the Board of Directors does not consist of Continuing Directors; or

(iii) a consolidation, merger or binding share exchange (other than any such transaction (a) that does not result in any reclassification, conversions, exchange or cancellation of outstanding Common Shares, and (b) pursuant to which holders of the Common Shares immediately before the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all Common Shares entitled to vote generally in elections of the Board of Directors of the continuing or surviving or successor Person immediately after giving effect to such issuance), or any conveyance, transfer, sale, lease or other disposition of all or substantially all of our properties and assets to another Person; or

(iv) the Company's shareholders approve any plan or proposal for the Company's liquidation.

Notwithstanding the foregoing, in the case of a consolidation or merger, it will not constitute a Change in Control if at least 90% of the consideration for the Common Shares (excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights and cash payment of the required cash payment, if any) in the consolidation or merger constituting the Change in Control consists of securities traded on a United States national securities exchange, or which will be so traded when issued or exchanged in connection with the Change in Control, and as a result of such consolidation or merger the securities become convertible solely into such securities.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Share Price" has the meaning specified in Section 15.13.

"Common Shares" means any shares of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and that is not subject to redemption by the Company. Subject to the provisions of Section 15.08, however, shares issuable on conversion of Securities shall include only shares of the class designated as common shares of the Company at the date of this Indenture (namely, the Common Shares, no par value) or shares of any class or classes resulting from any reclassification or reclassifications thereof and that have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and that are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable on conversion shall be substantially in the proportion that the total number of shares of such class resulting from all

such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means the corporation named as the "Company" in the preamble to this Indenture, and, subject to the provisions of Article 10 and Section 15.08, shall include its successors and assigns.

"Company Order" has the meaning specified in Section 2.01.

"Continuing Directors" means as of any date of determination, any individual who on the date of this Indenture was a member of the Board of Directors, together with any directors whose election, or, solely to fill the vacancy of a Continuing Director, appointment by the Board of Directors or whose nomination for election by the Company's shareholders is duly approved by the vote of a majority of the directors on the Board of Directors (or such lesser number comprising a majority of a nominating committee if authority for such nominations or elections has been delegated to a nominating committee whose authority and composition have been approved by at least a majority of the directors who were Continuing Directors at the time such committee was formed) then still in office who were either directors on the date of this Indenture or whose election, appointment (in the case of a vacancy of a Continuing Director), or nomination for election was previously approved by a majority of the Continuing Directors, either by specific vote or by approval of the proxy statement issued by the Company in which such individual is named as a nominee for director.

"Conversion Date" means the Business Day on which the holder satisfies all of the requirements set forth in Section 15.02.

"Conversion Notice" has the meaning specified in Section 15.02.

"Conversion Price" as of any date shall equal $1,000 divided by the Conversion Rate as of such date.

"Conversion Rate" has the meaning specified in Section 15.06.

"Conversion Value" means the product of (a) the Conversion Rate multiplied by (b) the average of the Volume Weighted Average Price per Common Share on each of the Trading Days during the applicable Cash Settlement Averaging Period. The "Conversion Rate," as such term is used in the immediately preceding sentence, shall be appropriately adjusted to take into account the occurrence on or before the relevant Trading Day in the applicable Cash Settlement Averaging Period of any event that would require an adjustment to the applicable Conversion Rate pursuant to Section 15.07 of this Indenture.

"Corporate Trust Office" or other similar term, means the designated office of the Trustee at which at any particular time its corporate trust business as it relates to this Indenture shall be administered, which office is, at the date as of which this Indenture is dated, located at The Bank of New York, 101 Barclay Street, Floor 4 East, New York, New York 10286, Fax No. (212) 815-5802 or (212) 815-5803, Attn: Global Trust Services (Canadian Solar Inc. - 6.0% Convertible Senior Notes due 2017), with a copy to: The Bank of New York, 12/F Three Pacific

Place, 1 Queen's Road East, Hong Kong, Fax No. (852) 2295-3283, Attn: Global Corporate Trust.

"Custodian" means The Bank of New York, as custodian with respect to the Securities in global form, or any successor entity thereto.

"Daily Common Share Amount" means, for each Trading Day of the Cash Settlement Averaging Period and each $1,000 principal amount of Securities surrendered for conversion, a number of Common Shares (but in no event less than zero) determined pursuant to the following formula:

$$\frac{\left(\begin{array}{c}\text{volume weighted average price}\\ \text{per common share on such}\\ \text{trading day}\end{array} \times \begin{array}{c}\text{conversion rate}\\ \text{in effect on the}\\ \text{conversion date}\end{array}\right) - \begin{array}{c}\text{specified}\\ \text{cash}\\ \text{amount}\end{array}}{\text{volume weighted average price per common share on such trading day}} \times 10$$

The "Conversion Rate in effect on the Conversion Date," as such term is used in the formula set forth above, shall be appropriately adjusted to take into account the occurrence on or before the relevant Trading Day of any event that would require an adjustment to the applicable Conversion Rate pursuant to Section 15.07 of this Indenture.

"Defaulted Interest" has the meaning specified in Section 2.03.

"Depositary" means, the clearing agency registered under the Exchange Act that is designated to act as the Depositary for the Global Securities. The Depository Trust Company shall be the initial Depositary, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, "Depositary" shall mean or include such successor.

"Effective Date" has the meaning specified in Section 15.13.

"Event of Default" means any event specified in Section 5.01 as an Event of Default.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

"Ex-Dividend Date" means, with respect to any distribution on Common Shares, the first day on which the Common Shares trade on the applicable exchange, or in the applicable market, regular way, without the right to receive such distribution.

"Fundamental Change" shall mean the occurrence of a Change in Control.

"Fundamental Change Expiration Time" has the meaning specified in Section 14.05(b).

"Fundamental Change Notice" has the meaning specified in Section 14.05(b).

"Fundamental Change Purchase Date" has the meaning specified in Section 14.05.

"Fundamental Change Purchase Notice" has the meaning specified in Section 14.05(b).

"Global Security" has the meaning specified in Section 2.02.

"Indenture" means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

"Ineligible Consideration" has the meaning specified in Section 15.08.

"Initial Purchaser" means Piper Jaffray & Co.

"Initial Securities" means securities in an aggregate principal amount of $75,000,000 initially issued under this Indenture.

"Interest" means, when used with reference to the Securities, any interest payable under the terms of the Securities, including Additional Interest, if any, payable under the terms of the Registration Rights Agreement and any Additional Amounts.

"Last Reported Sale Price" of the Common Shares on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported on the Nasdaq Global Market or other principal United States securities exchange on which Common Shares are traded or, if the Common Shares are not listed for trading on a United States national or regional securities exchange on the relevant date, the "Last Reported Sale Price" of the Common Shares will be the last quoted bid price for the Common Shares in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If the Common Shares are not so quoted, the "Last Reported Sale Price" of the Common Shares will be the average of the mid-point of the last bid and ask prices for the Common Shares on the relevant date from each of at least three U.S. nationally recognized independent investment banking firms selected by us for this purpose. The Last Reported Sale Price shall be determined without reference to extended or after hours trading.

"Market Disruption Event" means the occurrence or existence for more than one-half hour period in the aggregate on any Trading Day for the Company's Common Shares of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Company's Common Shares or in any options, contracts or future contracts relating solely to the Company's Common Shares, and such suspension or limitation occurs or exists at any time before 1:00 p.m. (New York City time) on such day.

"Maturity Date" means December 15, 2017.

"Notice of Election" has the meaning specified in Section 14.09.

"Officers' Certificate", when used with respect to the Company, means a certificate signed by the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer or any Vice President (whether or not designated by a number or numbers or word or words added

before or after the title "Vice President") and the Treasurer or any Assistant Treasurer or the Secretary or Assistant Secretary of the Company.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company, which opinion shall be reasonably acceptable to the Trustee.

"Outstanding", when used with reference to Securities and subject to the provisions of Section 7.04, means, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, (i) for the redemption of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or (ii) that shall have been otherwise defeased in accordance with Article 11;

(c) Securities in lieu of which, or in substitution for which, other Securities shall have been authenticated and delivered pursuant to the terms of Section 2.06; and

(d) Securities converted into either Common Shares, cash, or a combination of cash and Common Shares pursuant to Article 15 and Securities deemed not outstanding pursuant to Article 14.

"Person" means a corporation, an association, a partnership, a limited liability company, an individual, a joint venture, a joint stock company, a trust, an unincorporated organization or a government or an agency or a political subdivision thereof.

"PORTAL Market" means the PORTAL Market operated by The Nasdaq Stock Market, Inc. or any successor thereto.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security, and, for the purposes of this definition, any Security authenticated and delivered under Section 2.06 in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security that it replaces.

"Prescribed Securities" has the meaning specified in Section 15.08.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of December 10, 2007 between the Company and the Initial Purchaser, as amended from time to time in accordance with its terms.

"Relevant Taxing Jurisdiction" means any jurisdiction in which the Company or any successor are organized or resident for tax purposes or through which payment is made (or any political subdivision or taxing authority thereof or therein).

"Repurchase Date" has the meaning specified in Section 14.08(a).

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer in the Corporate Trust Office of the Trustee with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person's knowledge of and familiarity with the particular subject.

"Restricted Securities" has the meaning specified in Section 2.05(a).

"Restricted Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto.

"Rights" has the meaning specified in Section 15.07(b).

"Rights Plan" has the meaning specified in Section 15.07(b).

"Rule 144" means Rule 144 as promulgated under the Securities Act.

"Rule 144A" means Rule 144A as promulgated under the Securities Act.

"Scheduled Trading Day" means a day that is scheduled to be a Trading Day.

"Securities" has the meaning specified in the preamble to this Indenture. The Initial Securities and the Additional Securities shall be treated as a single class and have the same CUSIP number for purposes of this Indenture.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

"Security Register" has the meaning specified in Section 2.05.

"Security Registrar" has the meaning specified in Section 2.05.

"Securityholder" or "holder" as applied to any Security, or other similar terms, means any Person in whose name at the time a particular Security is registered on the Security Registrar's books.

"Significant Subsidiary" means a Subsidiary of the Company (or any successor) which, at the time of determination, either (a) had assets which, as of the date of the Company's (or such successor's) most recent quarterly consolidated balance sheet, constituted at least 10% of the Company's (or such successor's) total assets on a consolidated basis as of such date or (b) had revenues for the 12-month period ending on the date of the Company's (or such successor's) most recent quarterly consolidated statement of income which constituted at least 10% of the

Company's (or such successor's) total revenues on a consolidated basis for such period; provided that CSI Solartronics (Changshu) Ltd., CSI Solar Manufacture Inc., CSI Solar Technologies Inc., CSI Central Solar Power Co., Ltd., CSI Solarchip International Co., Ltd. and Changshu CSI Advanced Solar Inc., and any of their respective successors shall at all times be Significant Subsidiaries.

"Spin-Off" has the meaning specified in Section 15.07(c).

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of capital stock or other equity interest entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person (or a combination thereof) and (ii) any partnership (a) the sole general partner or managing general partner of which is such Person or a subsidiary of such Person or (b) the only general partners of which are such Person or of one or more subsidiaries of such Person (or any combination thereof).

"Tax Redemption Date" has the meaning specified in Section 15.09.

"Tax Redemption Price" has the meaning specified in Section 15.09.

"Trading Day" means a day during which (i) there is no Market Disruption Event and (ii) the Nasdaq Global Market, or if the Company's Common Shares are not listed on the Nasdaq Global Market, the principal U.S. securities exchange on which the Company's Common Shares are listed, is open for trading or if the Company's Common Shares are not admitted for trading or quotation on or by any exchange, bureau or other organization referred to in the definition of Last Reported Sale Price (excluding the third sentence of that definition), "trading day" will mean any Business Day.

"Trigger Event" has the meaning specified in Section 15.07(c).

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, as it was in force at the date of this Indenture, except as provided in Section 9.03 and Section 15.08; provided that if the Trust Indenture Act of 1939 is amended after the date hereof, the term "Trust Indenture Act" shall mean, to the extent required by such amendment, the Trust Indenture Act of 1939 as so amended.

"Trustee" means The Bank of New York and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Volume Weighted Average Price" per Common Share on any Trading Day means such price as displayed on Bloomberg (or any successor service) page CSIQ (equity) VAP in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such Trading Day. If such price is not available, the Volume Weighted Average Price means the market value per Common

Share on such day as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

ARTICLE 2
ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF SECURITIES

Section 2.01 Designation Amount And Issue Of Securities. The Securities shall be designated as "6.0% Convertible Senior Notes due 2017."

The Trustee shall authenticate and make available for delivery Initial Securities for original issue in the aggregate principal amount of up to $75,000,000 upon receipt of a written order or orders of the Company signed by two Officers of the Company (a "Company Order"). The Company Order shall specify the amount of Securities to be authenticated, shall provide that all such Securities will be represented by a Restricted Global Security and the date on which each original issue of Securities is to be authenticated. The aggregate principal amount of Initial Securities outstanding at any time may not exceed $75,000,000 except as provided in Section 2.06. The Company may, from time to time after the execution of this Indenture, execute and deliver to the Trustee for authentication Additional Securities, and the Trustee shall thereupon authenticate and deliver said Additional Securities to or upon the written order of the Company, without any further action by the Company hereunder; provided however that the Company may issue Additional Securities only if: (1) such Additional Securities and Initial Securities are treated as part of the same issue of debt instruments for purposes of U.S. federal income tax laws; (2) such Additional Securities shall have the same CUSIP number as the Initial Securities; and (3) the Trustee receives an Officers' Certificate and an Opinion of Counsel to the effect that such issuance of Additional Securities complies with the provisions of this Indenture, including each provision of this paragraph.

Section 2.02 Form of Securities. The Securities and the Trustee's certificate of authentication to be borne by such Securities shall be substantially in the form set forth in Exhibit A. The terms and provisions contained in the form of Security attached as Exhibit A hereto shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Any of the Securities may have such letters, numbers or other marks of identification and such notations, legends, endorsements or changes as the officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required by the Custodian, the Depositary or by The Nasdaq Stock Market, Inc. in order for the Securities to be tradable in the PORTAL Market or as may be required for the Securities to be tradable on any other market developed for trading of securities pursuant to Rule 144A or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Securities may be listed, or to conform to usage, or to indicate any special limitations or restrictions to which any particular Securities are subject.

So long as the Securities are eligible for book-entry settlement with the Depositary, or unless otherwise required by law, or otherwise contemplated by Section 1.1(1), all of the Securities will be represented by one or more Securities in global form registered in the name of the Depositary or the nominee of the Depositary (a "Global Security"). The transfer and exchange of beneficial interests in any such Global Security shall be effected through the Depositary in accordance with this Indenture and the applicable procedures of the Depositary. Except as provided in Section 1.1(1), beneficial owners of a Global Security shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered holders of such Global Security (other than in an enforcement by such owner of a beneficial interest to exchange such beneficial interest for Securities in certificated form).

Any Global Security shall represent such of the outstanding Securities as shall be specified therein and shall provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be increased or reduced to reflect redemptions, repurchases, conversions, transfers or exchanges permitted hereby or to reflect the increase in the principal amount of the Securities permitted by Section 2.01. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Securities represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in such manner and upon instructions given by the holder of such Global Securities in accordance with this Indenture. Payment of principal of and Interest and premium, if any, on any Global Security shall be made to the holder of such Security.

Section 2.03 Date And Denomination Of Securities; Payments Of Interest. The Securities shall be issuable in registered form without coupons in denominations of $1,000 principal amount and multiples thereof. Each Security shall be dated the date of its authentication and shall bear Interest from the date specified on the face of the form of Security attached as Exhibit A hereto. Interest on the Securities shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Person in whose name any Security (or its Predecessor Security) is registered on the Security Register at the close of business on any record date with respect to any interest payment date shall be entitled to receive the Interest payable on such interest payment date, except that the Interest payable upon redemption or repurchase will be payable to the Person to whom principal is payable pursuant to such redemption or repurchase (unless the redemption date or the repurchase date, as the case may be, falls after a record date and on or prior to the corresponding interest payment date, in which case the semi-annual payment of Interest becoming due on such interest payment date shall be payable to the holders of such Securities registered as such on the applicable record date).

Notwithstanding the foregoing, if any Security (or portion thereof) is converted into Common Shares during the period after a record date for the payment of Interest to, but excluding, the opening of business on the next succeeding interest payment date, holders of such Security at the close of business on the record date shall receive Interest payable on such Security (or portion thereof) on the corresponding interest payment date notwithstanding the conversion. Such Security (or portion thereof), upon surrender for conversion, shall be

accompanied by funds equal to the amount of Interest payable on such Security so converted; provided that no such payment shall be made (i) if the Company has specified a redemption date that is after a record date but on or prior to the next succeeding interest payment date, (ii) if the Company has specified a Fundamental Change Purchase Date that is after a record date but on or prior to the next succeeding interest payment date or (iii) to the extent of any overdue Interest at the time of conversion with respect to such Security. Interest shall be payable at the office or agency of the Company maintained by the Company for such purposes in the Borough of Manhattan, City of New York, which shall initially be an office or agency of The Bank of New York, having an office as of the date of this Indenture at 101 Barclay Street, Floor 4 East, New York, New York 10286, attention: Global Trust Services (Canadian Solar Inc. - 6.0% Convertible Senior Notes due 2017). The Company shall pay Interest (i) on any Securities in certificated form by check mailed to the address of the Person entitled thereto as it appears in the Security Register (or upon written notice, by wire transfer in immediately available funds, if such Person is entitled to Interest on aggregate principal in excess of $5 million, which shall remain in effect until such Person notifies, in writing, the Registrar to the contrary) or (ii) on any Global Security by wire transfer of immediately available funds to the account of the Depositary or its nominee. The term "record date" with respect to any interest payment date shall mean the June 1 and December 1 preceding the applicable June 15 or December 15 interest payment date, respectively.

Notwithstanding the foregoing, any Interest on any Security which is payable, but is not punctually paid or duly provided for, on any June 15 or December 15 (herein called "Defaulted Interest") shall forthwith cease to be payable to the Securityholder on the relevant record date by virtue of his having been such Securityholder, and such Defaulted Interest shall be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (which shall be not less than twenty-five (25) days after the receipt by the Trustee of such notice, unless the Trustee shall consent to an earlier date), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall be not more than fifteen (15) days and not less than ten (10) days prior to the date of the proposed payment, and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first-class postage prepaid, to each holder at his address as it appears in the Security Register, not less than ten (10) days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been so

mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (2) of this Section 2.03.

(2) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities may be listed or designated for issuance, and upon such notice as may be required by such exchange or automated quotation system, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Section 2.04 Execution of Securities. The Securities shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its Chairman of the Board, Chief Executive Officer, Chief Financial Officer or any Vice President (whether or not designated by a number or numbers or word or words added before or after the title "Vice President") and attested by the manual or facsimile signature of its Secretary or any of its Assistant Secretaries or any Vice President (whether or not designated by a number or numbers or word or words added before or after the title "Vice President") or its Treasurer or any of its Assistant Treasurers (which may be printed, engraved or otherwise reproduced thereon, by facsimile or otherwise). Only such Securities as shall bear thereon a certificate of authentication substantially in the form set forth on the form of Security attached as Exhibit A hereto, manually executed by the Trustee (or an authenticating agent appointed by the Trustee as provided by Section 13.11), shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee (or such an authenticating agent) upon any Security executed by the Company shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

In case any officer of the Company who shall have signed any of the Securities shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Securities nevertheless may be authenticated and delivered or disposed of as though the person who signed such Securities had not ceased to be such officer of the Company, and any Security may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Security, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such an officer.

Section 2.05 Exchange and Registration of Transfer of Securities; Restrictions on Transfer. (1) The Company shall cause to be kept at the Corporate Trust Office a register (the register maintained in such office and in any other office or agency of the Company designated pursuant to Section 3.02 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Security Register shall be in written form or in any form capable of being converted into written form within a reasonably prompt period of time. The Trustee is hereby appointed "Security

Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Company may appoint one or more co-registrars in accordance with Section 3.02.

Upon surrender for registration of transfer of any Security to the Security Registrar or any co-registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture.

Securities may be exchanged for other Securities of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency maintained by the Company pursuant to Section 3.02. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Securityholder making the exchange is entitled to receive bearing registration numbers not contemporaneously outstanding.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

All Securities presented or surrendered for registration of transfer or for exchange, redemption, repurchase or conversion shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company, and the Securities shall be duly executed by the Securityholder thereof or his attorney duly authorized in writing.

No service charge shall be made to any holder for any registration of transfer or exchange of Securities, but the Company may require payment by the holder of a sum sufficient to cover any tax, assessment or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities.

Neither the Company nor the Trustee nor any Security Registrar shall be required to exchange or register a transfer of (a) any Securities or portions thereof for a period of fifteen (15) days next preceding any selection of Securities to be redeemed, (b) any Securities or portions thereof surrendered for conversion pursuant to Article 15 or (c) any Securities or portions thereof tendered for repurchase (and not withdrawn) pursuant to Article 14.

(a) The following provisions shall apply only to Global Securities:

(i) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary or a nominee thereof and delivered to such Depositary or a nominee thereof or Custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(ii) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer

of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary or a nominee thereof unless (A) the Depositary (i) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor depositary has not been appointed by the Company within ninety (90) days or (ii) has ceased to be a clearing agency registered under the Exchange Act and no successor clearing agency has been appointed by the Company within 90 days, (B) an Event of Default has occurred and is continuing or (C) the Company, in its sole discretion, notifies the Trustee in writing that it no longer wishes to have all the Securities represented by Global Securities; provided that beneficial interests in a Global Security may be exchanged for definitive certificated Securities upon request by or on behalf of the Depositary in accordance with customary procedures. Any Global Security exchanged pursuant to clause (A) or (B) above shall be so exchanged in whole and not in part and any Global Security exchanged pursuant to clause (C) above may be exchanged in whole or from time to time in part as directed by the Company. Any Security issued in exchange for a Global Security or any portion thereof shall be a Global Security; provided that any such Security so issued that is registered in the name of a Person other than the Depositary or a nominee thereof shall not be a Global Security.

(iii) Securities issued in exchange for a Global Security or any portion thereof pursuant to clause (ii) above shall be issued in definitive, fully registered form, without interest coupons, shall have an aggregate principal amount equal to that of such Global Security or portion thereof to be so exchanged, shall be registered in such names and be in such authorized denominations as the Depositary shall designate and shall bear any legends required hereunder. Any Global Security to be exchanged in whole shall be surrendered by the Depositary to the Trustee, as Security Registrar. With regard to any Global Security to be exchanged in part, either such Global Security shall be so surrendered for exchange or, if the Trustee is acting as Custodian for the Depositary or its nominee with respect to such Global Security, the principal amount thereof shall be reduced, by an amount equal to the portion thereof to be so exchanged, by means of an appropriate adjustment made on the records of the Trustee. Upon any such surrender or adjustment, the Trustee shall authenticate and make available for delivery the Security issuable on such exchange to or upon the written order of the Depositary or an authorized representative thereof.

(iv) In the event of the occurrence of any of the events specified in clause (ii) above, the Company will promptly make available to the Trustee a reasonable supply of certificated Securities in definitive, fully registered form, without interest coupons.

(v) Neither any members of, or participants in, the Depositary ("Agent Members") nor any other Persons on whose behalf Agent Members may act shall have any rights under this Indenture with respect to any Global Security registered in the name of the Depositary or any nominee thereof, and the Depositary or such nominee, as the case may be, may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and holder of such Global Security for

all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or such nominee, as the case may be, or impair, as between the Depositary, its Agent Members and any other Person on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of a holder of any Security.

(vi) At such time as all interests in a Global Security have been redeemed, repurchased, converted, canceled or exchanged for Securities in certificated form, such Global Security shall, upon receipt thereof, be canceled by the Trustee in accordance with standing procedures and instructions existing between the Depositary and the Custodian. At any time prior to such cancellation, if any interest in a Global Security is redeemed, repurchased, converted, canceled or exchanged for Securities in certificated form, the principal amount of such Global Security shall, in accordance with the standing procedures and instructions existing between the Depositary and the Custodian, be appropriately reduced, and an endorsement shall be made on such Global Security, by the Trustee or the Custodian, at the direction of the Trustee, to reflect such reduction.

(b) The transfer restrictions set forth below shall apply to the Securities, whether in the form of a Global Security or a Certificated Security.

Until the date that is two years after the last original issue date of the Securities, any certificate evidencing such Security (and all securities issued in exchange therefor or in substitution thereof) and any share certificate representing Common Shares issued upon conversion of any Security shall bear the Restricted Securities Legend, unless (1) such Security or such Common Shares have been sold pursuant to a registration statement that has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer) or pursuant to Rule 144 under the Securities Act or any similar provision then in force, or such Common Shares have been issued upon conversion of Securities that have been transferred pursuant to a registration statement that has been declared effective under the Securities Act or pursuant to Rule 144 under the Securities Act or any similar provision then in force, (2) such Security or such Common Shares are eligible for resale pursuant to Rule 144(k) under the Securities Act (or any successor provision) as is in effect on the date of transfer of such Security or (3) otherwise agreed by the Company in writing, with written notice thereof to the Trustee.

Every Security that bears or is required under this Section 2.05(b) to bear the Restricted Securities Legend (the "Restricted Securities") shall be subject to the restrictions on transfer set forth in this Section 2.05(b) (including those set forth in the Restricted Securities Legend) unless such restrictions on transfer shall be waived by written consent of the Company, and the holder of each such Restricted Security, by such Securityholder's acceptance thereof, agrees to be bound by all such restrictions on transfer. As used in this Section 2.05(b), the term "transfer" encompasses any sale, pledge, loan, transfer or other disposition whatsoever of any Restricted Security or any interest therein.

Any Security (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms or as to conditions for removal of the Restricted Securities Legend have been satisfied may, upon surrender of such Security for exchange to the Security Registrar in accordance with the provisions of this Section 2.05, be exchanged for a new Security or Securities, of like tenor and aggregate principal amount, which shall not bear the Restricted Securities Legend. If the Restricted Security surrendered for exchange is represented by a Global Security bearing a Restricted Securities Legend, the principal amount of the Global Security so legended shall be reduced by the appropriate principal amount and the principal amount of a Global Security without the Restricted Securities Legend shall be increased by an equal principal amount. If a Global Security without the Restricted Securities Legend is not then outstanding, the Company shall execute and the Trustee shall authenticate and deliver a Global Security without the Restricted Securities Legend to the Depositary.

Any such Common Shares as to which such restrictions on transfer shall have expired in accordance with their terms or as to which the conditions for removal of the foregoing legend set forth therein have been satisfied may, upon surrender of the certificates representing such Common Shares for exchange in accordance with the procedures of the transfer agent for the Common Shares, be exchanged for a new certificate or certificates for a like number of Common Shares, which shall not bear the Restricted Securities Legend.

(c) Any Security or Common Shares issued upon the conversion of a Security that is purchased or owned by the Company or any Subsidiary thereof may not be resold by the Company or such Subsidiary unless registered under the Securities Act or resold pursuant to an exemption from the registration requirements of the Securities Act in a transaction which results in such Securities or Common Shares, as the case may be, no longer being "restricted securities" (as defined under Rule 144).

