Court File No. 02-CV-23848CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

BARBARA KRANJCEC, on her own behalf and on behalf of all retired former employees of the Ontario Government receiving coverage under the Supplementary Health and Hospital Insurance, Dental and Life Insurance Plan as of June 1, 2002

Plaintiffs

- and -

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Defendant

Proceeding under the *Class Proceedings Act*, 1992

AFFIDAVIT OF BARBARA KRANJCEC

I, Barbara Kranjcec, of the City of Mississauga, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Representative Plaintiff in the within action, and as such have knowledge of the matters hereafter deposed to and which I believe are true.

2. I retained Siskind, Cromarty, Ivey & Dowler LLP and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish (collectively "Class Counsel") to commence an action alleging that the defendant unilaterally reduced retirees' health and dental benefits effective June 1, 2002 which was contrary to a binding promise made to class members and in breach of its fiduciary duty to class members. A copy of the retainer agreement is attached hereto as Exhibit "A".

3. I understand that this litigation was undertaken on a contingency basis such that Class Counsel would not be paid for fees or disbursements unless successful. The retainer agreement I entered provided that Class Counsel would request a legal fee of 15% from

the Court if the matter was resolved within two years and without motions for summary judgment and/or certification being decided. It further provided that a legal fee of 25% would be requested if motions for summary judgment and/or certification were decided.

4. I understand that certification was granted in this action on January 7, 2004. As such I understand that Class Counsel may seek up to 25% of all benefits received for the class, including party and party costs.

5. I am advised by Class Counsel that they will seek approval of a legal fee of 15% of all benefits received inclusive of disbursements and taxes.

6. I have reviewed with Class Counsel the time and expenses incurred by them as well as the calculation of the legal fee. I have no objections to the fee request.

7. I make this affidavit in support of the motion for an order approving the fee request of Class Counsel, and for no other or improper purpose.

SWORN OR AFFIRMED before me at the City of Mississauga, in the Province of Ontario, this 28th day of August, 2006.

A Commissioner, etc.

BARBARA KRANJCEC

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This is Exhibit "A" mentioned and referred to in the Affidavit of Barbara Kranjcec, sworn before me at the City of ~~London~~ Mississauga, in the ~~County of Middlesex~~ Province of Ontario, this 28th day of August, 2006.

A Commissioner, etc.

RETAINER AGREEMENT

I, Barbara Kranjcec hereby retain and employ the law firms of Siskind, Cromarty, Ivey & Dowler LLP and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish as my solicitors and hereby authorize them to institute a Class Action pursuant to the Class Proceedings Act, naming myself as representative Plaintiff on behalf of a class of persons who had their post-retirement health benefits reduced by the Ontario government and to take such actions and conduct such proceedings as they may consider necessary or proper for the conduct of the proceeding.

I understand that this litigation is to be pursued on a contingency basis such that fees and disbursements with respect to the common issues will be payable only in the event of success in the class proceeding.

I understand that according to the Class Proceedings Act, "success" in a class proceeding includes:

(a) judgment on the common issues in favour of some or all class members; and

(b) a settlement that benefits one or more class members.

I understand that legal fees will be charged on a percentage basis. I understand that Siskind, Cromarty, Ivey & Dowler LLP and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish will request a legal fee of 15% from the Court if this matter is resolved within two years and without motions for summary judgment and/or certification being decided. I understand that the legal fee requested will be 25% if motions for summary judgment and/or certification are decided, following which a settlement or judgment for the class is obtained. I understand that the percentage legal fee will be calculated based on all benefits obtained for the class members, including party and party costs. By way of example, if the defendant pays by way of settlement

prior to motions for judgment and/or certification, $10 million, plus $1 million party and party costs, I understand that the contingency fee will be 15% of $1.1 million ($1,650,000).

I understand that Siskind, Cromarty, Ivey & Dowler LLP and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish may associate with other law firms in Canada, and this agreement shall apply to those firms as well.

I understand that Siskind, Cromarty, Ivey & Dowler LLP and Cavalluzzo, Hayes, Shilton, McIntyre & Cornish legal fees shall be subject to approval by the Court.

I understand that a reasonable settlement or judgment in this case could be in the range of $5,000,000 to $50,000,000 depending on the size of the Class, the disposition of certain legal issues, and the valuation of certain benefits which have been reduced. I understand that a more precise estimate is not possible at this time.

Dated at Mississauga, Ontario this 30 day of July, 2002.

Witness:

Barbara Kranjcec