(d) The Company shall use its best efforts to prevent any Affiliate who is not a Subsidiary from reselling any Security or Common Shares issued upon the conversion of a Security, except for the resale of such Securities or Common Shares pursuant to an effective registration statement or resales of such Securities or Common Shares to the Company or a Subsidiary.

(e) The Trustee shall have no responsibility or obligation to any Agent Members or any other Person with respect to the accuracy of the books or records, or the acts or omissions, of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any Agent Member or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Securities. All notices and communications to be given to the Securityholders and all payments to be made to Securityholders under the Securities shall be given or made only to or upon the order of the registered Securityholders (which shall be the Depository or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depositary subject to the customary procedures of the Depositary. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its Agent Members.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Agent Members in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.06 Mutilated, Destroyed, Lost or Stolen Securities. In case any Security shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its written request the Trustee or an authenticating agent appointed by the Trustee shall authenticate and make available for delivery, a new Security, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In every case, the applicant for a substituted Security shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company, to the Trustee and, if applicable, to such authenticating agent evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Following receipt by the Trustee or such authenticating agent, as the case may be, of satisfactory security or indemnity and evidence, as described in the preceding paragraph, the Trustee or such authenticating agent may authenticate any such substituted Security and make available for delivery such Security. Upon the issuance of any substituted Security, the Company may require the payment by the holder of a sum sufficient to cover any tax, assessment or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Security which has matured or is about to mature or has been called for redemption or has been tendered for purchase upon a Fundamental Change or on a Repurchase Date (and not withdrawn) or is to be converted into Common Shares shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Security, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Security), as the case may be, if the applicant for such payment or conversion shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or in connection with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company, the Trustee and, if applicable, any paying agent or conversion agent evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be found at any time, and shall be entitled to all the benefits of (but shall be subject to all the limitations set forth in) this Indenture equally and proportionately with any and all other Securities duly issued hereunder. To the extent permitted by law, all Securities shall be held and owned upon the

express condition that the foregoing provisions are exclusive with respect to the replacement or payment or conversion or redemption or repurchase of mutilated, destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment or conversion or redemption or repurchase of negotiable instruments or other securities without their surrender.

Section 2.07 Temporary Securities. Pending the preparation of Securities in certificated form, the Company may execute and the Trustee or an authenticating agent appointed by the Trustee shall, upon the written request of the Company, authenticate and deliver temporary Securities (printed or lithographed). Temporary Securities shall be issuable in any authorized denomination, and substantially in the form of the Securities in certificated form, but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Every such temporary Security shall be executed by the Company and authenticated by the Trustee or such authenticating agent upon the same conditions and in substantially the same manner, and with the same effect, as the Securities in certificated form. Without unreasonable delay, the Company will execute and deliver to the Trustee or such authenticating agent Securities in certificated form and thereupon any or all temporary Securities may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 3.02 and the Trustee or such authenticating agent shall authenticate and make available for delivery in exchange for such temporary Securities an equal aggregate principal amount of Securities in certificated form. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Securities in certificated form authenticated and delivered hereunder.

Section 2.08 Cancellation of Securities. All Securities surrendered for the purpose of payment, redemption, repurchase, conversion, exchange or registration of transfer shall, if surrendered to the Company or any paying agent or any Security Registrar or any conversion agent, be surrendered to the Trustee and promptly canceled by it, or, if surrendered to the Trustee, shall be promptly canceled by it, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of such canceled Securities in accordance with its customary procedures. If the Company shall acquire any of the Securities, such acquisition shall not operate as a redemption, repurchase or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

Section 2.09 CUSIP Numbers. The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption or repurchases as a convenience to Securityholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or a repurchase and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption or repurchase shall not be affected by any defect in or omission of such

numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 3
PARTICULAR COVENANTS OF THE COMPANY

Section 3.01 Payment of Principal, Premium and Interest. The Company will duly and punctually pay or cause to be paid the principal of and premium, if any (including the redemption price upon redemption or the repurchase price upon repurchase, in each case pursuant to Article 14), and Interest, on each of the Securities at the places, at the respective times and in the manner provided herein and in the Securities.

Section 3.02 Maintenance of Office or Agency. The Company will maintain an office or agency in the Borough of Manhattan, the City of New York, where the Securities may be surrendered for registration of transfer or exchange or for presentation for payment or for conversion, redemption or repurchase and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency not designated or appointed by the Trustee. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office.

The Company may also from time to time designate co-registrars and one or more offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company will give prompt written notice of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby initially designates the Trustee as paying agent, Security Registrar, Custodian and conversion agent and the Corporate Trust Office shall be considered as an office or agency of the Company for each of the aforesaid purposes.

Section 3.03 Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.10, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 3.04 Provisions as to Paying Agent. If the Company shall appoint a paying agent other than the Trustee, or if the Trustee shall appoint such a paying agent, the Company will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 3.04:

(1) that it will hold all sums held by it as such agent for the payment of the principal of and premium, if any, or Interest on the Securities (whether such sums have been paid to it by the Company or by any other obligor on the Securities) in trust for the benefit of the holders of the Securities;

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Securities) to make any payment of the principal of and premium, if any, or Interest on the Securities when the same shall be due and payable; and

(3) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

The Company shall, at least one Business Day prior to each due date of the principal of, premium, if any, or Interest on the Securities, deposit with the paying agent a sum (in funds which are immediately available on the due date for such payment) sufficient to pay such principal, premium, if any, or Interest, and (unless such paying agent is the Trustee) the Company will promptly notify the Trustee of any failure to take such action; provided that such deposit shall be received by the paying agent no later than 10:00 a.m. New York City time, one Business Day prior to such payment due date.

(a) If the Company shall act as its own paying agent, it will, on or before each due date of the principal of, premium, if any, or Interest on the Securities, set aside, segregate and hold in trust for the benefit of the holders of the Securities a sum sufficient to pay such principal, premium, if any, or Interest so becoming due and will promptly notify the Trustee of any failure to take such action and of any failure by the Company (or any other obligor under the Securities) to make any payment of the principal of, premium, if any, or Interest on the Securities when the same shall become due and payable.

(b) Anything in this Section 3.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Company or any paying agent hereunder as required by this Section 3.04, such sums to be held by the Trustee upon the trusts herein contained and upon such payment by the Company or any paying agent to the Trustee, the Company or such paying agent shall be released from all further liability with respect to such sums.

(c) Anything in this Section 3.04 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 3.04 is subject to Sections 11.03 and 11.04.

The Trustee shall not be responsible for the actions of any other paying agents (including the Company if acting as its own paying agent) and shall have no control of any funds held by such other paying agents.

Section 3.05 Existence. Subject to Article 10, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights (charter and statutory); provided that the Company shall not be required to preserve any such right if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Securityholders.

Section 3.06 Maintenance of Properties. The Company will cause all properties used or useful in the conduct of its business or the business of any Significant Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as is consistent with the Company's past practice and is in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided that nothing in this Section 3.06 shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Securityholders.

Section 3.07 Payment of Taxes and Other Claims. The Company will pay or discharge, or cause to be paid or discharged, before the same may become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Company or any Significant Subsidiary or upon the income, profits or property of the Company or any Significant Subsidiary, (ii) all claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon the property of the Company or any Significant Subsidiary and (iii) all stamp taxes and other duties, if any, which may be imposed by the United States or any political subdivision thereof or therein in connection with the issuance, transfer, exchange, conversion, redemption or repurchase of any Securities or with respect to this Indenture other than pursuant to Section 2.06; provided that, in the case of clauses (i) and (ii), the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim (A) if the failure to do so will not, in the aggregate, have a material adverse impact on the Company and its Subsidiaries, taken as a whole, or (B) if the amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 3.08 Rule 144A Information Requirement. Within the period prior to the date that is two years after the last original issue date of the Securities, the Company shall, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, make available to any holder or beneficial holder of Securities or any Common Shares issued upon conversion thereof which continue to be Restricted Securities in connection with any sale thereof and any prospective purchaser of Securities or such Common Shares designated by such holder or beneficial holder, the information required pursuant to Rule 144A(d)(4) under the Securities Act upon the request of any holder or beneficial holder of the Securities or such Common Shares and it will take such further action as any holder or beneficial holder of such Securities or such Common Shares may reasonably request, all to the extent required from time to time to enable such holder or beneficial holder to sell its Securities or Common Shares without registration under the Securities Act within the limitation of the exemption provided by Rule 144A, as such Rule may be amended from time to time. Upon the request of any holder or any beneficial holder of the Securities or such Common Shares, the Company will deliver to such holder a written statement as to whether it has complied with such requirements.

Section 3.09 Stay, Extension and Usury Laws. The Company (to the extent that it may lawfully do so) shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would

prohibit or forgive the Company from paying all or any portion of the principal of, premium, if any, or Interest on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.10 Compliance Certificate. The Company shall deliver to the Trustee, within one hundred twenty (120) days after the end of each fiscal year of the Company, a certificate signed by either the principal executive officer, principal financial officer or principal accounting officer of the Company, stating whether or not to the best knowledge of the signer thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and the status thereof of which the signer may have knowledge.

The Company will deliver to the Trustee, forthwith upon becoming aware of (i) any default in the performance or observance of any covenant, agreement or condition contained in this Indenture, or (ii) any Event of Default, an Officers' Certificate specifying with particularity such default or Event of Default and further stating what action the Company has taken, is taking or proposes to take with respect thereto.

Any notice required to be given under this Section 3.10 shall be delivered to a Responsible Officer of the Trustee at its Corporate Trust Office.

Section 3.11 Additional Interest Notice. If the Company is required to pay Additional Interest to holders of Securities pursuant to the Registration Rights Agreement or Additional Amounts pursuant to Section 15.09 hereof, the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest or Additional Amounts that is payable, (ii) the reason why such Additional Interest or Additional Amounts are payable and (iii) the date on which such Additional Interest or Additional Amounts are payable. Unless and until a Responsible Officer of the Trustee receives such an Officers' Certificate, the Trustee may assume without inquiry that no Additional Interest or Additional Amounts are payable. If the Company has paid Additional Interest or Additional Amounts to the persons entitled to such amounts, the Company shall deliver to the Trustee an Officers' Certificate setting forth the particulars of such payment.

Section 3.12 Reports

(a) The Company shall file all reports and other information and documents which it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, and within 15 days after it files them with the Commission, the Company shall file copies of all such reports, information and other documents with the Trustee; provided that any such reports, information and documents filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval (or EDGAR) system shall be deemed to be filed with the Trustee. The Company also shall comply with the provisions of the Trust Indenture Act Section 314(a).

(b) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee and Agents are entitled to rely exclusively on Officers' Certificates).

ARTICLE 4
SECURITYHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 4.01 Securityholders' Lists. The Company will furnish or cause to be furnished to the Trustee, semiannually, not more than fifteen (15) days after each June 1 or December 1 in each year beginning with June 1, 2008, and at such other times as the Trustee may request in writing, within thirty (30) days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form as the Trustee may reasonably require of the names and addresses of the holders of Securities as of a date not more than fifteen (15) days (or such other date as the Trustee may reasonably request in order to so provide any such notices) prior to the time such information is furnished, except that no such list need be furnished by the Company to the Trustee so long as the Trustee is acting as the sole Security Registrar.

Section 4.02 Preservation And Disclosure Of Lists. The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Securities contained in the most recent list furnished to it as provided in Section 4.01 or maintained by the Trustee in its capacity as Security Registrar or co-registrar in respect of the Securities, if so acting. The Trustee may destroy any list furnished to it as provided in Section 4.01 upon receipt of a new list so furnished.

(a) The rights of Securityholders to communicate with other holders of Securities with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided by the Trust Indenture Act.

(b) Every Securityholder, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of holders of Securities made pursuant to the Trust Indenture Act.

Section 4.03 Reports By Trustee. Within sixty (60) days after May 15 of each year commencing with the year 2008 and for so long as any Notes remain outstanding, the Trustee shall transmit to holders of Securities such reports dated as of May 15 of the year in which such reports are made concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. In the event that no events have occurred under the applicable sections of the Trust Indenture Act the Trustee shall be under no duty or obligation to provide such reports.

A copy of such report shall, at the time of such transmission to holders of Securities, be filed by the Trustee with each stock exchange and automated quotation system upon which the

Securities are listed and with the Commission. The Company will promptly notify the Trustee in writing when the Securities are listed on any stock exchange or automated quotation system or delisted therefrom.

Section 4.04 Reports by Company. The Company shall file with the Trustee (and the Commission if at any time after the Indenture becomes qualified under the Trust Indenture Act), and transmit to holders of Securities, such information, documents and other reports and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto, whether or not the Securities are governed by the Trust Indenture Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the Trustee within fifteen (15) days after the same is so required to be filed with the Commission. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officers' Certificate).

ARTICLE 5
REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON AN EVENT OF DEFAULT

Section 5.01 Events Of Default. If one or more of the following Events of Default (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall have occurred and be continuing:

(a) default in the payment of any installment of Interest, including any Additional Interest, upon any of the Securities as and when the same shall become due and payable, and continuance of such default for a period of thirty (30) days; or

(b) default in the payment of the principal of or premium, if any, on any of the Securities, including any Additional Amounts, as and when the same shall become due and payable either at maturity or in connection with any redemption or repurchase, by acceleration or otherwise, upon declaration or otherwise; or

(c) default in the Company's obligation to provide an offer to purchase the Securities in the form of a Fundamental Change Notice upon a Fundamental Change as provided in Section 14.05; or

(d) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company in the Securities or in this Indenture (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section 5.01 specifically dealt with) continued for a period of sixty (60) days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the Trustee, or the Company and a Responsible Officer of the

Trustee by the holders of at least twenty-five percent (25%) in aggregate principal amount of the Securities at the time outstanding determined in accordance with Section 7.04; or

(e) failure by the Company or any of its Significant Subsidiaries to make any payment of the principal or interest on any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any debt for money borrowed in excess of US$5 million (or its equivalent in any other currency or currencies) in the aggregate of the Company and/or any such Significant Subsidiary, whether such debt now exists or shall hereafter be created, resulting in such debt becoming or being declared due and payable, and such acceleration shall not have been rescinded or annulled within 30 days after written notice of such acceleration has been received by the Company or such Significant Subsidiary; or

(f) failure by the Company to comply with its obligations to deliver Common Shares, cash or a combination of cash and Common Shares upon conversion of the Securities within the time period specified in Section 15.02; or

(g) the Company or any of its Significant Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its or their debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary or any substantial part of the property of the Company or such Significant Subsidiary, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against the Company or such Significant Subsidiary, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its or their debts as they become due; or

(h) an involuntary case or other proceeding shall be commenced against the Company or any of its Significant Subsidiaries seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its or their debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary or any substantial part of the property of the Company or such Significant Subsidiary, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) consecutive days;

then, and in each and every such case (other than an Event of Default specified in Section 5.01(g) or 5.01(h) with respect to the Company), unless the principal of all of the Securities shall have already become due and payable, either the Trustee or the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Securities then outstanding hereunder determined in accordance with Section 7.04, by notice in writing to the Company (and to the Trustee if given by Securityholders), may declare the principal of and premium, if any, on all the Securities and the Interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities contained to the contrary notwithstanding. If an Event of Default specified in Section 5.01(g) or 5.01(h) occurs with respect to the Company, the principal of all the Securities and the Interest accrued thereon shall

be immediately and automatically due and payable without necessity of further action. This provision, however, is subject to the conditions that if, at any time after the principal of the Securities shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of Interest upon all Securities and the principal of and premium, if any, on any and all Securities which shall have become due otherwise than by acceleration (with interest on overdue installments of Interest (to the extent that payment of such interest is enforceable under applicable law) and on such principal and premium, if any, at the rate borne by the Securities, to the date of such payment or deposit) and amounts due to the Trustee pursuant to Section 6.06, and if any and all defaults under this Indenture, other than the nonpayment of principal of and premium, if any, and accrued Interest on Securities which shall have become due by acceleration, shall have been cured or waived pursuant to Section 5.07, then and in every such case the holders of a majority in aggregate principal amount of the Securities then outstanding, by written notice to the Company and to the Trustee, may waive all defaults or Events of Default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or Event of Default, or shall impair any right consequent thereon. The Company shall notify in writing a Responsible Officer of the Trustee, promptly upon becoming aware thereof, of any Event of Default.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such waiver or rescission and annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the holders of Securities, and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the holders of Securities, and the Trustee shall continue as though no such proceeding had been taken.

Section 5.02 Payments of Securities on Default; Suit Therefor. The Company covenants that in case default shall be made in the payment of (a) any installment of Interest upon any of the Securities as and when the same shall become due and payable, and such default shall have continued for a period of thirty (30) days, or (b) the payment of the principal of or premium, if any, on any of the Securities as and when the same shall have become due and payable, whether at maturity of the Securities or in connection with any redemption or repurchase, by or under this Indenture, by declaration (subject to Section 5.01) or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Securities, the whole amount that then shall have become due and payable on all such Securities for principal and premium, if any, or Interest, as the case may be, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of Interest at the rate set forth in the Securities for overdue payments of principal and Interest and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other amounts due the Trustee under Section 6.06. Until such demand by the Trustee, the Company may pay the principal of and premium, if any, and Interest on the Securities to the registered holders, whether or not the Securities are overdue.

If the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Securities and collect in the manner provided by law out of the property of the Company or any other obligor on the Securities wherever situated the monies adjudged or decreed to be payable.

If there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Securities under Title 11 of the United States Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the case of any other judicial proceedings relative to the Company or such other obligor upon the Securities, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and Interest owing and unpaid in respect of the Securities, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Securityholders allowed in such judicial proceedings relative to the Company or any other obligor on the Securities, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due the Trustee under Section 6.06, and to take any other action with respect to such claims, including participating as a member of any official committee of creditors, as it reasonably deems necessary or advisable, and, unless prohibited by law or applicable regulations, any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Securityholders to make such payments to the Trustee, and, if the Trustee shall consent to the making of such payments directly to the Securityholders, to first pay to the Trustee any amount due it for reasonable compensation, expenses, advances and disbursements, including counsel fees and expenses incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property which the holders of the Securities may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable

compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the holders of the Securities.

In any proceedings brought by the Trustee (and in any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Securities, and it shall not be necessary to make any holders of the Securities parties to any such proceedings.

Section 5.03 Application of Monies Collected By Trustee. Any monies collected by the Trustee pursuant to this Article 5 shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Securities, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 6.06;

SECOND: In case the principal of the outstanding Securities shall not have become due and be unpaid, to the payment of Interest on the Securities in default in the order of the maturity of the installments of such Interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of Interest at the rate borne by the Securities, such payments to be made ratably to the Persons entitled thereto;

THIRD: In case the principal of the outstanding Securities shall have become due, by declaration or otherwise, and be unpaid to the payment of the whole amount then owing and unpaid upon the Securities for principal and premium, if any, and Interest, with interest on the overdue principal and premium, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Securities, and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Securities, then to the payment of such principal and premium, if any, and interest without preference or priority of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of Interest, or of any Security over any other Security, ratably to the aggregate of such principal and premium, if any, and accrued and unpaid Interest; and

FOURTH: To the payment of the remainder, if any, to the Company or any other Person lawfully entitled thereto.

Section 5.04 Proceedings by Securityholders. No holder of any Security shall have any right by virtue of or by reference to any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Securities then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable security or indemnity as it may require against the costs, expenses and

liabilities to be incurred therein or thereby, and the Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.07; it being understood and intended, and being expressly covenanted by the taker and holder of every Security with every other taker and holder and the Trustee, that no one or more holders of Securities shall have any right in any manner whatever by virtue of or by reference to any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of Securities, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Securities (except as otherwise provided herein). For the protection and enforcement of this Section 5.04, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Security, the right of any holder of any Security to receive payment of the principal of and premium, if any (including the redemption price upon redemption or any repurchase price pursuant to Article 14), and accrued Interest on such Security, on or after the respective due dates expressed in such Security or in the event of redemption, or to institute suit for the enforcement of any such payment on or after such respective dates against the Company shall not be impaired or affected without the consent of such holder.

Anything in this Indenture or the Securities to the contrary notwithstanding, the holder of any Security, without the consent of either the Trustee or the holder of any other Security, in its own behalf and for its own benefit, may enforce, and may institute and maintain any proceeding suitable to enforce, its rights of conversion as provided herein.

Section 5.05 Proceedings By Trustee. If an Event of Default has occurred and is continuing, the Trustee may, in its discretion, proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 5.06 Remedies Cumulative And Continuing. Except as provided in Section 2.06, all powers and remedies given by this Article 5 to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Securities, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Securities to exercise any right or power accruing upon any default or Event of Default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein, and, subject to the provisions of Section 5.04, every power and remedy given by this Article 5 or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

Section 5.07 Direction of Proceedings and Waiver of Defaults By Majority of Securityholders. The holders of a majority in aggregate principal amount of the Securities at the time outstanding determined in accordance with Section 7.04 shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that (a) such direction shall not be in conflict with any rule of law or with this Indenture, (b) the Trustee may take any other action which is not inconsistent with such direction, (c) the Trustee may decline to take any action that (i) would benefit some Securityholder to the detriment of other Securityholders; or (ii) for which the Trustee has not received indemnity satisfactory to it, and (d) the Trustee may decline to take any action that would involve the Trustee in personal liability. The holders of a majority in aggregate principal amount of the Securities at the time outstanding determined in accordance with Section 7.04 may, on behalf of the holders of all of the Securities, waive any past default or Event of Default hereunder and its consequences except (i) a default in the payment of Interest or premium, if any, on, or the principal of, the Securities, (ii) a failure by the Company to convert any Securities into Common Shares, cash or a combination of cash and Common Shares, (iii) a default in the payment of the redemption price pursuant to Article 14, (iv) a default in the payment of any repurchase price pursuant to Article 14 or (v) a default in respect of a covenant or provisions hereof which under Article 9 cannot be modified or amended without the consent of the holders of each or all Securities then outstanding or affected thereby. Upon any such waiver, the Company, the Trustee and the holders of the Securities shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 5.07, said default or Event of Default shall for all purposes of the Securities and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 5.08 Notice of Defaults. The Trustee shall, within ninety (90) days after a Responsible Officer of the Trustee receives written notice of the occurrence of a default, mail to all Securityholders, as the names and addresses of such holders appear upon the Security Register, notice of all defaults known to a Responsible Officer, unless such defaults shall have been cured or waived before the giving of such notice; provided that except in the case of default in the payment of the principal of, or premium, if any, or Interest on any of the Securities, the Trustee shall be protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders.

Section 5.09 Undertaking To Pay Costs. All parties to this Indenture agree, and each holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section

5.09 (to the extent permitted by law) shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders, holding in the aggregate more than ten percent in principal amount of the Securities at the time outstanding determined in accordance with Section 7.04, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or premium, if any, or Interest on any Security on or after the due date expressed in such Security or to any suit for the enforcement of the right to convert any Security in accordance with the provisions of Article 15.

ARTICLE 6
THE TRUSTEE

Section 6.01 Duties and Responsibilities of Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trust Indenture Act, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture and the Trust Indenture Act against the Trustee; and

(ii) in the absence of bad faith and willful misconduct on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the holders of not less than a

majority in principal amount of the Securities at the time outstanding determined as provided in Section 7.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section;

(e) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any paying agent or any records maintained by any co-registrar with respect to the Securities;

(f) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred; and

(g) the Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless it shall have been notified in writing, which shall include a reference to this Indenture, of such Event of Default by the Company or the holders of at least 10% in aggregate principal amount of the Securities.

(h) the Trustee shall not be liable if prevented or delayed in performing any of its duties by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control.

(i) under no circumstances will the Trustee be liable to the Company or any other party to this Indenture for any consequential loss (being loss of business, goodwill, opportunity or profit) or any special or punitive damages of any kind whatsoever; in each case however caused or arising and whether or not foreseeable, even if advised of the possibility of such loss or damage.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 6.02 Reliance on Documents, Opinions, Etc. Except as otherwise provided in Section 6.01:

(a) the Trustee may conclusively rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, Security, note, coupon or other paper or document (whether in its original or facsimile form) believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel of its own selection and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, Security or other paper or document, but the Trustee may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder;

(g) the Trustee shall not be liable for any action taken, suffered or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(h) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(i) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and their titles and specimen signatures of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded; and

(j) Any permissive right or authority granted to the Trustee shall not be construed as a mandatory duty.

Section 6.03 No Responsibility For Recitals, Etc. The recitals contained herein and in the Securities (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of any Securities or the proceeds of any Securities authenticated and delivered by the Trustee in conformity with the provisions of this Indenture.

Section 6.04 Trustee, Paying Agents, Conversion Agents or Registrar May Own Securities. The Trustee, any paying agent, any conversion agent or Security Registrar, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, paying agent, conversion agent or Security Registrar.

Section 6.05 Monies to Be Held in Trust. Subject to the provisions of Section 11.04, all monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as may be agreed in writing from time to time by the Company and the Trustee.

Section 6.06 Compensation and Expenses of Trustee; Indemnity for Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to from time to time in writing between the Company and the Trustee in writing, and the Company will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances properly incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, willful misconduct, recklessness or bad faith. The Company also covenants to indemnify the Trustee and any predecessor Trustee (or any officer, director or employee of the Trustee), in any capacity under this Indenture and its agents and any authenticating agent or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions in the fulfillment of its obligations under this Indenture, for, and to hold them harmless against, any and all loss, liability, damage, claim or expense including taxes (other than taxes based on the income of the Trustee) incurred without negligence, willful misconduct, recklessness or bad faith on the part of the Trustee or such officers, directors, employees and agent or authenticating agent, as the case may be, and arising out of or in connection with the acceptance or administration of this trust or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim (whether asserted by the Company, any holder or any other Person) of liability in connection with the exercise or performance of any of its or their powers or duties. The obligations of the Company under this Section 6.06 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Securities.

The obligation of the Company under this Section shall survive the satisfaction and discharge of this Indenture and the resignation and/or removal of the Trustee in any capacity hereunder.

When the Trustee and its agents and any authenticating agent incur expenses or render services after an Event of Default specified in Section 5.01(g) or (h) with respect to the Company occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

Section 6.07 Officers' Certificate As Evidence. Except as otherwise provided in Section 6.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee.

Section 6.08 Conflicting Interests of Trustee. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall (i) eliminate such interest within 90 days after ascertaining that it has such conflicting interest, (ii) apply to the Commission for permission to continue as trustee or (iii) resign, in each case to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

Section 6.09 Eligibility of Trustee. There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least $50,000,000 (or if such Person is a member of a bank holding company system, its bank holding company shall have a combined capital and surplus of at least $50,000,000). If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.09, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.10 Resignation or Removal of Trustee.

(a) The Trustee may at any time resign by giving written notice of such resignation to the Company and to the holders of Securities. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment sixty (60) days after the mailing of such notice of resignation to the Securityholders, the resigning Trustee may, upon ten (10) Business Days' notice to the Company and the Securityholders, appoint a successor identified in such notice or may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor trustee, or, if any Securityholder who has been a bona fide holder of a Security or Securities for at least six (6) months may, subject to the provisions of Section 5.09,

on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with Section 6.08 after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Security or Securities for at least six (6) months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 6.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder; or

(iii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 5.09, any Securityholder who has been a bona fide holder of a Security or Securities for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee; provided that if no successor Trustee shall have been appointed and have accepted appointment sixty (60) days after either the Company or the Securityholders has removed the Trustee, or the Trustee resigns, the Trustee so removed may petition, at the expense of the Company, any court of competent jurisdiction for an appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Securities at the time outstanding may at any time remove the Trustee and nominate a successor trustee which shall be deemed appointed as successor trustee unless, within ten (10) days after notice to the Company of such nomination, the Company objects thereto, in which case the Trustee so removed or any Securityholder, or if such Trustee so removed or any Securityholder fails to act, the Company, upon the terms and conditions and otherwise as provided in Section 6.10(a), may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 6.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.11.

(e) Notwithstanding the replacement of the Trustee pursuant to this Section, the Company's obligations under Section 6.06 shall continue for the benefit of the retiring Trustee.

Section 6.11 Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 6.10 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amount then due it pursuant to the provisions of Section 6.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property and funds held or collected by such trustee as such, except for funds held in trust for the benefit of holders of particular Securities, to secure any amounts then due it pursuant to the provisions of Section 6.06.

No successor trustee shall accept appointment as provided in this Section 6.11 unless, at the time of such acceptance, such successor trustee shall be qualified under the provisions of Section 6.08 and be eligible under the provisions of Section 6.09.

Upon acceptance of appointment by a successor trustee as provided in this Section 6.11, the Company (or the former trustee, at the written direction of the Company) shall mail or cause to be mailed notice of the succession of such trustee hereunder to the holders of Securities at their addresses as they shall appear on the Security Register. If the Company fails to mail such notice within ten (10) days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

Section 6.12 Succession By Merger. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including any trust created by this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that in the case of any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, such corporation shall be qualified under the provisions of Section 6.08 and eligible under the provisions of Section 6.09.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee or authenticating agent appointed by such predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee or any authenticating agent appointed by such successor trustee may authenticate such Securities in the name of the successor trustee; and in all such cases such certificates shall have the full force that is provided in the Securities or in this Indenture; provided that the right to adopt the certificate of authentication of any predecessor Trustee or

authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 6.13 Preferential Collection of Claims. If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of the claims against the Company (or any such other obligor).

Section 6.14 Trustee's Application For Instructions From The Company. Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the holders of the Securities under this Indenture) may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three (3) Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE 7
THE SECURITYHOLDERS

Section 7.01 Action By Securityholders. Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Securities may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Securities voting in favor thereof at any meeting of Securityholders duly called and held in accordance with the provisions of Article 8, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Securityholders. Whenever the Company or the Trustee solicits the taking of any action by the holders of the Securities, the Company or the Trustee may fix in advance of such solicitation, a date as the record date for determining holders entitled to take such action. The record date shall be not more than fifteen (15) days prior to the date of commencement of solicitation of such action.

Section 7.02 Proof of Execution by Securityholders. Subject to the provisions of Sections 6.01, 6.02 and 8.05, proof of the execution of any instrument by a Securityholder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Securities shall be proved by the registry of such Securities or by a certificate of the Security Registrar.

The record of any Securityholders' meeting shall be proved in the manner provided in Section 8.06.

Section 7.03 Who Are Deemed Absolute Owners. The Company, the Trustee, any paying agent, any conversion agent and any Security Registrar may deem the Person in whose name such Security shall be registered upon the Security Register to be, and may treat it as, the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Security Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and Interest on such Security, for conversion of such Security and for all other purposes; and neither the Company nor the Trustee nor any paying agent nor any conversion agent nor any Security Registrar shall be affected by any notice to the contrary. All such payments so made to any holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for monies payable upon any such Security.

Section 7.04 Company-owned Securities Disregarded. In determining whether the holders of the requisite aggregate principal amount of Securities have concurred in any direction, consent, waiver or other action under this Indenture, Securities which are owned by the Company or any other obligor on the Securities or any Affiliate of the Company or any other obligor on the Securities shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action, only Securities which a Responsible Officer knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 7.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not the Company, any other obligor on the Securities or any Affiliate of the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of any of the above described Persons, and, subject to Section 6.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are outstanding for the purpose of any such determination.

Section 7.05 Revocation Of Consents, Future Holders Bound. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action, any holder of a Security which is shown by the evidence to be included in the Securities the holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 7.02, revoke such action so far as concerns such Security. Except as aforesaid, any such action taken by the holder of any Security shall be conclusive and binding upon such holder and upon all future holders and owners of such Security and of any Securities

issued in exchange or substitution therefor, irrespective of whether any notation in regard thereto is made upon such Security or any Security issued in exchange or substitution therefor.

ARTICLE 8
MEETINGS OF SECURITYHOLDERS

Section 8.01 Purpose Of Meetings. A meeting of Securityholders may be called at any time and from time to time pursuant to the provisions of this Article 8 for any of the following purposes:

(1) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any default or Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to any of the provisions of Article 5;

(2) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 6;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 9.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Securities under any other provision of this Indenture or under applicable law.

Section 8.02 Call Of Meetings By Trustee. The Trustee may at any time call a meeting of Securityholders at the expense of the Company to take any action specified in Section 8.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Securityholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 7.01, shall be mailed to holders of Securities at their addresses as they shall appear on the Security Register. Such notice shall also be mailed to the Company. Such notices shall be mailed not less than twenty (20) nor more than ninety (90) days prior to the date fixed for the meeting.

Any meeting of Securityholders shall be valid without notice if the holders of all Securities then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the holders of all Securities outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 8.03 Call Of Meetings By Company Or Securityholders. In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least ten percent (10%) in aggregate principal amount of the Securities then outstanding, shall have requested the Trustee to call a meeting of Securityholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty (20) days after receipt of such request, then the Company or such

Securityholders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 8.01, by mailing notice thereof as provided in Section 8.02.

Section 8.04 Qualifications For Voting. To be entitled to vote at any meeting of Securityholders a person shall (a) be a holder of one or more Securities on the record date pertaining to such meeting or (b) be a person appointed by an instrument in writing as proxy by a holder of one or more Securities on the record date pertaining to such meeting. The only persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 8.05 Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Securityholders as provided in Section 8.03, in which case the Company or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Securities represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 7.04, at any meeting each Securityholder or proxyholder shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by him; provided that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by him or instruments in writing as aforesaid duly designating him as the proxy to vote on behalf of other Securityholders. Any meeting of Securityholders duly called pursuant to the provisions of Section 8.02 or 8.03 may be adjourned from time to time by the holders of a majority of the aggregate principal amount of Securities represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice. For purposes of this Indenture, "quorum" shall mean at a meeting of Securityholders, one or more Persons present in person holding or representing in the aggregate not less than 50% in aggregate principal amount of the Securities then outstanding.

Section 8.06 Voting. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballot on which shall be subscribed the signatures of the holders of Securities or of their representatives by proxy and the outstanding principal amount of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each

meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 8.02. The record shall show the principal amount of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 8.07 No Delay Of Rights By Meeting. Nothing contained in this Article 8 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Securityholders under any of the provisions of this Indenture or of the Securities.

ARTICLE 9
SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without Consent of Securityholders. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee may, from time to time, and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) make provision with respect to the conversion rights of the holders of Securities pursuant to the requirements of Section 15.08 and the repurchase obligations of the Company pursuant to the requirements of Section 14.05;

(b) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities, any property or assets or to add any guarantees with respect to the Securities;

(c) to evidence the succession of another Person to the Company, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Company pursuant to Article 10;

(d) to add to the covenants of the Company such further covenants, restrictions or conditions as the Board of Directors and the Trustee shall consider to be for the benefit of the holders of Securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided that in respect of any such additional covenant, restriction or condition, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide

for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;

(e) to increase the Conversion Rate or Interest rate on the Securities;

(f) to surrender any right or power conferred upon the Company by the Indenture;

(g) to provide for the issuance under this Indenture of Securities in coupon form (including Securities registrable as to principal only) and to provide for exchangeability of such Securities with the Securities issued hereunder in fully registered form and to make all appropriate changes for such purpose;

(h) to cure any ambiguity or omission or to correct or supplement any provision contained herein or in any supplemental indenture that may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture, in each case that shall not materially adversely affect the interests of the holders of the Securities;

(i) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities;

(j) to reopen this Indenture and issue Additional Securities in accordance with the provisions of Section 2.01 hereof;

(k) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualifications of this Indenture under the Trust Indenture Act, or under any similar federal statute hereafter enacted; or

(l) make any change that does not materially adversely affect the rights of any holder of the Securities, provided that any amendment made solely to conform the provisions of this Indenture or the Securities to the description of the notes in the related offering memorandum will not be deemed to materially adversely affect the rights of any holder.

Upon the written request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any supplemental indenture, the Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 9.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 9.02.

Notwithstanding any other provision of the Indenture or the Securities, the Registration Rights Agreement and the obligation to pay Additional Interest thereunder may be amended, modified or waived only in accordance with the provisions of the Registration Rights Agreement.

Section 9.02 Supplemental Indenture With Consent Of Securityholders. With the consent (evidenced as provided in Article 7) of the holders of at least a majority in aggregate principal amount of the Securities at the time outstanding, the Company, when authorized by the resolutions of the Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any supplemental indenture or of modifying in any manner the rights of the holders of the Securities; provided that no such supplemental indenture shall (i) extend the fixed maturity of any Security, change the Company's obligation to pay Additional Amounts; or reduce the rate or extend the time of payment of Interest thereon, or reduce the principal amount thereof or premium, if any, thereon, or reduce any amount payable on redemption or repurchase thereof, or change the obligation of the Company to make an offer to purchase any Security upon the happening of a Fundamental Change or upon a Repurchase Date in a manner adverse to the holders of Securities, or impair the right of any Securityholder to receive payment of principal of and Interest on such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment thereof, or make the principal thereof or Interest or premium, if any, thereon payable in any coin or currency other than that provided in the Securities, or impair the right to convert the Securities into Common Shares, cash or a combination of cash and Common Shares or reduce the number of Common Shares or amount of cash or any other property receivable by a Securityholder upon conversion subject to the terms set forth herein, including Section 15.07 and Section 15.08, in each case, without the consent of the holder of each Security so affected, or (ii) modify any of the provisions of this Section 9.02 or Section 5.07, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holder of each Security so affected, or change any obligation of the Company to maintain an office or agency in the places and for the purposes set forth in Section 3.02, or reduce the quorum or voting requirements set forth in Article 8 or reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Securities then outstanding.

Notwithstanding the foregoing, with the consent of at least 25% in aggregate principal amount of the Securities, the Company and the Trustee may amend this Indenture to permit settlement upon conversion of the Securities in cash or a combination of cash and Common Shares as described in Section 15.03. The Trustee shall be held harmless and shall have no liability with respect to the foregoing.

Upon the written request of the Company, accompanied by a copy of the resolutions of the Board of Directors certified by its Secretary or Assistant Secretary authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own

rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 9.03 Effect Of Supplemental Indenture. Any supplemental indenture executed pursuant to the provisions of this Article 9 shall comply with the Trust Indenture Act, as then in effect, provided that this Section 9.03 shall not require such supplemental indenture or the Trustee to be qualified under the Trust Indenture Act prior to the time such qualification is in fact required under the terms of the Trust Indenture Act or the Indenture has been qualified under the Trust Indenture Act, nor shall it constitute any admission or acknowledgment by any party to such supplemental indenture that any such qualification is required prior to the time such qualification is in fact required under the terms of the Trust Indenture Act or the Indenture has been qualified under the Trust Indenture Act. Upon the execution of any supplemental indenture pursuant to the provisions of this Article 9, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Securities shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.04 Notation On Securities. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article 9 may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee (or an authenticating agent duly appointed by the Trustee pursuant to Section 13.11) and delivered in exchange for the Securities then outstanding, upon surrender of such Securities then outstanding.

Section 9.05 Evidence Of Compliance Of Supplemental Indenture To Be Furnished To Trustee. Prior to entering into any supplemental indenture, the Trustee shall be provided with an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article 9 and is otherwise authorized or permitted by this Indenture.

ARTICLE 10
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 10.01 Company May Consolidate On Certain Terms. Subject to the provisions of Section 10.02, the Company shall not consolidate with or merge with or into any other Person or Persons (whether or not affiliated with the Company), nor shall the Company or its successor or successors be a party or parties to successive consolidations or mergers, nor shall the

Company sell, convey, transfer or lease all or substantially all of the property and assets of the Company to any other Person (whether or not affiliated with the Company), unless: (i) the resulting, surviving or transferee Person is a Person organized and existing under the laws of the United States of America, any state thereof or the District of Columbia or the laws of Canada or any province or territory thereof; (ii) upon any such consolidation, merger, sale, conveyance, transfer or lease, the due and punctual payment of the principal of and premium, if any, and Interest on all of the Securities, according to their tenor and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory in form and substance to the Trustee, executed and delivered to the Trustee by the Person (if other than the Company) formed by such consolidation, or into which the Company shall have been merged, or by the Person that shall have acquired or leased such property, and such supplemental indenture shall provide for the applicable conversion rights set forth in Section 15.08; and (iii) immediately after giving effect to the transaction described above, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing.

Section 10.02 Successor To Be Substituted. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and premium, if any, and Interest on all of the Securities and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such successor Person shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of this first part. Such successor Person thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Securities, issuable hereunder that theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor Person instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Securities that previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Securities that such successor Person thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof. In the event of any such consolidation, merger, sale, conveyance, transfer or lease, the Person named as the "Company" in the first paragraph of this Indenture or any successor that shall thereafter have become such in the manner prescribed in this Article 10 may be dissolved, wound up and liquidated at any time thereafter and such Person shall be released from its liabilities as obligor and maker of the Securities and from its obligations under this Indenture.

In case of any such consolidation, merger, sale, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

Section 10.03 Officers' Certificate and Opinion Of Counsel To Be Given To Trustee. The Trustee shall receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or lease and any such assumption complies with the provisions of this Article 10.

ARTICLE 11
SATISFACTION AND DISCHARGE OF INDENTURE

Section 11.01 Discharge Of Indenture. When (a) the Company shall deliver to the Trustee for cancellation all Securities theretofore authenticated (other than any Securities that have been destroyed, lost or stolen and in lieu of or in substitution for which other Securities shall have been authenticated and delivered in each case pursuant to Section 2.06) and not theretofore canceled, or (b) all the Securities not theretofore canceled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit with the Trustee, in trust, cash sufficient to pay at maturity or upon redemption of all of the Securities (other than any Securities that shall have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Securities shall have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and premium, if any, and Interest due or to become due to such date of maturity or redemption date, as the case may be, accompanied by a verification report, as to the sufficiency of the deposited amount, from a nationally recognized firm of independent certified accountants or other financial professional satisfactory to the Trustee, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) remaining rights of registration of transfer, substitution and exchange and conversion of Securities, (ii) rights hereunder of Securityholders to receive payments of principal of and premium, if any, and Interest on, the Securities and the other rights, duties and obligations of Securityholders, as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee and (iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on written demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 13.05 and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities.

Section 11.02 Deposited Monies To Be Held In Trust By Trustee. Subject to Section 11.04, all monies deposited with the Trustee pursuant to Section 11.01, shall be held in trust for the sole benefit of the Securityholders, and such monies shall be applied by the Trustee to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Securities for the payment or redemption of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and Interest and premium, if any.

Section 11.03 Paying Agent To Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any paying agent of the Securities (other than the Trustee) shall, upon written request of the Company, be repaid to it or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such monies.

Section 11.04 Return Of Unclaimed Monies. Subject to the requirements of applicable law, any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or Interest on Securities and not applied but remaining unclaimed by the holders of Securities for two years after the date upon which the principal of, premium, if any, or Interest on such Securities, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on demand and all liability of the Trustee shall thereupon cease with respect to such monies; and the holder of any of the Securities shall thereafter look only to the Company for any payment that such holder may be entitled to collect unless an applicable abandoned property law designates another Person.

Section 11.05 Reinstatement. If the Trustee or the paying agent is unable to apply any money in accordance with Section 11.02 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 11.01 until such time as the Trustee or the paying agent is permitted to apply all such money in accordance with Section 11.02; provided that if the Company makes any payment of Interest on or principal of any Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such Securities to receive such payment from the money held by the Trustee or paying agent.

ARTICLE 12
IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 12.01 Indenture And Securities Solely Corporate Obligations. No recourse for the payment of the principal of or premium, if any, or Interest on any Security, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture or in any Security, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer, director or subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Securities.

ARTICLE 13
GENERAL PROVISIONS

Section 13.01 Provisions Binding On Company's Successors. All the covenants, stipulations, promises and agreements by the Company contained in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 13.02 Official Acts By Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any Person that shall at the time be the lawful sole successor of the Company.

Section 13.03 Addresses For Notices, Etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Securities on the Company shall be deemed to have been sufficiently given or made, for all purposes, if given or served by being deposited postage prepaid by registered or certified mail in a post office letter box, or sent by express overnight air courier for next day delivery or sent by telecopier transmission addressed as follows: to Canadian Solar Inc., No. 199 Lushan Road, Suzhou New District, Suzhou, Jiangsu 215011, People's Republic of China, Fax No.: (86-512) 6690-8087, Attention: Bing Zhu. Any notice, direction, request or demand hereunder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or served by being deposited, postage prepaid, by registered or certified mail in a post office letter box or sent by telecopier transmission addressed as follows: The Bank of New York, 101 Barclay Street, Floor 4 East, New York, New York 10286, Fax No.: (212) 815-5802 or (212) 815-5803, Attention: Global Trust Services (Canadian Solar Inc. - 6.0% Convertible Senior Notes due 2017) with a copy to: The Bank of New York, 12/F Three Pacific Place, 1 Queen's Road East, Hong Kong, Fax No. (852) 2295-3283 to the attention of Global Corporate Trust (Canadian Solar Inc. - 6.0% Convertible Senior Notes due 2017).

The Trustee, by notice to the Company, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Securityholder shall be mailed to him by first class mail, postage prepaid, or sent by express overnight air courier for next day delivery at his address as it appears on the Security Register and shall be sufficiently given to him if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 13.04 Governing Law. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York.

Section 13.05 Evidence Of Compliance With Conditions Precedent, Certificates To Trustee. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall comply with the provisions of the Section 314(e) of the Trust Indenture Act and shall include: (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Section 13.06 Legal Holidays. In any case in which the date of maturity of Interest on or principal of the Securities or the redemption date of any Security will not be a Business Day, then payment of such Interest on or principal of the Securities need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the redemption date, and no Interest shall accrue for the period from and after such date.

Section 13.07 Trust Indenture Act. This Indenture is hereby made subject to, and shall be governed by, the provisions of the Trust Indenture Act required to be part of and to govern indentures qualified under the Trust Indenture Act; provided that this Section 13.07 shall not require this Indenture or the Trustee to be qualified under the Trust Indenture Act prior to the time such qualification is in fact required under the terms of the Trust Indenture Act, nor shall it constitute any admission or acknowledgment by any party to the Indenture that any such qualification is required prior to the time such qualification is in fact required under the terms of the Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in an indenture qualified under the Trust Indenture Act, such required provision shall control. The following Trust Indenture Act terms have the following meanings:

"indenture securities" means the Securities.

"indenture security holder" means a holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company and any other obligor on the indenture securities.

Section 13.08 No Security Interest Created. Nothing in this Indenture or in the Securities, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction in which property of the Company or its subsidiaries is located.

Section 13.09 Benefits Of Indenture. Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any paying agent, any authenticating agent, any Security Registrar and their successors hereunder and the holders of Securities any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 13.10 Table Of Contents, Headings, Etc. The table of contents and the titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 13.11 Authenticating Agent. The Trustee may appoint an authenticating agent that shall be authorized to act on its behalf, and subject to its direction, in the authentication and delivery of Securities in connection with the original issuance thereof and transfers and exchanges of Securities hereunder, including under Sections 2.04, 2.05, 2.06, 2.07, 14.03 and 14.05, as fully to all intents and purposes as though the authenticating agent had been expressly authorized by this Indenture and those Sections to authenticate and deliver Securities. For all purposes of this Indenture, the authentication and delivery of Securities by the authenticating agent shall be deemed to be authentication and delivery of such Securities "by the Trustee" and a certificate of authentication executed on behalf of the Trustee by an authenticating agent shall be deemed to satisfy any requirement hereunder or in the Securities for the Trustee's certificate of authentication. Such authenticating agent shall at all times be a Person eligible to serve as trustee hereunder pursuant to Section 6.09.

Any corporation into which any authenticating agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any authenticating agent shall be a party, or any corporation succeeding to the corporate trust business of any authenticating agent, shall be the successor of the authenticating agent hereunder, if such successor corporation is otherwise eligible under this Section 13.11, without the execution or filing of any paper or any further act on the part of the parties hereto or the authenticating agent or such successor corporation.

Any authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any authenticating agent by giving written notice of termination to such authenticating agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any authenticating agent shall cease to be eligible under this Section, the Trustee shall either promptly appoint a successor authenticating agent or itself assume the duties and obligations of the former authenticating agent under this Indenture and, upon such appointment of a successor authenticating agent, if made, shall give written notice of such appointment of a successor authenticating agent to the Company and shall mail notice of such appointment of a successor authenticating agent to all holders of Securities as the names and addresses of such holders appear on the Security Register.

The Company agrees to pay to the authenticating agent from time to time such reasonable compensation for its services as shall be agreed upon in writing between the Company and the authenticating agent.

The provisions of Sections 6.02, 6.03, 6.04 and 7.03 and this Section 13.11 shall be applicable to any authenticating agent.

Section 13.12 Execution In Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 13.13 Severability. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13.14 Currency Indemnity. U.S. Dollars are the sole currency of account and payment for all sums payable by the Company under or in connection with the Securities, including damages. Any amount received or recovered in a currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise) by any holder of a Security in respect of any sum expressed to be due to it from the Company shall only constitute a discharge to the Company, to the extent of the U.S. Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the recipient under any Security, the Company shall indemnify such holder against any loss sustained by it as a result, and if the amount of U.S. Dollars so purchased is greater than the sum originally due to such holder, such holder shall, by accepting a Security, be deemed to have agreed to repay such excess. In any event, the Company shall indemnify the recipient against the cost of making any such purchase.

For the purposes of this Section 13.14, it shall be sufficient for the holder of a Security to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Company, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Security and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Security.

Section 13.15 Submission to Jurisdiction, Etc.

The Company hereby submits to the non-exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan, The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any lawsuit, action or other proceeding in such courts, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such lawsuit, action or other proceeding brought in any such court has been brought in an inconvenient forum. The Company irrevocably appoints CT Corporation System, 111 Eighth Avenue, New York, N.Y. 10011, as its authorized agent in the Borough of Manhattan, The City of New York, New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to the address provided in Section 13.03 shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all actions as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of seven years from the date of this Indenture.

Section 13.16 Waiver of Immunity

With respect to any suit or proceeding arising out of or relating to this Indenture, the Purchase Agreement, the Registration Rights Agreement or the Securities or the transactions contemplated hereby or thereby, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled, and with respect to any such suit or proceeding, each party waives any such immunity in any court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such suit or proceeding, including, without limitation, any immunity pursuant to the U.S. Foreign Sovereign Immunities Act of 1976, as amended.

Section 13.17 Judgment Currency

The obligation of the Company in respect of any sum due to the Initial Purchaser under this Indenture shall, notwithstanding any judgment in a currency other than U.S. dollars or any other applicable currency (the "Judgment Currency"), not be discharged until the first Business Day, following receipt by the Initial Purchaser of any sum adjudged to be so due in the Judgment Currency, on which (and only to the extent that) the Initial Purchaser may in accordance with normal banking procedures purchase U.S. dollars or any other applicable currency with the Judgment Currency; if the U.S. dollars or other applicable currency so purchased are less than the sum originally due to the Initial Purchaser hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Initial Purchaser against such loss. If the U.S. dollars or other applicable currency so purchased are greater than the sum originally due to the Initial Purchaser hereunder, the Initial Purchaser agrees to pay to the Company an amount equal to the excess of the U.S. dollars or other applicable currency so purchased over the sum originally due to the Initial Purchaser hereunder.

ARTICLE 14
REDEMPTION AND REPURCHASE OF SECURITIES

Section 14.01 Redemption of Securities. The Company may not redeem any Securities prior to December 24, 2012. At any time on or after December 24, 2012 and prior to maturity, and subject to the proviso below, the Securities may be redeemed in cash at the option of the Company, at any time and from time to time, upon notice as set forth in Section 14.02, at a redemption price per security equal to 100% of the principal amount of the Security, together with accrued and unpaid Interest, if any, to, but excluding, the date fixed for redemption; (i) in whole or in part, if the Last Reported Sale Price of the Common Shares for at least 20 Trading Days in a period of 30 consecutive Trading Days ending within five (5) Trading Days immediately preceding the notice to holders is at least 130% of the applicable Conversion Price in effect on such Trading Day or (ii) in whole only, if at least 95% of the initial aggregate principal amount of Securities originally issued have been redeemed, repurchased or converted and, in each case, cancelled by the Trustee; and provided further that if the redemption date falls after a record date and on or prior the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of such Securities on the applicable record date instead of the holders surrendering such Securities for redemption on such date.

Section 14.02 Notice of Optional Redemption; Selection of Securities. In case the Company shall desire to exercise the right to redeem all or, as the case may be, any part of the Securities pursuant to Section 14.01, it shall fix a date for redemption and it or, at its written request received by the Trustee not fewer than forty-five (45) days prior (or such shorter period of time as may be acceptable to the Trustee) to the date fixed for redemption, the Trustee in the name of and at the expense of the Company, shall mail or cause to be mailed a notice of such redemption not fewer than twenty (20) nor more than sixty (60) days prior to the redemption date to each holder of Securities so to be redeemed as a whole or in part at its last address as the same appears on the Security Register; provided that if the Company shall give such notice, it shall also give written notice of the redemption date to the Trustee. Such mailing shall be by first class mail. The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security. Concurrently with the mailing of any such notice of redemption, the Company shall issue a press release announcing such redemption, the form and content of which press release shall be determined by the Company in its sole discretion. The failure to issue any such press release or any defect therein shall not affect the validity of the redemption notice or any of the proceedings for the redemption of any Security called for redemption.

Each such notice of redemption shall specify the aggregate principal amount of Securities to be redeemed, the CUSIP number or numbers of the Securities being redeemed, the date fixed for redemption (which shall be a Business Day), the redemption price at which Securities are to be redeemed, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that Interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date Interest thereon or on the portion thereof

to be redeemed will cease to accrue. Such notice shall also state the current Conversion Rate and Conversion Price and the date on which the right to convert such Securities or portions thereof into Common Shares will expire. If fewer than all the Securities are to be redeemed, the notice of redemption shall identify the Securities to be redeemed (including CUSIP numbers, if any). In case any Security is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that, on and after the redemption date, upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion thereof will be issued.

On or prior to the redemption date specified in the notice of redemption given as provided in this Section 14.02, the Company will deposit with the Trustee or with one or more paying agents (or, if the Company is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.04) an amount of money in immediately available funds sufficient to redeem on the redemption date all the Securities (or portions thereof) so called for redemption (other than those theretofore surrendered for conversion into Common Shares) at the appropriate redemption price, together with accrued Interest to, but excluding, the redemption date; provided that if such payment is made on the redemption date it must be received by the Trustee or paying agent, as the case may be, by 10:00 a.m. New York City time on such date. The Company shall be entitled to retain any interest, yield or gain on amounts deposited with the Trustee or any paying agent pursuant to this Section 14.02 in excess of amounts required hereunder to pay the redemption price and accrued interest to, but excluding, the redemption date. If any Security called for redemption is converted pursuant hereto prior to such redemption date, any money deposited with the Trustee or any paying agent or so segregated and held in trust for the redemption of such Security shall be paid to the Company upon its written request, or, if then held by the Company, shall be discharged from such trust. Whenever any Securities are to be redeemed, the Company will give the Trustee written notice in the form of an Officers' Certificate not fewer than forty-five (45) days (or such shorter period of time as may be acceptable to the Trustee) prior to the redemption date as to the aggregate principal amount of Securities to be redeemed.

If less than all of the outstanding Securities are to be redeemed, the Trustee shall select the Securities or portions thereof of the Global Security or the Securities in certificated form to be redeemed (in principal amounts of $1,000 or multiples thereof) by lot, on a pro rata basis or by another method the Trustee deems fair and appropriate. If any Security selected for partial redemption is submitted for conversion in part after such selection, the portion of such Security submitted for conversion shall be deemed (so far as may be possible) to be the portion to be selected for redemption. The Securities (or portions thereof) so selected shall be deemed duly selected for redemption for all purposes hereof, notwithstanding that any such Security is submitted for conversion in part before the mailing of the notice of redemption.

Upon any redemption of less than all of the outstanding Securities, the Company and the Trustee may (but need not), solely for purposes of determining the pro rata allocation among such Securities as are unconverted and outstanding at the time of redemption, treat as outstanding any Securities surrendered for conversion during the period of fifteen (15) days next preceding the mailing of a notice of redemption and may (but need not) treat as outstanding any

Security authenticated and delivered during such period in exchange for the unconverted portion of any Security converted in part during such period.

Section 14.03 Payment of Securities Called For Redemption by the Company. If notice of redemption has been given as provided in Section 14.02, the Securities or portion of Securities with respect to which such notice has been given shall, unless converted into Common Shares pursuant to the terms hereof, become due and payable on the date fixed for redemption and at the place or places stated in such notice at the applicable redemption price, together with Interest accrued to (but excluding) the redemption date, and on and after said date (unless the Company shall default in the payment of such Securities at the redemption price, together with Interest accrued to said date) Interest on the Securities or portion of Securities so called for redemption shall cease to accrue and, after the close of business on the Business Day immediately preceding the redemption date (unless the Company shall default in the payment of such Securities at the redemption price, together with Interest accrued to said date) such Securities shall cease to be convertible into Common Shares and, except as provided in Section 6.05 and Section 11.04, to be entitled to any benefit or security under this Indenture, and the holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid Interest to (but excluding) the redemption date. On presentation and surrender of such Securities at a place of payment in said notice specified, the said Securities or the specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together with Interest accrued thereon to, but excluding, the redemption date; provided that if the redemption date falls after a record date and on or prior the corresponding interest payment date, then the Interest payable on such interest payment date shall be paid to the holders of record of such Securities on the applicable record date instead of the holders surrendering such Securities for redemption on such date.

Upon presentation of any Security redeemed in part only, the Company shall execute and the Trustee shall authenticate and make available for delivery to the holder thereof, at the expense of the Company, a new Security or Securities, of authorized denominations, in principal amount equal to the unredeemed portion of the Securities so presented.

Notwithstanding the foregoing, the Trustee shall not redeem any Securities or mail any notice of redemption (i) during the continuance of a default in payment of Interest or premium, if any, on the Securities and (ii) if the principal amount of the Securities has been accelerated.

Section 14.04 Conversion Arrangement on Call for Redemption. In connection with any redemption of Securities, the Company may arrange for the purchase and conversion of any Securities by an agreement with one or more investment banks or other purchasers to purchase such Securities by paying to the Trustee in trust for the Securityholders, on or before the date fixed for redemption, an amount not less than the applicable redemption price, together with Interest accrued to, but excluding, the date fixed for redemption, of such Securities. Notwithstanding anything to the contrary contained in this Article 14, the obligation of the Company to pay the redemption price of such Securities, together with Interest accrued to, but excluding, the date fixed for redemption, shall be deemed to be satisfied and discharged to the extent such amount is so paid by such purchasers. If such an agreement is entered into, a copy of which will be filed with the Trustee prior to the date fixed for redemption, any Securities not duly surrendered for conversion by the holders thereof may, at the option of the Company, be

deemed, to the fullest extent permitted by law, acquired by such purchasers from such holders and (notwithstanding anything to the contrary contained in Article 15) surrendered by such purchasers for conversion, all as of immediately prior to the close of business on the date fixed for redemption (and the right to convert any such Securities shall be extended through such time), subject to payment of the above amount as aforesaid. At the direction of the Company, the Trustee shall hold and dispose of any such amount paid to it in the same manner as it would monies deposited with it by the Company for the redemption of Securities. Without the Trustee's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any Securities shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Trustee as set forth in this Indenture.

Section 14.05 Requirement of Offer to Purchase Upon a Fundamental Change. If there shall occur a Fundamental Change at any time prior to maturity of the Securities, then the Company shall be required to make an offer to each Securityholder to purchase for cash all of such holder's Securities, or any portion thereof that is a multiple of $1,000 principal amount, on the date (the "Fundamental Change Purchase Date") specified by the Company that is not less than twenty (20) Business Days and not more than thirty-five (35) Business Days after the date of the Fundamental Change Notice (as defined in Section 14.05(b)) of such Fundamental Change at a purchase price equal to 100% of the principal amount thereof, together with accrued Interest to, but excluding, the Fundamental Change Purchase Date; provided that if such Fundamental Change Purchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for purchase on such Fundamental Change Purchase Date. Purchases of Securities under this Section 14.05 shall be made, at the option of the holder thereof, upon:

(i) delivery to the Trustee (or other paying agent appointed by the Company) by a holder of a duly completed notice (the "Fundamental Change Purchase Notice") in the form set forth on the reverse of the Security prior to the close of business on the Fundamental Change Purchase Date; and

(ii) delivery or book-entry transfer of the Securities to the Trustee (or other paying agent appointed by the Company) at any time after delivery of the Fundamental Change Purchase Notice (together with all necessary endorsements) at the Corporate Trust Office of the Trustee (or other paying agent appointed by the Company) in the Borough of Manhattan as provided in Section 3.02 or at any other office of the paying agent, such delivery being a condition to receipt by the holder of the purchase price therefor; provided that such purchase price shall be so paid pursuant to this Section 14.05 only if the Security so delivered to the Trustee (or other paying agent appointed by the Company) shall conform in all respects to the description thereof in the related Fundamental Change Purchase Notice.

The Company shall purchase from each holder thereof that accepts the offer to purchase, pursuant to this Section 14.05, a portion of a Security, if the principal amount of such portion is $1,000 or a whole multiple of $1,000. Provisions of this Indenture that apply to the purchase of all of a Security also apply to the purchase of such portion of such Security.

Any purchase by the Company contemplated pursuant to the provisions of this Section 14.05 shall be consummated by the delivery of the consideration to be received by the holder promptly following the later of the Fundamental Change Purchase Date and the time of the book-entry transfer or delivery of the Security.

Notwithstanding anything herein to the contrary, any holder delivering to the Trustee (or other paying agent appointed by the Company) the Fundamental Change Purchase Notice contemplated by this Section 14.05 shall have the right to withdraw such Fundamental Change Purchase Notice at any time prior to the close of business on the Fundamental Change Purchase Date by delivery of a written notice of withdrawal to the Trustee (or other paying agent appointed by the Company) in accordance with Section 14.05(c) below.

The Trustee (or other paying agent appointed by the Company) shall promptly notify the Company of the receipt by it of any Fundamental Change Purchase Notice or written notice of withdrawal thereof.

(b) On or before the 20th Business Day after the occurrence of a Fundamental Change, the Company or at its written request (which must be received by the Trustee at least five (5) Business Days prior to the date the Trustee is requested to give notice as described below, unless the Trustee shall agree in writing to a shorter period), the Trustee, in the name of and at the expense of the Company, shall mail or cause to be mailed to all holders of record on the date of the Fundamental Change a notice (the "Fundamental Change Notice") of the occurrence of such Fundamental Change and of the right at the option of the holders to accept the Company's offer to purchase arising as a result thereof. Such mailing shall be by first class mail. If the Company shall give such notice, the Company shall also deliver a copy of the Fundamental Change Notice to the Trustee at such time as it is mailed to Securityholders. Concurrently with the mailing of any Fundamental Change Notice, the Company shall issue a press release announcing such Fundamental Change referred to in the Fundamental Change Notice, the form and content of which press release shall be determined by the Company in its sole discretion. The failure to issue any such press release or any defect therein shall not affect the validity of the Fundamental Change Notice or any proceedings for the purchase of any Security which any Securityholder may elect to accept the Company's offer to purchase as provided in this Section 14.05.

Each Fundamental Change Notice shall specify the circumstances constituting the Fundamental Change, the Fundamental Change Purchase Date, the price at which the Company is offering to purchase Securities, that the holder must accept the offer to purchase on or prior to the close of business on the fifth Business Day prior to the Fundamental Change Purchase Date (the "Fundamental Change Expiration Time"), that the holder shall have the right to withdraw any Securities surrendered prior to the close of business on the Business Day prior to the Fundamental Change Purchase Date, a description of the procedure which a Securityholder must follow to accept such offer to purchase and to withdraw any surrendered Securities, the place or places where the holder is to surrender such holder's Securities, the amount of Interest accrued on each Security to the Fundamental Change Purchase Date and the CUSIP number or numbers of the Securities (if then generally in use) and include a form of Fundamental Change Purchase Notice.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Securityholders' rights to accept the Company's offer to purchase the Securities or affect the validity of the proceedings for the purchase of the Securities pursuant to this Section 14.05.

(c) A Fundamental Change Purchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Trustee (or other paying agent appointed by the Company) in accordance with the Fundamental Change Purchase Notice at any time prior to the close of business on the Business Day prior to the Fundamental Change Purchase Date, specifying:

(i) the certificate number, if any, of the Security in respect of which such notice of withdrawal is being submitted, or the appropriate Depositary information if the Security in respect of which such notice of withdrawal is being submitted is represented by a Global Security,

(ii) the principal amount of the Security with respect to which such notice of withdrawal is being submitted, and

(iii) the principal amount, if any, of such Security that remains subject to the original Fundamental Change Purchase Notice and that has been or will be delivered for purchase by the Company.

A written notice of withdrawal of a Fundamental Change Purchase Notice may be in the form set forth in the preceding paragraph or may be in the form of a conditional withdrawal contained in a Fundamental Change Purchase Notice pursuant to the terms of Section 14.05.

(d) No later than 10:00 a.m. New York City time at least one Business Day prior to the Fundamental Change Purchase Date, the Company will deposit with the Trustee (or other paying agent appointed by the Company or if the Company is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.04) an amount of money sufficient to purchase on the Fundamental Change Purchase Date all the Securities to be purchased on such date at the appropriate purchase price, together with accrued Interest to, but excluding, the Fundamental Change Purchase Date. Subject to receipt of funds and/or Securities by the Trustee (or other paying agent appointed by the Company), payment for Securities surrendered for purchase (and not withdrawn) prior to the Fundamental Change Expiration Time will be made promptly (but in no event more than five (5) Business Days) following the later of (x) the Fundamental Change Purchase Date with respect to such Security (provided the holder has satisfied the conditions in this Section 14.05) and (y) the time of delivery of such Security to the Trustee (or other paying agent appointed by the Company) by the holder thereof in the manner required by this Section 14.05) by mailing checks for the amount payable to the holders of such Securities entitled thereto as they shall appear in the Security Register.

If the Trustee (or other paying agent appointed by the Company) holds money sufficient to repurchase on the Fundamental Change Purchase Date all the Securities or portions thereof that are to be purchased as of the Fundamental Change Purchase Date, then on or after the Fundamental Change Purchase Date (i) the Securities will cease to be outstanding, (ii) Interest on the Securities will cease to accrue, and (iii) all other rights of the holders of such Securities will

terminate, whether or not book-entry transfer of the Securities has been made or the Securities have been delivered to the Trustee or paying agent, other than the right to receive the repurchase price upon delivery of the Securities.

(e) The Company will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act to the extent then applicable in connection with the repurchase rights of the holders of Securities in the event of a Fundamental Change.

Section 14.06 Securities Repurchased in Part. Upon presentation of any Security purchased pursuant to Section 14.05 or repurchased pursuant to Section 14.08, only in part, the Company shall execute and the Trustee shall authenticate and make available for delivery to the holder thereof, at the expense of the Company, a new Security or Securities, of any authorized denomination, in aggregate principal amount equal to the unrepurchased portion of the Securities presented.

Section 14.07 Repayment to the Company. To the extent that the aggregate amount of cash or money deposited by the Company pursuant to Section 14.05(d) or 14.08(e) exceeds the aggregate purchase or repurchase price of the Securities or portions thereof which the Company is obligated to purchase as of the Fundamental Change Purchase Date or repurchase as of the Repurchase Date, as applicable, then, unless otherwise agreed in writing with the Company, promptly after the Business Day following the Fundamental Change Repurchase Date or the Repurchase Date, as applicable, the Trustee shall return any such excess to the Company together with interest, if any, thereon.

Section 14.08 Repurchase of Securities at Option of the Holder on Specified Dates.

(a) Any holder may require the Company to repurchase any outstanding Securities for cash on December 24, 2012 and December 15, 2014 (each a "Repurchase Date") at a purchase price per Security equal to 100% of the aggregate principal amount of the Security, together with any accrued and unpaid Interest, to but not including the applicable Repurchase Date (the "Repurchase Price"); provided that if such Repurchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of such Securities on the applicable record date instead of the holders surrendering such Securities for repurchase on such date.

(b) The Company shall give written notice (the "Repurchase Notice") of the applicable Repurchase Date by notice sent by first-class mail to the Trustee and to each holder (at its address shown in the register of the Registrar) and to beneficial owners as required by applicable law, not less than 25 Business Days prior to each Repurchase Date. Each Repurchase Notice shall include a repurchase election notice (a "Repurchase Election Notice") and shall state:

(1) the Repurchase Price, the Repurchase Date, and the current Conversion Rate and Conversion Price in effect;

(2) the name and address of the Paying Agent and the Conversion Agent;

(3) that Securities as to which a Repurchase Notice has been given may be converted only to the extent that the Repurchase Election Notice has been withdrawn in accordance with the terms of this Indenture;

(4) that Securities must be surrendered to the Paying Agent to collect payment;

(5) that the Repurchase Price for any Security as to which a Repurchase Notice has been given and not withdrawn will be paid promptly following the later of the Repurchase Date and the time of surrender of such Security as described in subclause (4) above;

(6) the procedures the holder must follow to exercise rights under this Section and a brief description of those rights;

(7) briefly, the conversion rights of the Securities;

(8) the procedures for withdrawing a Repurchase Election Notice;

(9) that, unless the Company defaults in making payment on Securities for which a Repurchase Election Notice has been submitted, interest, if any, on such Securities will cease to accrue on and after the Repurchase Date; and

(10) the CUSIP number of the Securities.

If any of the Securities are to be redeemed in the form of a Global Security, the Company shall modify such notice to the extent necessary to accord with the procedures of the Depositary applicable to redemptions.

At the Company's request, the Trustee shall give such Repurchase Notice on behalf of the Company and at the Company's expense; provided, however, that, in all cases, the text of such Repurchase Notice shall be prepared by the Company.

(c) Repurchases of Securities by the Company pursuant to this Section 14.08 shall be made, at the option of the holder thereof, upon:

(1) delivery to the Paying Agent by the holder of the Repurchase Election Notice at any time from the opening of business on the date that is 25 Business Days prior to the applicable Repurchase Date until the close of business on the fifth Business Day immediately preceding such Repurchase Date stating:

(i) if certificated Securities have been issued, the certificate number of the Security which the holder will deliver to be purchased (or, if a holder's Securities are not certificated, the Repurchase Election Notice must comply with applicable procedures of the Depositary),

(ii) the portion (which may be 100%) of the principal amount of the Securities which the holder will deliver to be repurchased, which portion must be in a principal amount of $1,000 or an integral multiple thereof, and

(iii) that such Securities shall be repurchased as of the applicable Repurchase Date pursuant to the terms and conditions specified in the Securities and in this Section 14.08.

(2) delivery of such Security to the Trustee (or other paying agent appointed by the Company) at any time after delivery of the Repurchase Notice (together with all necessary endorsements) at the offices of the Trustee (or other paying agent appointed by the Company). Delivery of such Security shall be a condition to receipt by the holder of the Repurchase Price therefor. The Repurchase Price shall be paid pursuant to this Section 14.08 only if the Security delivered to the Trustee (or other paying agent appointed by the Company) shall conform in all respects to the description thereof in the related Repurchase Election Notice, as determined by the Company.

(d) Notwithstanding anything herein to the contrary, any holder delivering to the Trustee or paying agent the Repurchase Election Notice contemplated by this Section 14.08 shall have the right to withdraw such Repurchase Election Notice at any time prior to the close of business on the Business Day immediately preceding the Repurchase Date by delivery of a written notice of withdrawal to the Trustee or paying agent specifying:

(1) if certificated Securities have been issued, the certificate number of the Security in respect of which such notice of withdrawal is being submitted (or, if a holder's Securities are not certificated, the withdrawal notice must comply with the applicable procedures of the Depositary),

(2) the aggregate principal amount of the Security with respect to which such notice of withdrawal is being submitted, and

(3) the aggregate principal amount, if any, of such Security which remains subject to the original Repurchase Election Notice and which has been or will be delivered for purchase by the Company.

The Paying Agent shall promptly notify the Company of the receipt by it of any Repurchase Election Notice or written notice of withdrawal thereof.

(e) On or before 10:00 a.m., New York City time one Business Day prior to the applicable Repurchase Date, the Company shall deposit with the Trustee or with the paying agent (or if the Company or an Affiliate of the Company is acting as the paying agent, shall segregate and hold in trust) an amount of money (in immediately available funds if deposited on such Repurchase Date) sufficient to pay the aggregate Repurchase Price of all the Securities or portions thereof which are to be purchased as of the applicable Repurchase Date. The manner in which the deposit required by this Section 14.08 is made by the Company shall be at the option of the Company; provided that such deposit shall be made in a manner such that the Trustee or a paying agent shall have immediately available funds on the applicable Repurchase Date.

If the Trustee or a paying agent holds, in accordance with the terms hereof, money sufficient to pay the Repurchase Price of any Security for which a Repurchase Election Notice has been tendered and not withdrawn on the applicable Repurchase Date, then, on the applicable Repurchase Date, such Security will cease to be outstanding, whether or not the Security is

delivered to the Paying Agent, and the rights of the holder in respect thereof shall terminate (other than the right to receive the Repurchase Price as aforesaid) and interest will cease to accrue on such Security.

The Repurchase Price shall be paid promptly to such holder with respect to Securities for which a Repurchase Election Notice has been tendered and not withdrawn, subject to receipt of funds by the Trustee or paying agent, promptly following the later of (x) the Repurchase Date with respect to such Security (provided the conditions in Section 14.08 have been satisfied) and (y) the time of delivery of such Security to the Trustee or paying agent by the holder thereof in the manner required by Section 14.08. Securities in respect of which a Repurchase Election Notice has been given by the holder thereof may not be converted pursuant to Article 15 hereof on or after the date of the delivery of such Repurchase Election Notice, unless such Repurchase Election Notice has first been validly withdrawn as specified in Section 14.08.

The Company shall purchase from the holder thereof, pursuant to this Section 14.08, a portion of a Security if the principal amount of such portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to the purchase of all of a Security also apply to the purchase of such portion of such Security.

(f) There shall be no purchase of any Securities pursuant to this Section 14.08 if there has occurred (prior to, on or after as the case may be, the giving, by the holders of such Securities, of the required Repurchase Election Notice) and is continuing an Event of Default (other than a default in the payment of the Repurchase Price) and the principal amount of the Securities has been accelerated in accordance with the Indenture and such acceleration has not been rescinded. The Trustee or paying agent will promptly return to the respective holders thereof any Securities (x) with respect to which a Repurchase Election Notice has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Repurchase Price) in which case, upon such return, the Repurchase Election Notice with respect thereto shall be deemed to have been withdrawn.

Section 14.09 Redemption For Tax Reasons. The Company may, at its option, redeem the Securities, in whole but not in part, for an amount equal to 100% of the aggregate principal amount of the Security, plus accrued and unpaid Interest (the "Tax Redemption Price"), to, but excluding, the date of redemption (the "Tax Redemption Date") if the Company has become or would become obligated to pay to the holders Additional Amounts (which are more than a de minimis amount) as a result of any amendment or change occurring after December 10, 2007 in the laws or any regulations of Relevant Taxing Jurisdiction, or any change occurring after December 10, 2007 in the interpretation or application of any such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); provided the Company cannot avoid these obligations by taking reasonable measures available to it and that it delivers to the Trustee (i) an opinion of legal counsel specializing in taxation, who is acceptable to the trustee, to the effect that the Company or its successor has or will become obligated to pay Additional Amounts as a result of the change or amendment, that the Company or such successor cannot avoid payment of such Additional Amounts by taking reasonable measures available to it or its successors and that all

governmental requirements necessary for it or any successor to effect the redemption have been complied with; and (ii) an Officers' Certificate, signed in the Company's name or its successor's name by any two of the Company's or its successor's executive officers or by the Company's or its successor's attorney in fact in accordance with the Company's or its successor's bylaws, stating that the Company or its successor is entitled to redeem the Securities pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the Company's right or the right of any successor to so redeem have occurred or been satisfied, that the Company or such successor cannot avoid payment of such Additional Amounts by taking reasonable measures available to it or its successors and that all governmental requirements necessary for it or any successor to effect the redemption have been complied with. Subject to Section 15.09 of this Indenture, the Company will not and will not cause any paying agent or the Trustee to deduct from such Tax Redemption Price any amounts on account of, or in respect of, any taxes. In such event, the Company will give notice to the Trustee and the holders of the Securities not less than 20 days prior to the date fixed for redemption, except that (i) the Company will not give notice of redemption earlier than 60 days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

Upon receiving such notice of redemption, each holder who does not wish to have the Company redeem its Securities pursuant to this Section 14.09 can elect to (i) convert its Securities pursuant to Article 15 of this Indenture or (ii) not have its Securities redeemed, provided that no Additional Amounts will be payable on any payment of interest or principal with respect to the Securities after such Tax Redemption Date. All future payments will be subject to the deduction or withholding of any taxes required to be deducted or withheld.

Where no such election is made, the Holder will have its Securities redeemed without any further action. If a Holder does not elect to convert its Securities pursuant to Article 15 but wishes to elect to not have its Securities redeemed, such holder must deliver to the Company (if the Company is acting as its own paying agent), or to the Trustee or a paying agent designated by the Company for such purpose in the notice of redemption, a written notice of election (the "Notice of Election") duly completed and signed, so as to be received by the Trustee or paying agent no later than the close of business on a Business Day at least fifteen (15) Business Days prior to the Tax Redemption Date.

A Holder may withdraw any Notice of Election by delivering to the Company (if the Company is acting as its own paying agent), or to the Trustee or a paying agent designated by the Company in the notice of redemption, a written notice of withdrawal prior to the close of business on the Business Day prior to the Tax Redemption Date.

If cash sufficient to pay the Redemption Price of all Securities (or portions thereof) to be redeemed on the Tax Redemption Date is deposited with the Trustee or paying agent prior to 10:00 a.m., New York City time, on the Tax Redemption Date, then on such Tax Redemption Date, interest, including Additional Interest, Additional Amounts, if any, cease to accrue on such Securities or portions thereof.

ARTICLE 15
CONVERSION OF SECURITIES

Section 15.01 Right To Convert. (a) Subject to and upon compliance with the provisions of this Indenture, prior to the close of business on the Business Day immediately preceding the Maturity Date, subject to prior redemption or repurchase, the holder of any Security shall have the right, at such holder's option, to convert the principal amount of the Security, or any portion of such principal amount which is a multiple of $1,000, into fully paid and non-assessable Common Shares (as such shares shall then be constituted) at the Conversion Rate in effect at such time, by surrender of the Security to be so converted in whole or in part, together with any required funds, in the manner provided in Section 15.02. With the consent of holders of at least 25% of the aggregate principal amount of Securities then outstanding and as described in Section 15.03, the Securities may, at the Company's option, be convertible into cash or a combination of cash and Common Shares.

If any Securities have been called for redemption pursuant to Section 14.02, such Securities may be converted, at any time until the close of business on the Business Day immediately preceding the redemption date, unless the Company fails to pay the redemption price of such Securities.

A Security in respect of which a holder is electing to accept the Company's offer to purchase such holder's Securities upon a Fundamental Change pursuant to Section 14.05 or on a Repurchase Date pursuant to Section 14.08 may be converted only if such holder withdraws its election in accordance with Section 14.05 or Section 14.08, as applicable. A holder of Securities is not entitled to any rights of a holder of Common Shares until such holder has converted its Securities into Common Shares, and only to the extent such Securities are deemed to have been converted into Common Shares under this Article 15.

Section 15.02 Exercise Of Conversion Privilege; Issuance Of Common Shares On Conversion; No Adjustment For Interest Or Dividends. In order to exercise the conversion privilege with respect to any Security in certificated form, the Company must receive at the office or agency of the Company maintained for that purpose or, at the option of such holder, the Corporate Trust Office, such Security with the original or facsimile of the form entitled "Conversion Notice" on the reverse thereof, duly completed and manually signed, together with such Securities duly endorsed for transfer, accompanied by the funds, if any, required by this Section 15.02. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for Common Shares which shall be issuable on such conversion shall be issued. The Conversion Agent shall be entitled to assume, without duty to inquire, each converting Securityholder has, as a condition precedent to exercising its conversion right, paid all stamp, issue, registration, and similar taxes or duties or transfer costs which it is required to pay. Once deposited, a Conversion Notice may not be withdrawn without the written consent of the Company (with a copy of such consent together with the relevant Conversion Notice sent to the relevant Conversion Agent at the same time.

In order to exercise the conversion privilege with respect to any interest in a Global Security, the beneficial holder must complete, or cause to be completed, the appropriate instruction form for conversion pursuant to the Depositary's book-entry conversion program,

deliver, or cause to be delivered, by book-entry delivery an interest in such Global Security, furnish appropriate endorsements and transfer documents if required by the Company or the Trustee or conversion agent.

As promptly as practicable after satisfaction of the requirements for conversion set forth above, subject to compliance with any restrictions on transfer if shares issuable on conversion are to be issued in a name other than that of the Securityholder (as if such transfer were a transfer of the Security or Securities (or portion thereof) so converted), the Company shall issue and shall deliver to such Securityholder at the office or agency maintained by the Company for such purpose pursuant to Section 3.02, a certificate or certificates for the number of full Common Shares issuable upon the conversion of such Security or portion thereof as determined by the Company in accordance with the provisions of this Article 15 and a check or cash in respect of any fractional interest in respect of a Common Share arising upon such conversion, calculated by the Company as provided in Section 15.05. In case any Security of a denomination greater than $1,000 shall be surrendered for partial conversion, and subject to Section 2.03, the Company shall execute and the Trustee shall authenticate and deliver to the holder of the Security so surrendered, without charge to him, a new Security or Securities in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Security.

Each conversion shall be deemed to have been effected as to any such Security (or portion thereof) on the date on which the requirements set forth above in this Section 15.02 have been satisfied as to such Security (or portion thereof), and the Person in whose name any certificate or certificates for Common Shares shall be issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby; provided that any such surrender on any date when the stock transfer books of the Company shall be closed shall constitute the Person in whose name the certificates are to be issued as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Rate in effect on the date upon which such Security shall be surrendered.

Any Security or portion thereof surrendered for conversion during the period from the close of business on the record date for any interest payment date to the close of business on the Business Day preceding the following interest payment date shall be accompanied by payment, in immediately available funds or other funds acceptable to the Company, of an amount equal to the Interest otherwise payable on such interest payment date on the principal amount being converted; provided that no such payment need be made (1) if the Company has specified a redemption date that is after a record date and on or prior to the next interest payment date, (2) if the Company has specified a Fundamental Change Purchase Date following a Fundamental Change or in connection with a Repurchase Date, in each case that is after a record date and on or prior to the next interest payment date or (3) to the extent of any overdue Interest, if any overdue Interest exists at the time of conversion with respect to such Security. Except as provided above in this Section 15.02, no payment or other adjustment shall be made for Interest accrued on any Security converted or for dividends on any shares issued upon the conversion of such Security as provided in this Article 15.

Upon the conversion of an interest in a Global Security, the Trustee (or other conversion agent appointed by the Company), or the Custodian at the direction of the Trustee (or other

conversion agent appointed by the Company), shall make a notation on such Global Security as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversions of Securities effected through any conversion agent other than the Trustee.

Upon the conversion of a Security, any accrued but unpaid Interest to the conversion date with respect to the converted Security shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the holder thereof through delivery of the Common Shares, cash or combination of cash and Common Shares, as applicable, in exchange for the Security being converted pursuant to the provisions hereof; and the fair market value of such Common Shares, cash or combination of cash and Common Shares, as applicable, shall be treated as issued, to the extent thereof, first in exchange for and in satisfaction of the Company's obligation to pay the principal amount of the converted Security, the accrued but unpaid Interest through the conversion date, and the balance, if any, of such fair market value of such Common Shares, cash or combination of cash and Common Shares, as applicable, (any such cash payment) shall be treated as issued in exchange for and in satisfaction of the right to convert the Security being converted pursuant to the provisions hereof.

Section 15.03 Net Share Settlement Election. With the consent of holders of at least 25% of the aggregate principal amount of Securities outstanding, the Company and Trustee may enter into a supplemental indenture so as to permit, at the Company's option, settlement upon conversion in cash or any combination of cash and Common Shares in lieu of delivery of common shares in satisfaction of the Conversion obligation upon conversion of the Securities. If such consent has been given, at any time on or prior to the 2nd Scheduled Trading Day following the applicable conversion date (except, in respect of Securities to be converted during the period beginning twelve (12) Scheduled Trading Days immediately preceding a redemption date, repurchase date, Fundamental Change Repurchase Date or the Maturity Date for such Securities, no later than the date we deliver our notice of redemption, the Repurchase Notice, the Fundamental Change Repurchase Notice or the 13th Scheduled Trading Day preceding the Maturity Date, as applicable), the Company may elect to satisfy the obligation upon conversion of the Securities with respect to any Securities converted after the date of such election by delivering cash up to the aggregate principal amount of Securities to be converted, Common Shares, or a combination thereof in respect of the remainder, if any, of the obligation upon conversion of the Securities. Such election (a "Net Share Settlement" election) shall be in the Company's sole discretion and shall not require the consent of Securityholders after the supplemental indenture permitting such Net Share Settlement has been properly entered into pursuant to the terms of this Section 15.03.

The Company shall treat all holders with the same Cash Settlement Averaging Period in the same manner. The Company shall not, however, have any obligation to settle any obligations to convert the Securities arising with respect to different Cash Settlement Averaging Periods in the same manner.

The amount of Cash and/or number of shares of Common Shares, as the case may be, due upon conversion of Securities shall be determined as follows:

(a) If the Company elects to satisfy the entire obligation to convert the Securities by delivering Common Shares, the Company shall deliver to the converting holder a number of shares of Common Shares equal to (i) (A) the aggregate principal amount of Securities to be converted divided by (B) 1,000 multiplied by (ii) the Conversion Rate in effect on the relevant Conversion Date (provided that the Company shall deliver cash in lieu of fractional shares as described in Section 15.05).

(b) If the Company elects to satisfy the entire obligation to convert the Securities by paying cash, the Company shall pay to the converting holder, for each $1,000 principal amount of Securities so converted, cash in an amount equal to the Conversion Value.

(c) If the Company elects to satisfy the obligation to convert the Securities by delivering or paying, as the case may be, a combination of cash and Common Shares, the Company shall deliver to the converting holder, for each $1,000 principal amount of Securities so converted (x) cash in an amount equal to the lesser of (A) the Specified Cash Amount and (B) the Conversion Value; and (y) if the Conversion Value is greater than the Specified Cash Amount, a number of shares of Common Stock equal to the sum of the Daily Share Amounts for each of the twenty Trading Days in the Cash Settlement Averaging Period (provided that the Company shall deliver Cash in lieu of fractional shares as described in Section 15.05).

Any settlement of an obligation to convert the Securities made entirely or partially in cash (other than cash in lieu of fractional shares) shall occur on the third Business Day immediately following the final Trading Day of the Cash Settlement Averaging Period.

Section 15.04 Net Share Settlement Notices. If the Company has elected to make a Net Share Settlement as described in Section 15.03, the Company shall promptly (i) issue a press release and post such information on its website or otherwise publicly disclose this information or (ii) provide written notice to holders by mailing such notice to holders at their address in the Register (in the case of a certificated Security), or through the facilities of the Depositary (in the case of a Global Security). This notice to holders shall include the amount to be satisfied in cash as a fixed dollar amount per $1,000 principal amount of Securities (the "Specified Cash Amount"). If, subsequent to the Company electing a Net Share Settlement, the Company fails to timely notify converting holders of the Specified Cash Amount, the Specified Cash Amount shall be deemed to be $1,000.

Section 15.05 Cash Payments in Lieu of Fractional Shares. No fractional Common Shares or scrip certificates representing fractional shares shall be issued upon conversion of Securities. If more than one Security shall be surrendered for conversion at one time by the same holder, the number of full shares that shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof to the extent permitted hereby) so surrendered. If any fractional share would be issuable upon the conversion of any Security or Securities, the Company shall make an adjustment and payment therefor in cash at the current market price thereof to the holder of Securities, but in no event to exceed the U.S. dollar equivalent of Cdn $200. For purposes of this Section 15.05 only, the current market price of a Common Share shall be the Last Reported Sale Price on the last Trading Day immediately preceding the day on which the Securities (or specified portions thereof) are deemed to have been converted.

Section 15.06 Conversion Rate. Each $1,000 principal amount of the Securities shall be convertible into the number of Common Shares specified in the form of Security (herein called the "Conversion Rate") attached as Exhibit A hereto, subject to adjustment as provided in this Article 15.

Section 15.07 Adjustment Of Conversion Rate. The Conversion Rate shall be adjusted, without duplication, from time to time by the Company in accordance with this Section 15.07, except that the Company will not make any adjustment if holders of Securities are entitled to participate on the relevant distribution or payment date, as a result of holding the Securities, in the transactions described in Sections Section 15.07(b), Section 15.07(c) and Section 15.07(d)below without having to convert their Securities (based on the Conversion Rate in effect immediately before the relevant Ex-Dividend Date) or holders of Common Shares are not eligible to participate in the relevant transaction described below in this Section 15.07:

(a) If the Company, at any time or from time to time while any of the Securities are outstanding, issues Common Shares as a dividend or distribution on Common Shares (including a Common Share bonus or as a result of the capitalization of profits or reserves), or if the Company effects a Common Share split or Common Share combination, then the Conversion Rate will be adjusted based on the following formula:

$$CR' = CR0 \times \frac{(OS')}{(OS0)}$$

where:

CR0 = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution, or the effective date of such Common Share split or Common Share combination, as applicable;

CR' = the Conversion Rate in effect immediately after the opening of business on such Ex-Dividend Date for such dividend or distribution or effective date of such Common Share split or Common Share combination, as applicable;

OS0 = the number of Common Shares outstanding immediately prior to such Ex-Dividend Date for such dividend or distribution or effective date of such Common Share split or Common Share combination; and

OS' = the number of Common Shares outstanding immediately after the opening of business on such Ex-Dividend Date for such dividend or distribution or effective date of such Common Share split or Common Share combination, but after giving effect to such dividend, distribution, Common Share split or Common Share combination, as applicable.

Such adjustment shall become effective immediately after the Ex-Dividend Date for such dividend or distribution, or the effective date for such share split or share combination. If any dividend or distribution of the type described in this Section 15.07(a) is declared but not so paid or made, the Conversion Rate shall again be adjusted, as of the date that is the earlier of (i) the

public announcement of the non-payment of the dividend or distribution and (ii) the date that the dividend or distribution was to be paid, to the Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(b) If the Company, at any time or from time to time while any of the Securities are outstanding, distributes to all or substantially all holders of Common Shares any rights (including subscription bonuses) or warrants entitling them for a period of not more than 45 calendar days from the record date for such rights or warrants to subscribe for or purchase Common Shares at an exercise price per Common Share less than the Last Reported Sales Price of Common Shares on the Trading Day immediately preceding the date of announcement of such distribution, the Conversion Rate shall be adjusted based on the following formula:

$$CR' = CR0 \times \frac{(OS0 + X)}{(OS0 + Y)}$$

CR0 = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

CR' = the Conversion Rate in effect immediately after the opening of business on the Ex-Dividend Date for such distribution;

OS0 = the number of Common Shares outstanding immediately before such Ex-Dividend Date for such issuance;

X = the total number of Common Shares issuable pursuant to such rights or warrants; and

Y = the number of Common Shares equal to the quotient of (A) the aggregate price payable to exercise such rights or warrants divided by (B) the average of the Last Reported Sale Prices of Common Shares for the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

To the extent such rights or warrants are not exercised or converted prior to the expiration of the exercisability or convertability thereof, the Conversion Rate shall be readjusted, as of such expiration date, to the Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of Common Shares actually delivered. In the event that such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such rights or warrants had not been issued. In determining whether any rights or warrants entitle the holders to subscribe for or purchase Common Shares at less than the Last Reported Price of Common Shares immediately preceding the date of announcement of such distribution, and in determining the aggregate offering price of such Common Shares, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration, if other than cash, as shall be determined in good faith by the Board of Directors of the Company.

With respect to any rights or warrants (the "Rights") that may be issued or distributed pursuant to any rights plans implemented by the Company after the date of this Indenture (a "Rights Plan"), the holders of Securities will receive, with respect to any Common Shares issued upon conversion, the Rights described therein (whether or not the Rights have separated from the Common Shares at the time of conversion), subject to the limitations set forth in and in accordance with any such Rights Plan; provided that if at the time of conversion the Rights have separated from the Common Shares in accordance with the provisions of the Rights Plan so that holders would not be entitled to receive any rights in respect of the Common Shares, if any, issuable upon conversion of the Securities as a result of the timing of the Conversion Date, the Conversion Rate will be adjusted as if the Company distributed to all holders of Common Shares securities constituting such rights as provided in the first paragraph of this clause (b) of this Section 15.07, subject to a corresponding readjustment to the Conversion Rate on an equitable basis in the event that such Rights are later redeemed, repurchased, invalidated or terminated. A further adjustment will occur as described in above in this clause (b) of this Section 15.07 if such Rights become exercisable to purchase different securities, evidences of indebtedness or assets, subject to a corresponding readjustment to the Conversion Rate on an equitable basis in the event that such Rights are later redeemed, repurchased, invalidated or terminated. Other than as specified in this paragraph of this clause (b) of this Section 15.07, there will not be any adjustment to the Conversion Rate as the result of the issuance of any Rights, the distribution of separate certificates representing such Rights, the exercise or redemption of such Rights in accordance with any Rights Plan or the termination or invalidation of any Rights.

(c) If the Company, at any time or from time to time while the Securities are outstanding, distributes any share capital of the Company, evidences of indebtedness or other assets or property of the Company or rights to acquire the Company's share capital or other securities to all, or substantially all, holders of its Common Shares, excluding:

(i) dividends or distributions referred to in Section 15.07(a);

(ii) rights or warrants referred to in Section 15.07(b);

(iii) dividends or distributions paid exclusively in cash; and

(iv) Spin-Offs (as defined below) to which the provisions set forth below in this Section 15.07(c) shall apply;

then the Conversion Rate will be adjusted based on the following formula:

$$CR' = CR0 \times \frac{SP0}{(SP0 - FMV)}$$

CR0 = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such distribution;

CR' = the Conversion Rate in effect immediately after the opening of business on the Ex-Dividend Date for such distribution;

SP0 = the average of the Last Reported Sale Prices of the Common Shares over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined in good faith by the Board of Directors of the Company) of the share capital, evidences of indebtedness, assets, property or rights distributed with respect to each outstanding Common Share on the Ex-Dividend Date for such distribution.

Such adjustment shall become effective immediately prior to the opening of business on the day following the Ex-Dividend Date for such distribution.

Where there has been a payment of a dividend or other distribution on the Common Shares in the Company's share capital of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit (a "Spin-Off"), the Conversion Rate in effect immediately before 5:00 p.m., New York City time, on the 15th Trading Day immediately following the effective date of the Spin-Off shall be increased based on the following formula:

$$CR' = CR0 \times \frac{(FMV0 + MP0)}{(MP0)}$$

where

CR0 = the Conversion Rate in effect on the 15th Trading Day immediately following, and including, the effective date of the Spin-Off;

CR' = the Conversion Rate in effect immediately after the 15th Trading Day immediately following, and including, the effective date of the Spin-Off;

FMV0 = the average of the Last Reported Sale Prices of the Company's share capital or similar equity interest distributed to holders of Common Shares applicable to one Common Share over the first 10 consecutive Trading Day period beginning on, and including, the 5th Trading Day after the effective date of the Spin-Off; and

MP0 = the average of the Last Reported Sale Prices of Common Shares over the first 10 consecutive Trading Day period beginning on, and including, the 5th Trading Day the effective date of the Spin-Off.

The adjustment to the Conversion Rate under the preceding paragraph will occur on the 15th Trading Day from, and including, the effective date of the Spin-Off; provided that in respect of any conversion within the 15 Trading Days following the effective date of any Spin-Off, references within this Section 15.07(c) to "10 Trading Days" shall be deemed replaced with such lesser number of Trading Days as have elapsed between the effective date of such Spin-Off and the Conversion Date in determining the Conversion Rate.

If any dividend or distribution described in this Section 15.07(c) is declared but not paid or made, the Conversion Rate shall be readjusted, as of the date that is the earlier of (i) the public announcement of the non-payment of the dividend or distribution and (ii) the date that the dividend or distribution was to have been paid, in which case, the Conversion Rate will be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

For the purposes of this Section 15.07(c), rights, warrants or options distributed by the Company to all holders of Common Shares entitling them to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights, warrants or options until the occurrence of a specified event or events (a "Trigger Event"): (1) are deemed to be transferred with such Common Shares; (2) are not exercisable; and (3) are also issued in respect of future issuances of Common Shares, shall be deemed not to have been distributed for purposes of this Section 15.07(c), (and no adjustment to the Conversion Rate under this Section 15.07(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 15.07(c). If any such right, warrant or option, including any such existing rights, warrants or options distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, warrants or options become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights, warrants or options with such rights (and a termination or expiration of the existing rights, warrants or options without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, warrants or options or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 15.07(c) was made, (1) in the case of any such rights, warrants or options which shall all have been redeemed or purchased without exercise by any Holders thereof, the Conversion Rate shall be readjusted upon such final purchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder of Common Shares with respect to such rights, warrants or options (assuming such holder had retained such rights, warrants or options), made to all applicable holders of Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, warrants or options which shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, warrants or options had not been issued.

(d) If the Company pays any cash dividend or other distribution (other than the cash portion of any distributions for which the Conversion Rate is adjusted pursuant to Section 15.07(c)) to all, or substantially all, holders of Common Shares (including as a result of capital reductions and Common Share redemptions or authorizations), the Conversion Rate shall be adjusted based on the following formula:

$$CR' = CR0 \times \left(\frac{SP0}{SP0 - C}\right)$$

where

CR0 = the Conversion Rate in effect immediately prior to the Ex-Dividend Date for such dividend or distribution;

CR' = the Conversion Rate in effect immediately after the opening of business on the Ex-Dividend Date for such dividend or distribution;

SP0 = the average of the Last Reported Sale Prices of a Common Share over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the full amount of such dividend or distribution per share the Company distributes to holders of Common Shares.

If any dividend or distribution described in this Section 15.07(d) is declared but not so paid or made, the new Conversion Rate shall be adjusted, as of the date that is the earlier of (i) the public announcement of the non-payment of the dividend or distribution and (ii) the date that the dividend or distribution was to be paid, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(e) If the Company or any Subsidiary makes a payment in respect of a tender offer or exchange offer for Common Shares, to the extent that the cash and value (which will be, except for the value of traded securities, determined by the Board of Directors) of any other consideration included in the payment per Common Share exceeds the Last Reported Sale Price per Common Share on the Trading Day immediately following the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be adjusted as of the close of business on the 10th Trading Day from and including the Trading Day immediately following the date the tender or exchange offer expires based on the following formula:

$$CR' = CR0 \times \frac{(AC + (SP' \times OS'))}{(OS0 \times SP')}$$

where

CR0 = the Conversion Rate in effect on the day immediately prior to the effective date of the adjustment;

CR' = the Conversion Rate in effect immediately following the effective date of the adjustment;

AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for Common Shares purchased in such tender or exchange offer;

OS0 = the number of Common Shares outstanding on the Trading Day immediately prior to the date such tender or exchange offer expires;

OS' = the number of Common Shares outstanding on the Trading Day immediately after the date such tender or exchange offer expires (after giving effect to the purchase or exchange of Common Shares pursuant to such tender or exchange offer); and

SP' = the average of the Last Reported Sale Prices of Common Shares over the 10 consecutive Trading Day period commencing on the Trading Day immediately following the date such tender or exchange offer expires.

The adjustment to the Applicable Conversion Rate under this Section 15.07(e) shall occur on the 10th Trading Day from, and including, the Trading Day next succeeding the date such tender or exchange offer expires; provided that in respect of any conversion within the 10 Trading Days immediately following, and including, the expiration date of any tender or exchange offer, references within this Section 15.07(e) to "10 Trading Days" shall be deemed replaced with such lesser number of Trading Days as have elapsed between the expiration date of such tender or exchange offer and the Conversion Date in determining the Conversion Rate.

If the Company is obligated to purchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such tender or exchange had not been made.

(f) No adjustment to the Conversion Rate will be required unless the adjustment would require an increase or decrease of at least 1% of the Conversion Rate. If the adjustment is not made because the adjustment does not change the Conversion Rate by at least 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustments. In addition, the Company will make any carry forward adjustments not otherwise effected upon an offer by the Company to purchase the Securities in connection with a Fundamental Change or with respect to a repurchase at the option of holders, upon any Redemption Date, upon any conversion of the Securities, within one year of the first such adjustment carried forward and on the record date immediately prior to the Maturity of the Securities. Adjustments to the Conversion Rate will be rounded to the nearest ten-thousandth, with five one-hundred-thousandths rounded upward (e.g., 0.76545 would be rounded up to 0.7655).

(g) The Company from time to time may, to the extent permitted by applicable law and subject to the applicable rules of the Nasdaq Global Market, increase the Conversion Rate by any amount for a period of at least 20 days if the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive. Whenever the Applicable Conversion Rate is increased pursuant to this Section 15.07(g) or Section 15.07(h) below, the Company shall mail to Holders of record of the Securities a notice of the increase at least 15 days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(h) The Company may (but is not required to) make such increases in the Conversion Rate, in addition to any adjustments required by Section 15.07(a), Section 15.07(b), Section 15.07(c), Section 15.07(d), Section 15.07(e) or Section 15.07(g), as the Board of Directors considers to be advisable to avoid or diminish income tax to holders resulting from any dividend or distribution of Capital Stock issuable on conversion of the Securities (or rights to acquire shares) or from any event treated as such for income tax purposes.

(i) Except as otherwise provided in this Indenture, all calculations under this Article 15 shall be made by the Company. No adjustment shall be made for the Company's issuance of Common Shares or securities convertible into or exchangeable for Common Shares or rights to purchase Common Shares or convertible or exchangeable securities, other than as provided in this Section 15.07. The Company shall make such calculations in good faith and, absent manifest error, such calculations shall be binding on the holders, the Trustee and the Conversion Agent.

(j) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any conversion agent an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate, a brief statement of the facts requiring such adjustment and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to each Securityholder at such holder's last address appearing on the list of Securityholders provided for in Section 2.05, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) For purposes of this Section 15.07, the number of Common Shares at any time outstanding shall not include shares held in the treasury of the Company so long as the Company does not pay any dividend or make any distribution on Common Shares held in the treasury of the Company, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of Common Shares.

(l) Notwithstanding anything to the contrary in this Article 15, no adjustment to the Conversion Rate shall be made:

(i) upon the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or Interest payable on the Company's Securities and the investment of additional optional amounts in Common Shares under any plan;

(ii) upon the issuance of any Common Share, or any option, warrant, right or exercisable, exchangeable or convertible security to purchase the Company's Common Shares, pursuant to any future agreements entered into with suppliers of raw materials or machinery or consideration or inducement to enter into such supply agreement, except if such distribution is to all or substantially all holders of the Company's Common Shares;

(iii) upon the issuance of any Common Shares or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any Subsidiary;

(iv) upon the issuance of any Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in (ii) above outstanding as of the date the Securities were first issued;

(v) for a change in the par value of the Common Shares if the Common Shares then have a par value, or from par value to no par value or from no par value to par value;

(vi) for accrued and unpaid Interest, including any Additional Amounts; or

(vii) for the avoidance of doubt, for the issuance of Common Shares by the Company (other than to all or substantially all holders of Common Shares) or the payment of cash by the Company upon conversion or repurchase of Securities.

(m) In the event of an adjustment to the Conversion Rate pursuant to Sections 15.07(d) or (e), in no event will the Conversion Rate exceed 56.6773 Common Shares per $1,000 principal amount of notes, in each case otherwise subject to adjustments as set forth in Sections 15.07(a), (b) and (c).

Section 15.08 Effect Of Reclassification, Consolidation, Merger or Sale. If any of the following events occur, namely (i) any reclassification or change of the outstanding Common Shares, (ii) any consolidation, merger or combination of the Company with another Person as a result of which holders of Common Shares shall be entitled to receive cash, securities or other property with respect to or in exchange for such Common Shares, or (iii) any sale or conveyance of all or substantially all of the properties and assets of the Company to any other Person as a result of which holders of Common Shares shall be entitled to receive cash, securities or other property with respect to or in exchange for such Common Shares, then the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture) providing that each Security shall be convertible into either (a) cash or (b) the kind and amount of shares of cash, securities or other property receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance by a holder of a number of Common Shares issuable upon conversion of such Securities (assuming, for such purposes, a sufficient number of authorized Common Shares are available to convert all such Securities) immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance assuming such holder of Common Shares did not exercise his rights of election, if any, as to the kind or amount of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance (provided that, if the kind or amount of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance is not the same for each Common Share in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purposes of this Section 15.08 the kind and amount of stock, other securities or other property or assets (including cash) receivable upon

such reclassification, change, consolidation, merger, combination, sale or conveyance for each non-electing share shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of the Common Shares that affirmatively make such an election. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 15.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each holder of Securities, at its address appearing on the Security Register provided for in Section 2.05 of this Indenture, within twenty (20) days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

If, as a result of this Section 15.08 holders of Securities would otherwise be entitled to receive, upon conversion of the Securities, any property (including cash) or securities that would not constitute "Prescribed Securities" for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) (referred to herein as "Ineligible Consideration"), such holders shall not be entitled to receive such Ineligible Consideration but the Company or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Company or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or Prescribed Securities for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) with a market value equal to the market value of such Ineligible Consideration. In general, Prescribed Securities would include Common Shares and other shares which are not redeemable by the holder within five years of the date of issuance of the Securities. The Company shall give notice to the holders of Securities at least 30 days prior to the effective date of such transaction in writing and by release to a business newswire stating the consideration into which the Securities will be convertible after the effective date of such transaction. After such notice, the Company or the successor or acquirer, as the case may be, may not change the consideration to be delivered upon conversion of the Security except in accordance with any other provision of this Indenture.

If this Section 15.08 applies to any event or occurrence, Section 15.07 shall not apply.

Section 15.09 Taxes On Shares Issued. Additional Amounts. The issuance of stock certificates on conversions of Securities shall be made without charge to the converting Securityholder for any documentary, stamp or similar issue or transfer tax in respect of the issue thereof. The Company shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issue and delivery of stock in any name other than that of the holder of any Security converted, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Nothing in this Indenture shall preclude any tax withholding required by law, regulation or governmental policy having the force of law within any Relevant Taxing Jurisdiction. In the event that any such withholding or deduction is so required, the Company shall pay to the holder of each Security such additional amounts ("Additional Amounts") as may be necessary to

ensure that the net amount received by the holder after such withholding or deduction (including any taxes on the Additional Amounts) shall equal the amounts which would have been received by such holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(a) for or on account of:

(1) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the holder or beneficial owner of such Security, and the Relevant Taxing Jurisdiction other than merely holding such Security or the receipt of payments thereunder, including, without limitation, such holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present, carried on business or engaged in a trade or business therein or having or having had a permanent establishment therein;

(B) the presentation of such Security (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Security became due and payable pursuant to the terms thereof or was made or duly provided for; or

(C) the failure of the holder or beneficial owner to comply with a timely request from the Company or any successor, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by law, regulation or administrative practice of the Relevant Taxing Jurisdiction to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder or beneficial owner;

(2) any estate, inheritance, gift, sale, transfer, capital gains, excise, personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments under or with respect to the Securities; or

(4) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (1), (2) or (3) (the "Excluded Taxes"); or

(b) with respect to any payment of the principal of, or premium, if any, or Interest on, such Security to a holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the holder thereof (an "Excluded Holder").

Whenever there is mentioned in any context the payment of principal of, and any premium or Interest on, any Security, such mention shall be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(c) In the event that the Company is required by law, regulation or government policy in a Relevant Taxing Jurisdiction to withhold or deduct taxes or other amounts from a payment made to a holder or beneficial owner of a Security, the Company shall make such withholding or deduction and shall remit the full amount deducted or withheld to the relevant authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Company shall furnish to such holder or beneficial owner the original or a certified copy of a receipt or other reasonable evidence of payment of taxes made by the Company to relevant authority in the Relevant Taxing Jurisdiction within 60 days after the date of any such payment.

Subject to the exclusions of subsections (a) and (b) of this Section 15.09, the Company shall indemnify a holder or beneficial owner of a Security for the full amount of any taxes paid by such holder or beneficial owner and any liability (including penalties, interest and reasonable expenses) arising from or with respect to such taxes, whether or not they were correctly or legally asserted; provided, that reasonable supporting documentation is provided by such holder or beneficial owner with such written demand. Payment under this indemnification shall be made within 30 days from the date the holder or beneficial owner makes written demand for it.

Section 15.10 Reservation of Shares, Shares to Be Fully Paid; Compliance With Governmental Requirements; Listing of Common Shares. The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient Common Shares to provide for the conversion of the Securities from time to time as such Securities are presented for conversion.

Before taking any action which would cause an adjustment increasing the Conversion Rate to an amount that would cause the Conversion Price to be reduced below the then par value, if any, of the Common Shares issuable upon conversion of the Securities, the Company will take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Shares at such adjusted Conversion Rate.

The Company covenants that all Common Shares which may be issued upon conversion of Securities will upon issue be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

The Company covenants that, if any Common Shares to be provided for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued upon conversion, the Company will in good faith and as expeditiously as possible, to the extent then permitted by the rules and interpretations of the Commission (or any successor thereto), endeavor to secure such registration or approval, as the case may be.

The Company covenants that, if at any time the Common Shares shall be listed on the Nasdaq Global Market or any other national securities exchange or automated quotation system, the Company will, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Shares shall be so listed on such exchange or automated quotation system, all Common Shares issuable upon conversion of the Security; provided that if the rules of such exchange or automated quotation system permit the Company to defer the listing of such Common Shares until the first conversion of the Securities into Common Shares in accordance with the provisions of this Indenture, the Company covenants to list such Common Shares issuable upon conversion of the Securities in accordance with the requirements of such exchange or automated quotation system at such time.

Section 15.11 Responsibility Of Trustee. The Trustee and any other conversion agent shall not at any time be under any duty or responsibility to any holder of Securities to determine the Conversion Rate or whether any facts exist which may require any adjustment of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other conversion agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Security; and the Trustee and any other conversion agent make no representations with respect thereto. Neither the Trustee nor any conversion agent shall be responsible for any failure of the Company to issue, register the transfer of or deliver any Common Shares or stock certificates or other securities or property or cash upon the surrender of any Security for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article 15. Without limiting the generality of the foregoing, neither the Trustee nor any conversion agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 15.08 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Securityholders upon the conversion of their Securities after any event referred to in such Section 15.08 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 6.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

Section 15.12 Notice To Holders Prior To Certain Actions. In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Shares that would require an adjustment in the Conversion Rate pursuant to Section 15.07; or

(b) the Company shall authorize the granting to the holders of all or substantially all of its Common Shares of rights or warrants to subscribe for or purchase any share of any class or any other rights or warrants; or

(c) of any reclassification or reorganization of the Common Shares of the Company (other than a subdivision or combination of its outstanding Common Shares, or a change in par value, or from par value to no par value, or from no par value to par value), or of any

consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

the Company shall cause to be filed with the Trustee and to be mailed to each holder of Securities at his address appearing on the Security Register provided for in Section 2.05 of this Indenture, as promptly as possible but in any event at least ten (10) days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Shares of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective or occur, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

Section 15.13 Adjustment to Conversion Rate upon Occurrence of a Fundamental Change.

If a Fundamental Change occurs prior to December 24, 2012, and a holder elects to convert its Securities in connection with such transaction, the Company shall, under certain circumstances, increase the Conversion Rate for the Securities so surrendered for conversion as described in this Section 15.13. A conversion of Securities will be deemed for these purposes to be "in connection with" such Fundamental Change if the notice of conversion of the Securities is received by the conversion agent from, and including, the Effective Date of the Fundamental Change up to, and including, the Business Day immediately prior to the Fundamental Change Purchase Date. Upon surrender of Securities for conversion in connection with a Fundamental Change, the Company will deliver Common Shares unless it has previously obtained consent from holders as specified in Section 9.02 and Section 15.03, in which case the Company shall have the option to deliver, in lieu of Common Shares, including the Additional Common Shares, cash or a combination of cash and Common Shares.

Notwithstanding the foregoing, a holder shall not be entitled to an adjustment to the Conversion Rate pursuant to this Section 15.13 if at least 90% of the consideration for the Common Shares (excluding cash payments for fractional shares and cash payments made in respect of dissenters' appraisal rights and cash payment of the required cash payment, if any) in the transaction or transactions constituting the Fundamental Change consists of securities traded on a United States national securities exchange, or which will be so traded when issued or exchanged in connection with the Fundamental Change, and as a result of such transaction or transactions the Securities become convertible solely into such securities.

In connection with an applicable Fundamental Change, we will increase the Conversion Rate by the number of Additional Common Shares (the "Additional Common Shares") as determined by reference to the table below, based on the date on which the Fundamental Change occurs or becomes effective (the "Effective Date"), and the price paid per Common Share, translated, if necessary, into U.S. dollars at the exchange rate in effect on such, in the Fundamental Change (the "Common Share Price"). If holders of our Common Shares receive only cash in the Fundamental Change, the Common Share Price shall be the cash amount paid per Common Share, translated, if necessary, into U.S. dollars at the exchange rate in effect on the Effective Date of the Fundamental Change. Otherwise, the Common Share Price shall be the average of the Last Reported Sale Prices of our Common Shares over the five Trading Day period ending on the Trading Day preceding the Effective Date of the Fundamental Change.

The Common Share Prices set forth in the first row of the table below (i.e., column headers) will be adjusted as of any date on which the Conversion Rate of the Securities is otherwise adjusted. The adjusted Common Share Prices will equal the Common Share Prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Common Share Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional Common Shares will be adjusted in the same manner as the Conversion Rate as set forth in Section 15.07.

	Common Share Price (US$)													
Effective Date	$17.64	$19.00	$20.00	$21.00	$22.00	$23.00	$24.00	$25.00	$26.00	$27.00	$28.00	$30.00	$32.50	$35.00
December 10, 2007	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.73	1.42	1.15	0.92	0.56	0.25	0.07
December 15, 2008	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.73	1.42	1.15	0.92	0.56	0.25	0.07
December 15, 2009	6.07	2.93	4.19	3.53	2.97	2.49	2.07	1.71	1.39	1.11	0.88	0.52	0.23	0.06
December 15, 2010	6.07	2.93	4.19	3.53	2.92	2.38	1.94	1.56	1.25	0.98	0.76	0.43	0.17	0.02
December 15, 2011	6.07	2.93	4.05	3.23	2.46	1.94	1.53	1.19	0.92	0.69	0.51	0.25	0.07	0.00
December 24, 2012	6.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The exact Common Share Prices and Effective Dates may not be set forth in the table above, in which case:

o If the Common Share Price is between two Common Share Price amounts in the table or the Effective Date is between two Effective Dates in the table, the number of Additional Common Shares will be determined by a straight-line interpolation between the number of Additional Common Shares set forth for the higher and lower Common Share Price amounts and the two dates, as applicable, based on a 365-day year.

o If the Common Share Price is greater than US$35.00 (subject to adjustment), the Conversion Rate will not be adjusted.

o If the Common Share Price is less than US$17.64 (subject to adjustment), the Conversion Rate will not be adjusted.

Notwithstanding the foregoing, in no event will the total number of Common Shares issuable upon conversion exceed 56.6773 per US$1,000 principal amount of Securities, subject to adjustment in the same manner as the Conversion Rate as set forth in Section 15.07.

Section 15.14 Transfer Restrictions. (a) Common Shares issued upon conversion of Restricted Securities (all Common Shares issued in exchange therefor or substitution thereof) shall be represented by certificates bearing the Restricted Securities Legend and shall be subject to the restrictions or transfer set forth in the Restricted Securities Legend.

(b) Any Common Shares as to which such restrictions on transfer as to which the conditions for removal of the Restricted Securities Legend have been satisfied may, upon surrender of the certificates representing such Common Shares for exchange in accordance with the procedures of the transfer agent for the Common Shares, be exchanged for a new certificate or certificates for a like number of Common Shares, which shall not bear the Restricted Securities Legend.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed.

CANADIAN SOLAR INC.

By: /s/ Bing Zhu

Name: Bing Zhu
Title: CFO

THE BANK OF NEW YORK,
as Trustee

By: /s/Tin Wan Chung

Name: Tin Wan Chung
Title: Assistant Treasurer

EXHIBIT A

[GLOBAL SECURITIES LEGEND]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (THE "DEPOSITARY", WHICH TERM INCLUDES ANY SUCCESSOR DEPOSITARY) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT HEREIN IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[RESTRICTED SECURITIES LEGEND]

THE SECURITIES AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY, THE COMMON SHARES ISSUABLE UPON CONVERSION OF THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN OR THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT.

BY ITS ACQUISITION HEREOF, THE HOLDER (1) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE END OF THE PERIOD WHILE SUCH SECURITY IS NOT ELIGIBLE TO BE RESOLD PURSUANT TO RULE 144(K) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF TRANSFER OF THIS SECURITY (THE "RESALE RESTRICTION TERMINATION DATE") ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144, IF AVAILABLE, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF

THEM, AND IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

CANADIAN SOLAR INC.

6.0% CONVERTIBLE SENIOR NOTES DUE 2017

$ CUSIP:

No.

Canadian Solar Inc., a Canadian corporation (herein called the "Company", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to _____ or its registered assigns, [the principal sum of _____ Dollars] [the principal sum of $[_____] (which principal amount may from time to time be increased or decreased to such other principal amounts (which, taken together with the principal amount of all other Securities, shall not exceed $[_____]) as then set forth on Schedule I hereto)]1 on December 15, 2017 at the office or agency of the Company maintained for that purpose in accordance with the terms of the Indenture, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay Interest, semiannually on June 15 or December 15 of each year, commencing June 15, 2008, on said principal sum at said office or agency, in like coin or currency, at the rate per annum of 6.0%, from the June 15 or December 15, as the case may be, next preceding the date of this Security to which Interest has been paid or duly provided for, or unless no Interest has been paid or duly provided for on the Securities, in which case from December 10, 2007 until payment of said principal sum has been made or duly provided for. Except as otherwise provided in the Indenture, the Interest payable on the Security pursuant to the Indenture on any June 15 or December 15 will be paid to the Person entitled thereto as it appears in the Security Register at the close of business on the record date, which shall be the June 1 or December 1 (whether or not a Business Day) next preceding such June 15 or December 15, as provided in the Indenture; provided that any such Interest not punctually paid or duly provided for shall be payable as provided in the Indenture. The Company shall pay Interest (i) on any Securities in certificated form by check mailed to the address of the Person entitled thereto as it appears in the Security Register (provided that the holder of Securities with an aggregate principal amount in excess of $5,000,000 shall, at the written election of such holder, be paid by wire transfer of immediately available funds) or (ii) on any Global Security by wire transfer of immediately available funds to the account of the Depositary or its nominee.

The Company promises to pay Interest on overdue principal, premium, if any, and (to the extent that payment of such Interest is enforceable under applicable law) interest at the rate of 6.0% per annum.

Reference is made to the further provisions of this Security set forth on the reverse hereof, including, without limitation, provisions giving the holder of this Security the right to convert this Security into Common Shares of the Company or cash or a combination of cash and Common Shares on the terms and subject to the limitations referred to on the reverse hereof and

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1 Include in Global Security.

as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of the State of New York.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

IN WITNESS WHEREOF, the Company has caused this Security to be duly executed.

CANADIAN SOLAR INC.

By:

Name:
Title:

Attest:

By:

Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities described in the within-named Indenture.

THE BANK OF NEW YORK, as Trustee

By:

Authorized Signatory

FORM OF REVERSE OF SECURITY

CANADIAN SOLAR INC.

6.0% CONVERTIBLE SENIOR NOTES DUE 2017

This Security is one of a duly authorized issue of Securities of the Company, designated as its "6.0% Convertible Senior Notes due 2017" (herein called the "Securities"), issued and to be issued under and pursuant to an Indenture dated as of December 10, 2007 (herein called the "Indenture"), between the Company and The Bank of New York, as trustee (herein called the "Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Securities.

The Securities are unsecured obligations of the Company. The aggregate principal amount of Initial Securities outstanding at any time may not exceed $75,000,000 in aggregate principal amount, except as provided in Section 2.06 of the Indenture. The Indenture pursuant to which this Security is issued provides that Additional Securities may be issued thereunder, if certain conditions are met. The Indenture does not limit other debt of the Company, whether secured or unsecured.

In case an Event of Default shall have occurred and be continuing, the principal of, premium, if any, and accrued and unpaid Interest on all Securities may be declared by either the Trustee or the holders of not less than 25% in aggregate principal amount of the Securities then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of at least a majority in aggregate principal amount of the Securities at the time outstanding, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Securities; provided that no such supplemental indenture may be entered without the consent of the holders of all Securities then outstanding except in the events described in Section 9.02 of the Indenture.

Subject to the provisions of the Indenture, the holders of a majority in aggregate principal amount of the Securities at the time outstanding may on behalf of the holders of all of the Securities waive any past default or Event of Default under the Indenture and its consequences except (A) a default in the payment of Interest, or any premium on, or the principal of, any of the Securities, (B) a failure by the Company to convert any Securities into Common Shares of the Company, cash or a combination of cash and Common Shares, (C) a default in the payment of the redemption price pursuant to Article 14 of the Indenture, (D) a default in failing to make an offer to purchase pursuant to a Fundamental Change or in the payment of the repurchase price or the fundamental change repurchase price pursuant to Article 14 of the Indenture, or (E) a default in respect of a covenant or provisions of the Indenture which under Article 9 of the Indenture cannot be modified or amended without the consent of the holders of each or all Securities then outstanding or affected thereby. Upon any such waiver, the Company, the Trustee and the

holders of the Securities shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by Section 5.07 of the Indenture, said default or Event of Default shall for all purposes of the Securities and the Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and Interest on this Security at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

The Securities are issuable in fully registered form, without coupons, in denominations of $1,000 principal amount and any multiple of $1,000. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, without payment of any service charge but may be with payment of a sum sufficient to cover any tax, assessment or other governmental charge that may be imposed in connection with any registration or exchange of Securities, Securities may be exchanged for a like aggregate principal amount of Securities of any other authorized denominations.

The Company may not redeem any Securities prior to December 24, 2012. At any time on or after December 24, 2012 and prior to maturity, and subject to the proviso below, the Securities may be redeemed in cash at the option of the Company, at any time and from time to time, upon notice as set forth in Section 14.02, at a redemption price per security equal to 100% of the principal amount of the Security, together with accrued and unpaid Interest, if any, to, but excluding, the date fixed for redemption; (i) in whole or in part, if the Last Reported Sale Price of the Common Shares for at least 20 Trading Days in a period of 30 consecutive Trading Days ending within five (5) Trading Days immediately preceding the notice to holders is at least 130% of the applicable Conversion Price in effect on such Trading Day or (ii) in whole only, if at least 95% of the initial aggregate principal amount of Securities originally issued have been redeemed, repurchased or converted and, in each case, cancelled by the Trustee; and provided further that if the redemption date falls after a record date and on or prior the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of such Securities on the applicable record date instead of the holders surrendering such Securities for redemption on such date. We are required to give notice of redemption by mail to holders not more than 60 but not less than 20 days prior to the redemption date.

The Company may not give notice of any redemption of the Securities if a default in the payment of Interest, or premium, if any, on the Securities has occurred and is continuing or if the principal amount of the Securities has been accelerated.

The Securities are not subject to redemption through the operation of any sinking fund.

All payments made by the Company or any successor to the Company under or with respect to the Securities will be made without withholding or deduction for taxes unless the Company is required to do so in accordance with Section 15.09 of the Indenture, in which case the Company will pay such Additional Amounts as may be necessary so that the net amount received by holders of the Securities (other than certain exclusions) after such withholding or deduction shall equal the amount that would have been received in the absence of such withholding or deduction.

In the event of certain changes to the laws governing a Relevant Taxing Jurisdiction, the Company will have the option to redeem, in whole but not in part, the Securities for a purchase price equal to 100% of the principal amount of the Securities to be purchased plus any accrued and unpaid Interest, including any Additional Amounts, up to, but excluding, the Repurchase Date. Upon the Company's giving a notice of redemption, a holder may elect not to have its Securities redeemed, in which case such holder would not be entitled to receive the Additional Amounts after the redemption date.

The holders may require the Company to repurchase any outstanding Securities for cash, on December 24, 2012 and December 15, 2014 (each a "Repurchase Date") at a purchase price per Security equal to 100% of the aggregate principal amount of the Security, together with any accrued and unpaid interest, to but not including the applicable Repurchase Date; provided that if such Repurchase Date is an interest payment date, interest on the Securities will be payable to the Holders in whose names the Securities are registered at the close of business on the relevant Regular Record Date. The Company shall give written notice of the applicable Repurchase Date by delivery of the Repurchase Notice as provided in the Indenture, to each Holder (at its address shown in the register of the Registrar) and to beneficial owners as required by applicable law, not less than 20 Business Days prior to each Repurchase Date.

If a Fundamental Change occurs at any time prior to maturity of the Securities, the Company shall become obligated to make an offer to purchase, which may be accepted at the option of the holder, all or any portion of the Securities held by such holder, on a date specified by the Company not less than twenty (20) and not more than thirty-five (35) Business Days after notice thereof at a purchase price of 100% of the principal amount, plus any accrued and unpaid Interest, on such Security up to, but excluding, the Fundamental Change Purchase Date; provided that if the repurchase date falls after a record date and on or prior the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of such Securities on the applicable record date instead of the holders surrendering such Securities for repurchase on such date. The Securities will be redeemable in multiples of $1,000 principal amount. The Company shall mail to all holders of record of the Securities a notice of the occurrence of a Fundamental Change, the Company's offer to purchase and the holder's right to accept the Company's offer to purchase arising as a result thereof on or before the 20th day after the occurrence of such Fundamental Change. To accept such offer, a holder shall deliver to the Company such Security with the form entitled "Fundamental Change Purchase Notice" on the reverse thereof duly completed, together with the Security, duly endorsed for transfer, at any time prior to the close of business on the fifth Business Day prior to the Fundamental Change Purchase Date, and shall deliver the Securities to the Trustee (or other paying agent appointed by the Company) as set forth in the Indenture.

Holders have the right to withdraw any Fundamental Change Purchase Notice by delivering to the Trustee (or other paying agent appointed by the Company) a written notice of withdrawal up to the close of business on the Fundamental Change Purchase Date all as provided in the Indenture.

If sufficient money to pay the purchase price of all Securities or portions thereof to be purchased as of the Fundamental Change Purchase Date is deposited with the Trustee (or other paying agent appointed by the Company), on the Business Day following the Fundamental Change Purchase Date, the Securities will cease to be outstanding, Interest will cease to accrue on such Securities (or portions thereof) immediately after the Fundamental Change Purchase Date, and the holder thereof shall have no other rights as such other than the right to receive the repurchase price upon surrender of such Security.

Subject to the provisions of the Indenture, at any time prior to the final maturity date of the Securities, the holder hereof has the right, at its option, to convert each $1,000 principal amount of the Securities into 50.6073 shares of the Company's Common Shares (a conversion price of approximately $19.76 per share), as such shares shall be constituted at the date of conversion and subject to adjustment from time to time as provided in the Indenture, upon surrender of this Security with the form entitled "Conversion Notice" on the reverse thereof duly completed, to the Company at the office or agency of the Company maintained for that purpose in accordance with the terms of the Indenture, or at the option of such holder, the Corporate Trust Office, and, unless the shares issuable on conversion are to be issued in the same name as this Security, duly endorsed by, or accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the holder or by his duly authorized attorney.

The Conversion Rate on any Securities surrendered for conversion in connection with a Fundamental Change may be increased by an amount, if any, determined in accordance with Section 15.01 of the Indenture.

With the consent of at least 25% of holders, the Company and the Trustee may amend the Indenture to permit, at the Company's option, settlement upon conversion in cash or a combination of cash and Common Shares as described in the Indenture.

No adjustment in respect of Interest on any Security converted or dividends on any shares issued upon conversion of such Security will be made upon any conversion except as set forth in the next sentence. If this Security (or portion hereof) is surrendered for conversion during the period from the close of business on any record date for the payment of Interest to the close of business on the Business Day preceding the following interest payment date, this Security (or portion hereof being converted) must be accompanied by payment, in immediately available funds or other funds acceptable to the Company, of an amount equal to the Interest otherwise payable on such interest payment date on the principal amount being converted; provided that no such payment shall be required (1) if the Company has specified a redemption date that is after a record date and on or prior to the next interest payment date, (2) if the Company has specified a Fundamental Change Purchase Date following a Fundamental Change or a Purchase Date that is during such period or (3) to the extent of any overdue Interest, if any overdue Interest exists at the time of conversion with respect to such Security.

No fractional shares will be issued upon any conversion, but an adjustment and payment in cash (not exceeding the U.S. dollar equivalent of Cdn$200) will be made, as provided in the Indenture, in respect of any fraction of a share which would otherwise be issuable upon the surrender of any Security or Securities for conversion.

A Security in respect of which a holder accepts an offer by the Company to purchase its Securities upon a Fundamental Change may be converted only if such holder withdraws its election to exercise either such right in accordance with the terms of the Indenture.

Any Securities called for redemption, unless surrendered for conversion by the holders thereof on or before the close of business on the Business Day preceding the redemption date, may be deemed to be redeemed from the holders of such Securities for an amount equal to the applicable redemption price, together with accrued but unpaid Interest to, but excluding, the date fixed for redemption, by one or more investment banks or other purchasers who may agree with the Company (i) to purchase such Securities from the holders thereof and convert them into shares of the Company's Common Shares and (ii) to make payment for such Securities as aforesaid to the Trustee in trust for the holders.

Upon due presentment for registration of transfer of this Security at the office or agency of the Company maintained for that purpose in accordance with the terms of the Indenture, a new Security or Securities of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange thereof, subject to the limitations provided in the Indenture, without charge except for any tax, assessment or other governmental charge may be imposed in connection therewith.

The Company, the Trustee, any authenticating agent, any paying agent, any conversion agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner of this Security (whether or not this Security shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Company or any Security Registrar) for the purpose of receiving payment hereof, or on account hereof, for the conversion hereof and for all other purposes, and neither the Company nor the Trustee nor any other authenticating agent nor any paying agent nor other conversion agent nor any Security Registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall be valid, and, to the extent of the sum or sums paid, satisfy and discharge liability for monies payable on this Security.

No recourse for the payment of the principal of or any premium or Interest on this Security, or for any claim based hereon or otherwise in respect hereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any supplemental indenture or in any Security, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, officer or director or subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

This Security shall be deemed to be a contract made under the laws of New York, and for all purposes shall be construed in accordance with the laws of New York, without regard to conflicts of laws principles thereof.

Terms used in this Security and defined in the Indenture are used herein as therein defined.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Security, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -	as tenants in common	UNIF GIFT MIN ACT -___ Custodian ___
TEN ENT -	as tenant by the entireties	(Cust) (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____
	(State)	

Additional abbreviations may also be used though not in the above list.

CONVERSION NOTICE

TO: CANADIAN SOLAR INC.
No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China

THE BANK OF NEW YORK
101 Barclay Street, 4 East
New York, NY 10286
U.S.A.
Facsimile No.: (212) 815-5802 or (212) 815-5803
Attention: Global Corporate Trust

With a copy to:

THE BANK OF NEW YORK
12/F Three Pacific Place
1 Queen's Road East
Hong Kong
Facsimile No.: (852) 2295-3283
Attention: Global Corporate Trust

The undersigned registered owner of this Security hereby irrevocably exercises the option to convert this Security, or the portion thereof (which is $1,000 or a multiple thereof) below designated, into Common Shares of Canadian Solar Inc., cash or a combination of cash and Common Shares in accordance with the terms of the Indenture referred to in this Security, and directs that the shares and/or cash issuable and deliverable upon such conversion, together with any check in payment for fractional shares and any Securities representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. If shares or any portion of this Security not converted are to be issued in the name of a person other than the undersigned, the undersigned will provide the appropriate information below and pay all transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of Interest accompanies this Security.

Dated: _____

_____

_____
Signature(s)

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

_____
Signature Guarantee

1. Total principal amount and serial or identification numbers of Securities to be converted:

   Total principal amount of Securities: _____

   [Serial or identifying number of Securities: _____
   (not required for Bonds represented by the Global Bond)

   ISIN number of Securities: _____

   N.B. If necessary, the serial or identifying numbers of Securities can be attached separately.

2. Name and address of the person in whose name Common Shares required to be delivered on conversion are to be registered:

   Name: _____

   Address: _____

3. I/We hereby request that the certificate for the Common Shares (together with any cash) required to be delivered upon conversion be dispatched (at my/our own risk and expense) to the local agent whose name and address is given below and in the manner specified below, or if the conditions specify that delivery of the Common Shares is to be made in book-entry form, the Common Shares be credited to the securities account specified below:

   Name: _____

   Address: _____

   _____

Contact Person: _____

Telephone No.: _____

Fax No.: _____

Manner of Dispatch: _____

Securities House: _____

Securities Account Number: _____

4. I/We hereby declare that any applicable condition to conversion of the Securities, if any, has been complied with by me/us.

5. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Shares of any other property or cash have been paid.

6. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Shares or any other property or cash have been paid.

FUNDAMENTAL CHANGE PURCHASE NOTICE

TO: CANADIAN SOLAR INC.
No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China

THE BANK OF NEW YORK
101 Barclay Street, 4 East
New York, NY 10286
U.S.A.
Facsimile No.: (212) 815-5802 or (212) 815-5803
Attention: Global Corporate Trust

With a copy to:

THE BANK OF NEW YORK
12/F Three Pacific Place
1 Queen's Road East
Hong Kong
Facsimile No.: (852) 2295-3283
Attention: Global Corporate Trust

The undersigned registered owner of this Security hereby irrevocably acknowledges receipt of a notice from Canadian Solar Inc. (the "Company") regarding the right of holders to accept the Company's offer to purchase the Securities upon the occurrence of a Fundamental Change with respect to the Company and accepts such offer and requests and instructs the Company to repay the entire principal amount of this Security, or the portion thereof (which is $1,000 or an integral multiple thereof) below designated, in accordance with the terms of the Indenture at the price of 100% of such entire principal amount or portion thereof, together with accrued Interest to, but excluding, the Fundamental Change Purchase Date, to the registered holder hereof, provided that if such Fundamental Change Purchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for repurchase on such Fundamental Change Purchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. The Securities shall be purchased by the Company as of the portion thereof, together with accrued Interest to, but excluding, the Fundamental Change Purchase Date pursuant to the terms and conditions specified in the Indenture, provided that if such Fundamental Change Purchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for repurchase on such Fundamental Change Purchase Date. The undersigned registered owner elects:

[ ] to withdraw this Fundamental Change Purchase Notice as to $[ ] principal amount of the Securities to which this Fundamental Change Purchase Notice relates (Certificate Numbers:), or

[ ] to accept the offer receive cash in respect of $[ ] principal amount of the Securities to which this Fundamental Change Purchase Notice relates.

Dated:

Signature(s):

NOTICE: The above signatures of the holder(s) hereof must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatever.

Security Certificate Number (if applicable):

Principal amount to be repurchased (if less than all):

Social Security or Other Taxpayer Identification Number:

REPURCHASE NOTICE ON SPECIFIED DATES

TO: CANADIAN SOLAR INC.
No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China

THE BANK OF NEW YORK
101 Barclay Street, 4 East
New York, NY 10286
U.S.A.
Facsimile No.: (212) 815-5802 or (212) 815-5803
Attention: Global Corporate Trust

With a copy to:

THE BANK OF NEW YORK
12/F Three Pacific Place
1 Queen's Road East
Hong Kong
Facsimile No.: (852) 2295-3283
Attention: Global Corporate Trust

The undersigned registered owner of this Security hereby irrevocably acknowledges receipt of a notice from Canadian Solar Inc. (the "Company") regarding the right of holders to elect to require the Company to repurchase the Securities on [December 24, 2012/December 15, 2014] and requests and instructs the Company to repay the entire principal amount of this Security, or the portion thereof (which is $1,000 or an integral multiple thereof) below designated, in accordance with the terms of the Indenture at the price of 100% of such entire principal amount or portion thereof, together with accrued Interest to, but excluding, the Repurchase Date, to the registered holder hereof, provided that if such Repurchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for repurchase on such Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. The Securities shall be repurchased by the Company as of the portion thereof, together with accrued Interest to, by excluding, the Repurchase Date pursuant to the terms and conditions specified in the Indenture, provided that if such Repurchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for repurchase on such Repurchase Date. The undersigned registered owner elects:

[ ] to withdraw this Repurchase Notice as to $[ ] principal amount of the Securities to which this Repurchase Notice relates (Certificate Numbers:), or

[ ] to receive cash in respect of $[ ] principal amount of the Securities to which this Repurchase Notice relates.

Dated:

Signature(s):

NOTICE: The above signatures of the holder(s) hereof must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatever.

Security Certificate Number (if applicable):

Principal amount to be repurchased (if less than all):

Social Security or Other Taxpayer Identification Number:

ASSIGNMENT

For value received _____hereby sell(s) assign(s) and transfer(s) unto_____ (Please insert social security or other Taxpayer Identification Number of assignee) the within Security, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Security on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the Security prior to the date that is two years after the last original issue date of the Securities (other than any transfer pursuant to a registration statement that has been declared effective under the Securities Act), the undersigned confirms that such Security is being transferred:

[ ] To Canadian Solar Inc. or a subsidiary thereof; or

[ ] To a "qualified institutional buyer" in compliance with Rule 144A under the Securities Act of 1933, as amended; or

[ ] Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended; or

[ ] Pursuant to a Registration Statement which has been declared effective under the Securities Act of 1933, as amended, and which continues to be effective at the time of transfer;

and unless the Security has been transferred to Canadian Solar Inc. or a subsidiary thereof, the undersigned confirms that such Security is not being transferred to an "affiliate" of the Company as defined in Rule 144 under the Securities Act of 1933, as amended.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered holder thereof.

Dated: _____

_____

_____
Signature(s)

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in

addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

_____
Signature Guarantee

NOTICE: The signature on the Conversion Notice, the Repurchase Notice or the Assignment must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatever.

Schedule I*

CANADIAN SOLAR INC.
___% CONVERTIBLE SENIOR NOTES DUE 2017

No. _____

Date	Principal Amount	Notation Explaining Principal Amount Recorded	Authorized Signature of Trustee or Custodian

- ----------
* To be included only for a Global Security.

Exhibit 4.4

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

Dated as of December 10, 2007

between

CANADIAN SOLAR INC.

and

PIPER JAFFRAY & CO.

REGISTRATION RIGHTS AGREEMENT, dated as of December 10, 2007 (the "Agreement"), between Canadian Solar Inc., a Canadian corporation (the "Company"), and Piper Jaffray & Co (the "Initial Purchaser"), who are parties to that certain Purchase Agreement, dated December 4, 2007 (the "Purchase Agreement"). In order to induce the Initial Purchaser to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

The Company agrees with the Initial Purchaser, (i) for its benefit as Initial Purchaser and (ii) for the benefit of the beneficial owners (including the Initial Purchaser) from time to time of the Securities (as defined herein) and the beneficial owners from time to time of the Underlying Common Shares (as defined herein) issued upon conversion of the Securities (each of the foregoing a "Holder" and together the "Holders"), as follows:

SECTION 1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Additional Interest Amount" has the meaning set forth in Section 2(e) hereof.

"Affiliate" means with respect to any specified person, an "affiliate," as defined in Rule 144, of such person.

"Amendment Effectiveness Deadline" has the meaning set forth in Section 2(d) hereof.

"Business Day" means any day, except a Saturday, Sunday or legal holiday on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

"Common Shares" means the common shares, no par value per share, of the Company, and any other common shares as may constitute "Common Shares" for purposes of the Indenture, including the Underlying Common Shares.

"Deferral Notice" has the meaning set forth in Section 3(h) hereof.

"Deferral Period" has the meaning set forth in Section 3(h) hereof.

"Effectiveness Deadline" has the meaning set forth in Section 2(a) hereof.

"Effectiveness Period" means the period commencing on the first date that a Shelf Registration Statement is declared effective under the Securities Act hereof and ending on the date that all Securities and the Underlying Common Shares have ceased to be Registrable Securities.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Filing Deadline" has the meaning set forth in Section 2(a) hereof.

"Holder" has the meaning set forth in the second paragraph of this Agreement.

"Indenture" means the Indenture, dated as of December 10, 2007, between the Company and The Bank of New York, as trustee, pursuant to which the Securities are being issued.

"Initial Purchaser" has the meaning set forth in the preamble hereof.

"Interest Payment Date" means each June 15 and December 15.

"Issue Date" means the first date of original issuance of the Securities.

"Judgment Currency" has the meaning set forth in Section 8(h) hereof.

"Material Event" has the meaning set forth in Section 3(h) hereof.

"Notice and Questionnaire" means a written notice delivered to the Company containing substantially the information called for by the Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum of the Company, dated December 4, 2007, relating to the offer of the Securities.

"Notice Holder" means, on any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

"Purchase Agreement" has the meaning set forth in the preamble hereof.

"Prospectus" means a prospectus included in a Shelf Registration Statement (including, without limitation, an "issuer free writing prospectus," as such term is defined in Rule 433 under the Securities Act and a prospectus that discloses information previously omitted pursuant to Rule 430A under the Securities Act), as amended or supplemented, and all materials incorporated by reference in such prospectus or free writing prospectus.

"Record Holder" means with respect to any Interest Payment Date relating to any Securities or Underlying Common Shares as to which any Additional Interest Amount has accrued, the registered holder of such Security or Underlying Common Shares on the June 1 or December 1 immediately preceding the Interest Payment Date.

"Registrable Securities" means the Securities until such Securities have been converted into or exchanged for the Underlying Common Shares and, at all times subsequent to any such conversion, the Underlying Common Shares and any securities into or for which such Underlying Common Shares has been converted or exchanged, and any security issued with respect thereto upon any share dividend, split or similar event until, in the case of any such security, (A) the earliest of (i) two years from the latest date of original issuance of the Securities, (ii) its effective registration under the Securities Act and resale in accordance with a Shelf Registration Statement, (iii) expiration of the holding period that would be applicable thereto for non-affiliates pursuant to Rule 144(k) under the Securities Act (as in effect on the date of its transfer), or (iv) its cessation of being outstanding, and (B) as a result of the event or

circumstance described in any of the foregoing clauses (i) through (iv), the legend with respect to transfer restrictions required under the Indenture is removed or removable in accordance with the terms of the Indenture or such legend, as the case may be.

"Registration Default" has the meaning set forth in Section 2(e) hereof.

"Registration Default Period" has the meaning set forth in Section 2(e) hereof.

"Rule 144" means Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"Rule 144A" means Rule 144A under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"SEC" means the Securities and Exchange Commission.

"Securities" means the 6.0% Convertible Senior Notes due 2017 of the Company to be purchased pursuant to the Purchase Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"Shelf Registration Statement" has the meaning set forth in Section 2(a) hereof, including amendments to such registration statement, all exhibits and all materials incorporated by reference in such registration statement.

"Special Counsel" means Wilson Sonsini Goodrich and Rosati, Professional Counsel, or one such other successor counsel as shall be specified by the Holders of a majority of the Registrable Securities, but which may, with the written consent of the Initial Purchaser (which shall not be unreasonably withheld), be another nationally recognized law firm experienced in securities law matters designated by the Company. For purposes of determining Holders of a majority of the Registrable Securities in this definition, Holders of Securities shall be deemed to be the Holders of the number of shares of Underlying Common Shares into which such Securities are or would be convertible as of the date the consent is requested.

"TIA" means the Trust Indenture Act of 1939, as amended.

"Trustee" means The Bank of New York, the Trustee under the Indenture.

"Underlying Common Shares" means the Common Shares into which the Securities are convertible or issued upon any such conversion.

SECTION 2. Shelf Registration. (a) The Company shall prepare and file or cause to be prepared and filed with the SEC, as soon as practicable but in any event by the date (the "Filing Deadline") 120 days after the Issue Date, a registration statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act registering the resale from time to time by Holders thereof of all of the Registrable Securities (a "Shelf Registration

Statement"). The Shelf Registration Statement shall be on Form F-3 or another appropriate form permitting registration of the Registrable Securities for resale by the Holders in accordance with the methods of distribution elected by the Holders and set forth in the Shelf Registration Statement; provided, however that in no event shall such method of distribution take the form of an underwritten offering of the Registrable Securities without the prior written consent of the Company. The Company shall use its commercially reasonable efforts to cause a Shelf Registration Statement to be declared effective under the Securities Act as promptly as is practicable but in any event by the date (the "Effectiveness Deadline") that is 210 days after the Issue Date, and to keep a Shelf Registration Statement continuously effective under the Securities Act until the expiration of the Effectiveness Period. Each Holder that became a Notice Holder on or prior to the date five Business Days prior to the date the initial Shelf Registration Statement is declared effective shall be named as a selling security holder in the initial Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver or make available the Prospectus to purchasers of Registrable Securities in accordance with applicable law. Only Registrable Securities shall be included in a Shelf Registration Statement.

(b) If a Shelf Registration Statement covering resales of the Registrable Securities ceases to be effective for any reason at any time during the Effectiveness Period (other than because all securities registered thereunder shall have been resold pursuant thereto or shall have otherwise ceased to be Registrable Securities), the Company shall use its reasonable best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 30 days of such cessation of effectiveness amend the Shelf Registration Statement in a manner reasonably expected to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional Shelf Registration Statement so that all Registrable Securities outstanding as of the date of such filing are covered by a Shelf Registration Statement. If a new Shelf Registration Statement is filed pursuant to this Section 2(b), the Company shall use its commercially reasonable efforts to cause the new Shelf Registration Statement to become effective as promptly as is practicable after such filing and to keep the new Shelf Registration Statement continuously effective until the end of the Effectiveness Period.

(c) The Company shall amend and supplement the Prospectus and/or amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or file a new Shelf Registration Statement, if required by the Securities Act or as necessary and reasonably requested by the Initial Purchaser or by the Trustee on behalf of the Holders of the Registrable Securities covered by such Shelf Registration Statement to correct any material misstatements or omissions with respect to any Holder as necessary to name a Notice Holder as a selling securityholder pursuant to Section 2(d) below.

(d) Each Holder may sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus only in accordance with this Section 2(d) and Section 3(h). Each Holder wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus shall deliver a Notice and Questionnaire to the Company at least 10 Business Days prior to any intended distribution of Registrable Securities under the Shelf Registration Statement. From and after the date the initial Shelf Registration Statement is declared effective,

the Company shall, as promptly as practicable after the date a Notice and Questionnaire is delivered pursuant to Section 8(c) hereof, and in any event on or before the later of (x) five Business Days after such delivery date or (y) five Business Days after the expiration of any Deferral Period in effect when the Notice and Questionnaire is delivered or put into effect within five Business Days of such delivery date:

(i) if required by applicable law, file with the SEC a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file a new Shelf Registration Statement or any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling securityholder in a Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver or make available such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to a Shelf Registration Statement or shall file a new Shelf Registration Statement, the Company shall use its commercially reasonable efforts to cause such post-effective amendment or new Shelf Registration Statement to be declared effective under the Securities Act as promptly as is practicable, but in any event by the date (the "Amendment Effectiveness Deadline") that is 45 days after the date such post-effective amendment or new Shelf Registration Statement is required by this Section 2(d) to be filed; provided, however, that the Shelf Registration Statement shall include the disclosure required by Rule 430B under the Securities Act in order to enable the Company to add selling security holders on to the Shelf Registration Statement pursuant to the filing of prospectus supplements; and provided further, if the Company is then able to name a selling security holder to the Shelf Registration Statement by means of either a supplement to the related prospectus or a post-effective amendment, the Company shall file a prospectus supplement to name the Holder as a selling security holder in the Shelf Registration Statement;

(ii) provide such Holder copies of any documents filed pursuant to Section 2(d)(i); and

(iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any new Shelf Registration Statement or post-effective amendment filed pursuant to Section 2(d)(i);

provided that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(h); and provided, further, that in no event will the Company be required to file more than one such amendment to the Shelf Registration Statement in any calendar quarter for all such Holders. Notwithstanding anything contained herein to the contrary, (i) the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Shelf Registration Statement or related Prospectus and (ii) the Amendment Effectiveness Deadline shall be extended by ten Business Days from the expiration of a Deferral Period.

(e) The parties hereto agree that the Holders of Registrable Securities will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if:

(i) the initial Shelf Registration Statement has not been filed on or prior to the Filing Deadline,

(ii) the initial Shelf Registration Statement has not been declared effective under the Securities Act on or prior to the Effectiveness Deadline,

(iii) the Company has failed to perform its obligations set forth in Section 2(d)(i) within the time period required therein,

(iv) a post-effective amendment to a Shelf Registration Statement filed pursuant to Section 2(d)(i) has not become effective under the Securities Act on or prior to the Amendment Effectiveness Deadline, or

(v) the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(h) hereof.

Each event described in any of the foregoing clauses (i) through (vi) is individually referred to herein as a "Registration Default." For purposes of this Agreement, each Registration Default set forth above shall begin and end on the dates set forth in the table set forth below:

Type of Registration Default by Clause	Beginning Date	Ending Date
(i)	Filing Deadline	the date the initial Shelf Registration Statement is filed
(ii)	Effectiveness Deadline	the date the initial Shelf Registration Statement becomes effective under the Securities Act
(iii)	the date by which the Company is required to perform its obligations set forth in Section 2(d)(i)	the date the Company performs its obligations under Section 2(d)(i)
(iv)	the Amendment Effectiveness Deadline	the date the applicable post-effective amendment to a Shelf Registration Statement becomes effective under the Securities Act

Type of Registration Default by Clause	Beginning Date	Ending Date	-	--	(v) the date on which the aggregate duration termination of the Deferral Period of the Deferral Periods in any period exceeds that caused the limit on the aggregate duration the number of days permitted by Section 3(h) of Deferral Periods to be exceeded

For purposes of this Agreement, Registration Defaults shall begin on the dates set forth in the table above and shall continue until the ending dates set forth in the table above.

Commencing on (and including) any date that a Registration Default has begun and ending on (but excluding) the next date on which there are no Registration Defaults that have occurred and are continuing (a "Registration Default Period"), the Company shall pay, as liquidated damages and not as a penalty, to Record Holders of Registrable Securities in respect of each day in the Registration Default Period, additional interest in respect of any Security that is a Registrable Security that has not been converted into Underlying Common Shares, at a rate per annum equal to 0.25% of the aggregate principal amount of such Security (the "Initial Additional Interest Amount") for the first 90 days since the date that a Registration Default begins, and at a rate per annum equal to 0.50% of the aggregate principal amount of such Security (the "Subsequent Additional Interest Amount", and together with the Initial Additional Interest Amount, the "Additional Interest Amount") after the first 90 days of such Registration Default Period; provided that in no event shall any Additional Interest Amount accrue at an aggregate rate per annum exceeding 0.50% of the aggregate principal amount of such Security; and provided further that in the case of a Registration Default Period that is in effect solely as a result of a Registration Default of the type described in clause (iii) or (iv) of the preceding paragraph, such Additional Interest Amount shall be paid only to the Holders (as set forth in the succeeding paragraph) that have delivered Notices and Questionnaires that caused the Company to incur the obligations set forth in Section 2(d), the non-performance of which is the basis of such Registration Default. Notwithstanding the foregoing, no Additional Interest Amount shall accrue as to any Registrable Security from and after the earlier of (x) the date such security is no longer a Registrable Security and (y) expiration of the Effectiveness Period. The rates of accrual of the Additional Interest Amount, with respect to any period shall not exceed the rates provided for in this paragraph notwithstanding the occurrence of multiple concurrent Registration Defaults.

If a Holder has converted some or all of its Securities into Common Shares, the Holder will not be entitled to receive any Additional Interest with respect to such Common Shares or the principal amount of the Securities that have been so converted. In addition, in no event will Additional Interest be payable in connection with a Registration Default relating to a failure to register the Common Shares deliverable

upon conversion of the Securities. For avoidance of doubt, if the Company fails to register both the Securities and the Common Shares deliverable upon conversion of the Securities, then Additional Interest will be payable solely in connection with the Registration Default relating to the failure to register the Securities.

The Additional Interest Amount shall be payable on each Interest Payment Date during the Registration Default Period (and on the Interest Payment Date next succeeding the end of the Registration Default Period if the Registration Default Period does not end on a Interest Payment Date) to the Record Holders of the Registrable Securities entitled thereto pursuant to the terms of the Indenture; provided that any Additional Interest Amount accrued with respect to any Security or portion thereof redeemed by the Company on a redemption date, purchased by the Company on a repurchase date or converted into Underlying Common Shares on a conversion date prior to the Interest Payment Date, shall, in any such event, be paid instead to the Holder who submitted such Security or portion thereof for redemption, purchase or conversion on the applicable redemption date, repurchase date or conversion date, as the case may be, on such date (or promptly following the conversion date, in the case of conversion), unless the redemption date or the repurchase date, as the case may be, falls after June 1 or December 1 and on or prior to the corresponding Interest Payment Date in which case such amounts shall be paid to the Holder entitled to receive payments of interest in respect of such Securities pursuant to the terms of the Indenture; and provided further, that, in the case of a Registration Default of the type described in clause (iii) or (iv) of the first paragraph of this Section 2(e), such Additional Interest Amount shall be paid only to the Holders entitled thereto by check mailed to the address set forth in the Notice and Questionnaire delivered by such Holder. The Trustee shall be entitled, on behalf of registered holders of Securities or Underlying Common Shares, to seek any available remedy for the enforcement of this Agreement, including for the payment of such Additional Interest Amount. Notwithstanding the foregoing, the parties agree that the sole damages payable for a violation of the terms of this Agreement with respect to which additional interest or liquidated damages are expressly provided shall be such Additional Interest Amount. Nothing shall preclude any Holder from pursuing or obtaining specific performance or other equitable relief with respect to this Agreement.

All of the Company's payment obligations set forth in this Section 2(e) that have accrued with respect to any Registrable Security at the time such security ceases to be a Registrable Security shall survive until such time as all such payment obligations with respect to such security have been satisfied in full (notwithstanding termination of this Agreement pursuant to Section 8(n)).

The parties hereto agree that the additional interest provided for in this Section 2(e) constitute a reasonable estimate of the damages that may be incurred by Holders of Registrable Securities by reason of the failure of a Shelf Registration Statement to be filed or declared effective or available for effecting resales of Registrable Securities in accordance with the provisions hereof.

SECTION 3. Registration Procedures. In connection with the registration obligations of the Company under Section 2 hereof, the Company shall:

(a) Before filing any Shelf Registration Statement or Prospectus or any amendments or supplements thereto with the SEC, furnish to the Initial Purchaser and the Special Counsel of

such offering, if any, copies of all such documents proposed to be filed at least three Business Days prior to the filing of such Shelf Registration Statement or amendment thereto or Prospectus or supplement thereto (other than supplements or amendments that do nothing more than name Notice Holders and provide information with respect thereto).

(b) Subject to Section 3(h) hereof, prepare and file with the SEC such amendments and post-effective amendments to each Shelf Registration Statement as may be necessary to keep such Shelf Registration Statement continuously effective during the Effectiveness Period; cause the related Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and use its best efforts to comply with the provisions of the Securities Act applicable to it with respect to the disposition of all securities covered by such Shelf Registration Statement during the Effectiveness Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented.

(c) As promptly as practicable give notice to the Notice Holders, the Initial Purchaser and the Special Counsel, (i) when any Prospectus, prospectus supplement, Shelf Registration Statement or post-effective amendment to a Shelf Registration Statement has been filed with the SEC and, with respect to a Shelf Registration Statement or any post-effective amendment, when the same has been declared effective (other than supplements or amendments that do nothing more than name Notice Holders and provide information with respect thereto), (ii) of any request, following the effectiveness of the initial Shelf Registration Statement under the Securities Act, by the SEC or any other federal or state governmental authority for amendments or supplements to any Shelf Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Shelf Registration Statement or the initiation or threatening of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (v) of the occurrence of, but not the nature of or details concerning, a Material Event, which notice may, at the discretion of the Company (or as required pursuant to Section 3(h)) state that it constitutes a Deferral Notice, in which event the provisions of Section 3(h) shall apply.

(d) Use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Shelf Registration Statement or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in either case as promptly as practicable, and provide prompt notice to each Notice Holder and the Initial Purchaser of the withdrawal of any such order.

(e) As promptly as practicable furnish to each Notice Holder, the Special Counsel and the Initial Purchaser, upon request and without charge, at least one conformed copy of each Shelf Registration Statement and any amendment thereto, including exhibits and all documents incorporated or deemed to be incorporated therein by reference.

(f) During the Effectiveness Period, deliver to each Notice Holder, the Special Counsel, if any, and the Initial Purchaser, in connection with any sale of Registrable Securities pursuant to a Shelf Registration Statement, without charge, as many copies of the Prospectus relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as any such person may reasonably request; and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or each amendment or supplement thereto by each such person in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein on the terms set forth herein.

(g) Prior to any public offering of the Registrable Securities pursuant to a Shelf Registration Statement, use its commercially reasonable efforts to register or qualify or cooperate with the Notice Holders and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Notice Holder reasonably requests in writing; prior to any public offering of the Registrable Securities pursuant to a Shelf Registration Statement, use its commercially reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the Shelf Registration Statement and the related Prospectus; provided that the Company will not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Agreement or (ii) take any action that would subject it to general service of process in suits or to taxation in any such jurisdiction where it is not then so subject.

(h) Upon (A) the necessity to amend the Shelf Registration Statement or any Prospectus to comply with the Securities Act, the Exchange Act or the respective rules and regulations promulgated by the SEC thereunder or the issuance by the SEC of a stop order suspending the effectiveness of a Shelf Registration Statement or the initiation of proceedings with respect to a Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of any event or the existence of any fact (a "Material Event") as a result of which a Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (C) the occurrence or existence of any pending corporate development with respect to the Company or a public filing with the SEC that, in the reasonable discretion of the Company, makes it appropriate to suspend the availability of a Shelf Registration Statement and the related Prospectus:

(i) in the case of clause (B) above, as promptly as practicable prepare and file, if necessary pursuant to applicable law, a post-effective amendment to such Shelf Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration Statement, use its commercially reasonable efforts to cause it to be declared effective as promptly as is practicable, and

(ii) give notice to the Notice Holders, and the Special Counsel, if any, that the availability of a Shelf Registration Statement is suspended (a "Deferral Notice").

The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as is practicable, (y) in the case of clause (B) above, as soon as, in the sole judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Company or, if necessary to avoid unreasonable burden or expense, as soon as practicable thereafter and (z) in the case of clause (C) above, as soon as in the reasonable discretion of the Company, such suspension is no longer appropriate. The Company shall be entitled to exercise its right under this Section 3(h) to suspend the availability of a Shelf Registration Statement or any Prospectus, without incurring or accruing any obligation to pay additional interest pursuant to Section 2(e), so long as the aggregate duration of any periods during which the availability of the Shelf Registration Statement and any Prospectus is suspended (each, a "Deferral Period") does not exceed 60 days in the aggregate in any consecutive 12-month period.

(i) If requested in writing in connection with a disposition of Registrable Securities pursuant to a Shelf Registration Statement, make reasonably available for inspection during normal business hours by a representative for the Notice Holders of such Registrable Securities, any broker dealers, attorneys and accountants retained by such Notice Holders, and any attorneys or other agents retained by a broker-dealer engaged by such Notice Holders, all relevant financial and other records, all relevant corporate documents and other relevant information as may be reasonably requested by such representative for the Notice Holders, or any such broker dealers, attorneys or accountants in connection with such disposition, in each case as is customary for similar "due diligence" examinations; provided that such persons shall first agree in writing with the Company that any non-public information shall be used solely for the purposes of satisfying "due diligence" obligations under the Securities Act and exercising rights under this Agreement and shall be kept confidential for a period of five years by such persons, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the

filing of any Shelf Registration Statement or the use of any prospectus referred to in this Agreement), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person or (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement, and provided further that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Notice Holders and the other parties entitled thereto by the Special Counsel. Any person legally compelled to disclose any such confidential information made available for inspection shall provide the Company with prompt prior written notice of such requirement so that the Company may seek a protective order, confidentiality treatment or other appropriate remedy.

(j) If requested by any Notice Holder, (i) promptly incorporate in the Shelf Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information regarding such Holder as required by the rules and regulations of the SEC as such Holder may reasonably request to be included therein (unless the Company reasonably objects to such inclusion and, in the opinion of counsel to the Company, such information is not required to be so incorporated) and (ii) make all required filings of such supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such filing.

(k) Comply with all applicable rules and regulations of the SEC and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) for a 12-month period commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of a Shelf Registration Statement, which statements shall be made available no later than 45 days after the end of the 12-month period or 90 days if the 12-month period coincides with the fiscal year of the Company.

(l) As applicable, cooperate with each Notice Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold or to be sold pursuant to a Shelf Registration Statement, which certificates shall not bear any restrictive legends, and cause such Registrable Securities to be in such denominations as are permitted by the Indenture and registered in such names as such Notice Holder may request in writing at least two Business Days prior to any sale of such Registrable Securities.

(m) Obtain opinions of counsel to the Company (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders and Special Counsel) addressed to each Notice Holder, covering the matters customarily covered in opinions requested in underwritten offerings and obtain "cold comfort" letters from the independent registered public accounting firm of the Company (and, if necessary, any other registered public accounting firm of any subsidiary of the Company, or of any person or business acquired by the Company for which financial statements and financial data are or are required to be included or incorporated by reference in the Shelf Registration Statement or the related Prospectus or in the documents incorporated or deemed to be incorporated therein) addressed to the Company and

each Notice Holder, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings.

(n) Provide a CUSIP number for all Registrable Securities covered by each Shelf Registration Statement not later than the effective date of such Shelf Registration Statement and provide the Trustee and the transfer agent for the Common Shares with printed certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(o) Not later than the effective date of the Shelf Registration Statement, use its best efforts to cause the Indenture to be qualified under the TIA in connection with the registration of the Registrable Securities, cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use its reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner.

(p) Cooperate and assist in any filings required to be made with the National Association of Securities Dealers, Inc.

(q) Cause the Underlying Common Shares covered by the Shelf Registration Statement to be listed or quoted, as the case may be, on each securities exchange or automated quotation system on which the Common Shares is then listed or quoted.

SECTION 4. Holder's Obligations. (a) Each Holder agrees, by acquisition of the Registrable Securities, that no Holder shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(d) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as the Company may from time to time reasonably request. Any sale of any Registrable Securities by any Holder shall constitute a representation and warranty by such Holder that the information relating to such Holder and its plan of distribution is as set forth in the Prospectus made available or delivered by such Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of a material fact relating to or provided by such Holder or its plan of distribution and that such Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by such Holder or its plan of distribution necessary to make the statements in such Prospectus, in the light of the circumstances under which they were made, not misleading. Each Holder further agrees not to sell any Registrable Securities without delivering, or, if permitted by applicable securities law, making available, to the purchaser thereof a Prospectus in accordance with the requirements of applicable securities laws. Each Holder further agrees that such Holder will not make any offer relating to the Registrable Securities that would constitute an "issuer free

writing prospectus" (as defined in Rule 433 under the Securities Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Securities Act), unless it has obtained the prior written consent of the Company.

(b) Upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to any Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 3(h)(i), or until it is advised in writing by the Company that the Prospectus may be used.

SECTION 5. Registration Expenses. The Company shall bear all fees and expenses incurred in connection with the performance by the Company of its obligations under Sections 2 and 3 of this Agreement whether or not any Shelf Registration Statement is declared effective. Such fees and expenses shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (x) with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc. and the SEC and (y) of compliance with federal and state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of the Special Counsel in connection with Blue Sky qualifications of the Registrable Securities under the laws of such jurisdictions as Notice Holders of a majority of the Registrable Securities being sold pursuant to a Shelf Registration Statement may designate), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company), (iii) all expenses of any persons in preparing or assisting in preparing, word processing, printing and distributing any Shelf Registration Statement, any Prospectus, any amendments or supplements thereto, any, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (v) the fees and disbursements of counsel to the Company in connection with any Shelf Registration Statement, (vi) fees and disbursements of the Trustee and its counsel and of the registrar and transfer agent for the Common Shares, (vii) Securities Act liability insurance obtained by the Company in its sole discretion, (vii) the reasonable fees and disbursements of Special Counsel (other than fees and expenses in connection with any underwritten offerings), and (ix) the fees and disbursements of the independent registered public accounting firm of the Company and of any other Person or business whose financial statements are included or incorporated or deemed to be incorporated by reference in a Shelf Registration Statement, including the expenses of any "cold comfort" or similar letters required by or incident to such performance and compliance. In addition, the Company shall pay the internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing by the Company of the Registrable Securities on any securities exchange on which similar securities of the Company are then listed and the fees and expenses of any person, including special experts, retained by the Company. Notwithstanding the provisions of this Section 5, each seller of Registrable Securities shall pay any broker's commission, agency fee or underwriter's discount or commission in connection with the sale of the Registrable Securities under a Shelf Registration Statement.

SECTION 6. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless each Notice Holder, each person, if any, who controls any Notice Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Holder within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by such Holder in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Shelf Registration Statement or any amendment thereof, or any Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Holder furnished to the Company in writing by or on behalf of such Holder expressly for use therein; provided that the foregoing indemnity shall not inure to the benefit of any Holder (or to the benefit of any person controlling such Holder) from whom the person asserting such losses, claims, damages or liabilities purchased the Registrable Securities, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Holder to such person, if required by law so to have been delivered at or prior to the written confirmation of the sale of the Registrable Securities to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities, unless such failure is the result of noncompliance by the Company with Section 2(c) hereof.

(b) Each Holder agrees severally and not jointly to indemnify and hold harmless the Company and the Company's directors and officers who sign any Shelf Registration Statement and each person, if any, who controls the Company (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) or any other Holder, to the same extent as the foregoing indemnity from the Company to such Holder, but only with reference to information relating to such Holder furnished to the Company in writing by or on behalf of such Holder expressly for use in such Shelf Registration Statement or Prospectus or amendment or supplement thereto. In no event shall the liability of any Holder hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities pursuant to the Shelf Registration Statement giving rise to such indemnification obligation.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 6(a) or 6(b) hereof, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such

counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by, in the case of parties indemnified pursuant to Section 6(a), the Holders of a majority (with Holders of Securities deemed to be the Holders, for purposes of determining such majority, of the number of shares of Underlying Common Shares into which such Securities are or would be convertible as of the date on which such designation is made) of the Registrable Securities covered by the Shelf Registration Statement held by Holders that are indemnified parties pursuant to Section 6(a) and, in the case of parties indemnified pursuant to Section 6(b), the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent that the indemnification provided for in Section 6(a) or 6(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by any Holder shall be deemed to be equal to the value of receiving registration rights under this Agreement for the Registrable Securities. The relative fault of the Holders on the one hand and the Company on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Holders or by the Company, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Holders' respective obligations to contribute pursuant to this Section 6(d) are several in proportion to the respective number of Registrable Securities they have sold pursuant to a Shelf Registration Statement, and not joint.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding this Section 6(d), no indemnifying party that is a selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by it and distributed to the public were offered to the public exceeds the amount of any damages that such indemnifying party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies which may otherwise be available to an indemnified party at law or in equity, hereunder, under the Purchase Agreement or otherwise.

(f) The indemnity and contribution provisions contained in this Section 6 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Holder, any person controlling any Holder or any affiliate of any Holder or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) the sale of any Registrable Securities by any Holder.

SECTION 7. Information Requirements. The Company covenants that, if at any time before the end of the Effectiveness Period, the Company is not subject to Section 13 or 15(d) under the Exchange Act, it will make available to any Holder or beneficial holder of Registrable Securities in connection with any sale thereof and any prospectus purchaser of Registrable Securities, the information required pursuant to Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial holder of Registrable Securities and it will take such further action as any Holder or beneficial holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder or beneficial holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemption provided by Rule 144A under the Securities Act, as such rule may be amended from time to time. Upon the request of any Holder or any beneficial holder of Registrable Securities, the Company shall deliver to such Holder or beneficial holder a written statement as to whether it has complied with such filing requirements, unless such a statement has been included in the Company's most recent report filed pursuant to Section 13 or Section 15(d) under the Exchange Act.

SECTION 8. Miscellaneous.

(a) No Conflicting Agreements. The Company is not, as of the date hereof, a party to, nor shall it, on or after the date of this Agreement, enter into, any agreement with respect to its

securities that conflicts with the rights granted to the Holders in this Agreement. In addition, the Company shall not grant to the holders of the Company's securities (other than the Holders in such capacity) the right to include any of its securities (other than the Registrable Securities) in the Shelf Registration Statement provided for under this Agreement. The Company represents and warrants that the rights granted to the Holders hereunder do not in any way conflict with the rights granted to the holders of the Company's securities under any other agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority of the then outstanding Underlying Common Shares constituting Registrable Securities (with Holders of Securities deemed to be the Holders, for purposes of this Section, of the number of outstanding shares of Underlying Common Shares into which such Securities are or would be convertible as of the date on which such consent is requested). Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose securities are being sold pursuant to a Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by Holders of at least a majority of the Registrable Securities being sold by such Holders pursuant to such Shelf Registration Statement; provided that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence. Notwithstanding the foregoing, this Agreement may be amended by written agreement signed by the Company and the Initial Purchaser, without the consent of the Holders of Registrable Securities, to cure any ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision contained herein, or to make such other provisions in regard to matters or questions arising under this Agreement that shall not adversely affect the interests of the Holders of Registrable Securities. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(b) whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, by facsimile, by courier or by first class mail, return receipt requested, and shall be deemed given (i) when made, if made by hand delivery, (ii) upon confirmation, if made by facsimile, (iii) one Business Day after being deposited with such courier, if made by overnight courier or (iv) on the date indicated on the notice of receipt, if made by first class mail, to the parties as follows:

(i) if to a Holder, at the most current address or facsimile number given by such Holder to the Company in a Notice and Questionnaire or any amendment thereto;

(ii) if to the Company, to:

Canadian Solar Inc.

199 Lushan Road
Suzhou New District
Suzhou, Jiangsu Province 215129
People's Republic of China
Attention: Chief Financial Officer
Facsimile No.: (86-512) 6690-8087

with a copy to:

Latham & Watkins LLP
8 Connaught Place
41st Floor, One Exchange Square
Central, Hong Kong
Attention: David Zhang, Esq.
Facsimile No.: (86-852) 2522-7006

(iii) if to the Initial Purchaser, to:

Piper Jaffray & Co.
345 California Street, Suite 2400
San Francisco, California 94104
Attention: General Counsel
Facsimile No.: (415) 984-5121

with a copy to:
Wilson Sonsini Goodrich & Rosati, Professional Corporation
650 Page Mill Road
Palo Alto, California 94304
Attention: John A. Fore, Esq.
Facsimile No.: (650) 493-6811

or to such other address as such person may have furnished to the other persons identified in this Section 8(c) in writing in accordance herewith.

(d) Approval of Holders. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) (other than the Initial Purchaser or subsequent Holders if such subsequent Holders are deemed to be such affiliates solely by reason of their holdings of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(e) Successors and Assigns. Any person who purchases any Registrable Securities from the Initial Purchaser shall be deemed, for purposes of this Agreement, to be an assignee of the Initial Purchaser. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties and shall inure to the benefit of and be binding upon

each Holder of any Registrable Securities, provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities, such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such person shall be entitled to receive the benefits hereof.

(f) Submission to Jurisdiction, Etc. The Company hereby submits to the non-exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan, The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any lawsuit, action or other proceeding in such courts, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such lawsuit, action or other proceeding brought in any such court has been brought in an inconvenient forum. The Company irrevocably appoints CT Corporation System, 111 Eighth Avenue, New York, N.Y. 10011, as its authorized agent in the Borough of Manhattan, The City of New York, New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to the address provided in Section 8(f) shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all actions as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of seven years from the date of this Agreement.

(g) Waiver of Immunity. With respect to any suit or proceeding arising out of or relating to this Agreement, the Purchase Agreement, the Indenture or the Securities or the transactions contemplated hereby or thereby, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled, and with respect to any such suit or proceeding, each party waives any such immunity in any court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such suit or proceeding, including, without limitation, any immunity pursuant to the U.S. Foreign Sovereign Immunities Act of 1976, as amended.

(h) Judgment Currency. The obligation of the Company in respect of any sum due to the Initial Purchaser under this Agreement shall, notwithstanding any judgment in a currency other than U.S. dollars or any other applicable currency (the "Judgment Currency"), not be discharged until the first business day, following receipt by the Initial Purchaser of any sum adjudged to be so due in the Judgment Currency, on which (and only to the extent that) the Initial Purchaser may in accordance with normal banking procedures purchase U.S. dollars or any other applicable currency with the Judgment Currency; if the U.S. dollars or other applicable currency so purchased are less than the sum originally due to the Initial Purchaser hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify

the Initial Purchaser against such loss. If the U.S. dollars or other applicable currency so purchased are greater than the sum originally due to the Initial Purchaser hereunder, the Initial Purchaser agrees to pay to the Company an amount equal to the excess of the U.S. dollars or other applicable currency so purchased over the sum originally due to the Initial Purchaser hereunder.

(i) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

(j) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(m) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and the registration rights granted by the Company with respect to the Registrable Securities. Except as provided in the Purchase Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and undertakings among the parties with respect to such registration rights. No party hereto shall have any rights, duties or obligations other than those specifically set forth in this Agreement.

(n) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Effectiveness Period, except for any liabilities or obligations under Section 4, 5 or 6 hereof, any confidentiality obligations under Section 3(i) hereof, and the obligations to make payments of and provide for additional interest under Section 2(e) hereof to the extent such damages accrue prior to the end of the Effectiveness Period, each of which shall remain in effect in accordance with its terms.

[Remainder Of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CANADIAN SOLAR INC.

By: /s/ Bing Zhu

Name: Bing Zhu
Title: CFO

Confirmed and accepted as of
the date first above written:

PIPER JAFFRAY & CO.

By: /s/ Martin C. Alvarez

Name: Martin C. Alvarez
Title: Managing Director

Exhibit 5.1

Barristers & Solicitors

WeirFoulds LLP

March 3, 2008

Andrew W. H. Tam
T: 416-947-5071
atam@weirfoulds.com

File 11628.00001

Canadian Solar Inc.
199 Lushan Road
Suzhou New District
Suzhou 215129
People's Republic of China

Dear Sirs/Madames:

Re: Canadian Solar Inc. (the "Company")

We have acted as special legal counsel to the Company in Canada in connection with the filing with the U.S. Securities and Exchange Commission (the "SEC") on March 3, 2008 of a registration statement on Form F-3 (the "Registration Statement") relating to the registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), of US$75,000,000 in aggregate principal amount of 6.0% Convertible Senior Notes issued December 10, 2007 and due December 15, 2017 (the "Notes") and any common shares of the Company (the "Note Shares") which may be issuable upon due exercise of the conversion rights granted pursuant to the Notes.

For the purposes of rendering the opinions set out below, we have examined a copy of the Registration Statement. We have also reviewed the Articles of Continuance of the Company dated June 1, 2006 (and all amendments thereto), the by-laws of the Company dated June 1, 2006, a certificate of an officer of the Company dated March 3, 2008 (a copy of which is annexed hereto) (the "Officer's Certificate") and made such inquiries and examined such questions of law as we have deemed necessary in order to render such opinions.

In rendering the opinion expressed in Paragraph 1 below, we have relied solely, as to the existence of the Company, upon a Certificate of Compliance issued in respect of the Company by Industry Canada on March 3, 2008 (the "Certificate of Compliance").

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to originals of all copies (whether or not certified) examined by us, and the authenticity and completeness of the originals from which such copies were taken, (b) that where a document has been examined by us in draft form, it will be or has been executed and/or filed in the form of that draft, and where a number of drafts of a document have been examined by us, that all changes thereto have been marked or otherwise drawn to our attention, and (c) the accuracy and completeness of all factual representations made in the Registration Statement and other documents reviewed by us.

We have not been instructed to undertake and have not undertaken any further inquiry or due diligence in relation to the transaction or transactions which are the subject of this opinion. The opinions set out below are given only as to and based on circumstances and matters of fact existing as at the date hereof and of which we are aware consequent upon the instructions we have received in relation to the subject matter hereof and as to the laws of Canada as the same are in force at the date hereof. In giving this opinion, we have relied upon the completeness and accuracy (and assumed the continuing completeness and accuracy as of the date hereof) of the Officer's Certificate as to matters of fact and the Certificate of Compliance without further verification, and have relied upon the foregoing assumptions, which we have not independently verified.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Canada. This opinion is to be governed by and construed in accordance with the laws of Canada and is limited to and is given on the basis of the current law and practice in Canada.

On the basis and subject to the foregoing, we are of the opinion that:

1. The Company is a company organized, existing and in good standing under the Canada Business Corporations Act.

2. Upon due exercise of the conversion rights granted to holders of the Notes in accordance with their terms, including, without limitation, payment of the applicable conversion price, the Note Shares will be validly issued, fully paid and non-assessable common shares in the capital of the Company.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to our firm under the captions "Enforceability of Civil Liabilities" and "Legal Matters" in the prospectus forming part of the Registration Statement. In giving such consent, we do not hereby admit that we are experts within the meaning of Section 11 of the Securities Act, or that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the SEC promulgated thereunder.

Yours truly,

WeirFoulds LLP

/s/ WeirFoulds LLP

AT/lb
Encls.

Exhibit 5.2

(LATHAM & WATKINS LLP LETTER HEAD)

March 3, 2008

Canadian Solar Inc.
199 Lushan Road
Suzhou New District
Suzhou 215129
People's Republic of China

Re: $75,000,000 Aggregate Principal Amount of 6.0% Convertible Senior Notes due 2017

Ladies and Gentlemen:

We have acted as special United States counsel to Canadian Solar Inc., a Canadian corporation (the "Company"), in connection with the issuance of $75,000,000 aggregate principal amount of 6.0% Senior Convertible Notes due 2017 (the "Notes"), convertible into common shares, without par value, of the Company (the "Common Shares"), under an Indenture dated as of December 10, 2007, in the form most recently filed as an exhibit to the Registration Statement (as herein defined) and an officers' certificate dated December 10, 2007 setting forth the terms of the Notes (the "Indenture") between the Company and The Bank of New York, as trustee (the "Trustee"), and pursuant to a registration statement on Form F-3 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "Commission") on March 3, 2008 (the "Registration Statement"). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus, other than as expressly stated herein with respect to the issue of the Notes.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the internal laws of the State of New York, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, when the Notes have been duly executed, issued, and authenticated in accordance with the terms of the Indenture and delivered against payment therefor in the circumstances contemplated by the Registration Statement, the Notes will have been duly authorized by all necessary corporate action of the Company and will be legally valid and binding obligations of the Company enforceable against the Company in accordance with their terms.

(LATHAM & WATKINS LLP LETTERHEAD)

Our opinion is subject to: (i) the effect of bankruptcy, insolvency, reorganization, preference, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights and remedies of creditors, or the judicial application of foreign laws or governmental actions affecting creditors' rights; (ii) the effect of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought; (iii) the invalidity under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) we express no opinion as to (a) any provision for liquidated damages, default interest, late charges, monetary penalties, make-whole premiums or other economic remedies to the extent such provisions are deemed to constitute a penalty, (b) consents to, or restrictions upon, governing law, jurisdiction, venue, arbitration, remedies, or judicial relief, (c) the waiver of rights or defenses contained in Section 3.09 of the Indenture; (d) any provision requiring the payment of attorneys' fees, where such payment is contrary to law or public policy; (e) any provision to the extent it requires that a claim with respect to the Notes (or a judgment in respect of such a claim) be converted into U.S. dollars at a rate of exchange at a particular date, to the extent applicable law otherwise provides; and (f) the severability, if invalid, of provisions to the foregoing effect.

With your consent, we have assumed (a) that the Indenture and the Notes (collectively, the "Documents") have been duly authorized, executed and delivered by the parties thereto other than the Company, (b) that the Documents constitute legally valid and binding obligations of the parties thereto other than the Company, enforceable against each of them in accordance with their respective terms, and (c) that the status of the Documents as legally valid and binding obligations of the parties is not affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders, or (iii) failures to obtain required consents, approvals or authorizations from, or make required registrations, declarations or filings with, governmental authorities.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained in the Prospectus under the heading "Legal Matters." In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

Exhibit 8.1

(LATHAM & WATKINS LLP LETTERHEAD)

March 3, 2008

Canadian Solar Inc.
199 Lushan Road
Suzhou New District
Suzhou 215129
People's Republic of China

Re: $75,000,000 Aggregate Principal Amount of 6.0% Convertible Senior Notes due 2017

Ladies and Gentlemen:

In connection with the issuance of $75,000,000 aggregate principal amount of 6.0% Convertible Senior Notes due 2017 (the "Notes"), convertible into common shares, without par value, of the Company (the "Common Shares"), under an indenture dated as of December 10, 2007, in the form most recently filed as an exhibit to the Registration Statement (as herein defined) between the Company and The Bank of New York, as trustee, and pursuant to a registration statement on Form F-3 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "Commission") on March 3, 2008 (the "Registration Statement"), you have requested our opinion concerning the statements in the Registration Statement under the caption "Taxation-Certain U.S. Federal Income Tax Considerations."

The facts, as we understand them, and upon which with your permission we rely in rendering the opinion herein, are set forth in the Registration Statement and the Company's responses to our examinations and inquiries.

In our capacity as counsel to the Company, we have made such legal and factual examinations and inquiries, including an examination of originals or copies certified or otherwise identified to our satisfaction of such documents, corporate records and other instruments as we have deemed necessary or appropriate for purposes of this opinion. In our examination, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures thereon, the legal capacity of natural persons executing such documents and the conformity to authentic original documents of all documents submitted to us as copies. For the purpose of our opinion, we have not made an independent investigation, or audit of the facts set forth in the above-referenced documents.

(LATHAM & WATKINS LLP LETTERHEAD)

We are opining herein as to the effect on the subject transaction only of the federal income tax laws of the United States and we express no opinion with respect to the applicability thereto, or the effect thereon, of other federal laws, the laws of any state or any other jurisdiction or as to any matters of municipal law or the laws of any other local agencies within any state.

Based on such facts and subject to the limitations set forth in the Registration Statement, the statements of law or legal conclusions in the Registration Statement under the caption "Taxation-Certain U.S. Federal Income Tax Considerations" constitute the opinion of Latham & Watkins LLP as to the material United States federal income tax consequences of an investment in the Notes or the Common Shares received upon the exercise of Notes.

No opinion is expressed as to any matter not discussed herein.

This opinion is rendered to you as of the date of this letter, and we undertake no obligation to update this opinion subsequent to the date hereof. This opinion is based on various statutory provisions, regulations promulgated thereunder and interpretations thereof by the Internal Revenue Service and the courts having jurisdiction over such matters, all of which are subject to change either prospectively or retroactively. Also, any variation or difference in the facts from those set forth in the Registration Statement may affect the conclusions stated herein.

This opinion is furnished to you, and is for your use in connection with the transactions set forth in the Registration Statement. This opinion may not be relied upon by you for any other purpose. However, this opinion may be relied upon by persons entitled to rely on it pursuant to applicable provisions of federal securities law.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the captions "Legal Matters" in the Registration Statement. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules or regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

Exhibit 12.1

Canadian Solar Inc.
Ratio of Earnings to Fixed Charges
(Unaudited)

	Nine Months Ended	Year Ended December 31,				
	September 2002	2003	2004	2005	2006	30, 2007
Computation of Earnings: Income before taxes and minority interests	$ 921	$ 654	$1,820	$4,409	($8,998)	($6,279)
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	(215)	(209)	0	0	0	0
Fixed charges	5	3	11	282	2,267	1,038
Earnings	$ 711	$ 448	$1,831	$4,691	($6,731)	($5,241)
Computation of Fixed Charges: Interest expense	$ 0	$ 0	$ 0	$ 104	$ 1,488	$ 943
Amortized debt discount	0	0	0	135	706	0
Interest portion of operating lease expense	5	3	11	43	73	95
Fixed charges	$ 5	$ 3	$ 11	$ 282	$ 2,267	$ 1,038
Ratio of Earnings to Fixed Charges	142	149	166	17	-	-
Deficiency					$ 8,998	$ 6,279

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form F-3 of our report dated May 28, 2007, relating to the financial statements and financial statement schedule of Canadian Solar Inc., appearing in the Annual Report on Form 20-F of Canadian Solar Inc. for the year ended December 31, 2006, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte Touche Tohmatsu CPA Ltd.

Deloitte Touche Tohmatsu CPA Ltd.
Shanghai, China

March 3, 2008

Exhibit 23.3

(CHEN&CO.LAWFIRM LETTERHEAD)

March 3, 2008

Canadian Solar Inc.
No. 199 Lushan Road
Suzhou New District
Suzhou, Jiangsu 215129
People's Republic of China

Ladies and Gentlemen:

We hereby consent to the use of our name under the caption "Enforceability of Civil Liabilities" in the prospectus included in the registration statement on Form F-3, originally filed by Canadian Solar Inc. on March 3, 2008, with the Securities and Exchange Commission under the Securities Act of 1933, as amended. In giving such consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Sincerely yours,

/s/ Chen & Co. Law Firm
Chen & Co. Law Firm

Exhibit 25.1

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) |__|

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

CANADIAN SOLAR INC.
(Exact name of obligor as specified in its charter)

Canada (State or other jurisdiction of incorporation or organization)	Not Applicable (I.R.S. employer identification no.)
No. 199 Lushan Road Suzhou New District Suzhou, Jiangsu 215011 People's Republic of China (Address of principal executive offices)	(Zip code)

6.0% Convertible Senior Notes due 2017
(Title of the indenture securities)

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1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 22nd day of February, 2008.

THE BANK OF NEW YORK

By: /S/ FRANCA M. FERRERA

Name: FRANCA M. FERRERA
Title: ASSISTANT VICE PRESIDENT

EXHIBIT 7

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Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business December 31, 2007, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

Dollar Amounts In Thousands ASSETS Cash and balances due from depository institutions: Noninterest-bearing balances and currency and coin.. 3,211,000 Interest-bearing balances..... 24,114,000 Securities: Held-to-maturity securities..... 1,776,000 Available-for-sale securities..... 25,801,000 Federal funds sold and securities purchased under agreements to resell: Federal funds sold in domestic offices..... 7,888,000 Securities purchased under agreements to resell..... 168,000 Loans and lease financing receivables: Loans and leases held for sale..... 0 Loans and leases, net of unearned income..... 34,419,000 LESS: Allowance for loan and lease losses..... 262,000 Loans and leases, net of unearned income and allowance..... 34,157,000 Trading assets..... 4,576,000 Premises and fixed assets (including capitalized leases)..... 946,000 Other real estate owned..... 3,000 Investments in unconsolidated subsidiaries and associated companies..... 719,000 Not applicable Intangible assets: Goodwill..... 2,492,000 Other intangible assets..... 1,002,000 Other assets..... 8,819,000 ----------

Total assets	115,672,000
LIABILITIES	
Deposits:	
In domestic offices	31,109,000
Noninterest-bearing	18,814,000
Interest-bearing	12,295,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	54,411,000
Noninterest-bearing	3,890,000
Interest-bearing	50,521,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	893,000
Securities sold under agreements to repurchase	110,000
Trading liabilities	3,743,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	3,571,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,955,000
Other liabilities	9,751,000
Total liabilities	106,543,000
Minority interest in consolidated subsidiaries	157,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,368,000
Retained earnings	5,918,000
Accumulated other comprehensive income	-449,000
Other equity capital components	0
Total equity capital	8,972,000
Total liabilities, minority interest, and equity capital	115,672,000

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Gerald L. Hassell
Steven G. Elliott Directors
Robert P. Kelly

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