

The statements in this declaration are made on personal knowledge, except where stated to be on information and belief.

BACKGROUND

1. OPTrust, located at 1 Adelaide Street East, Toronto, Ontario M5C 3A7, is a pension trust which is responsible for the administration and management of a pension plan which provides pension benefits for employees of the Province of Ontario. The pension fund has more than 75,000 members and pensioners and has over \$12 billion (CDN) under management.

2. During the period October 24, 2000 through February 15, 2001 (the "Nortel I Class Period"), OPTrust purchased 1,654,200 shares of Nortel stock. OPTrust suffered a loss in excess of \$33 million when Nortel's stock price dropped 34% at the end of the Nortel I Class Period.

3. I have been the Chief Administrative Officer and Plan Manager of the OPTrust since January 1, 2006.

4. Prior to that time, I was a member of the Board of Trustees of the OPTrust ("the Board"). I was a Trustee of the OPTrust from October, 1994 to September 2005.

5. While a Trustee, I was employed by Ontario Public Service Employees' Union ("OPSEU") in a number of senior capacities. I was employed by OPSEU from July 5, 1988 until I assumed the position of Chief Administrative Officer and Plan Manager of the OPTrust on January 1, 2006.

6. On December 3, 2001, the Board resolved to create a special Committee (the "Committee" or the "Nortel Committee") to review the securities class action Complaint that had been filed against Nortel Networks Corporation ("Nortel") in the United States District Court for the Southern District of New York, and to consider whether the OPTrust wished to assume the position of Lead Plaintiff in that litigation ("Nortel I"). Nortel was and remains a prominent and widely held Canadian telecommunications company and the OPTrust, as a leading Canadian institutional investor, considered that it had a responsibility to consider legal action to recover class member losses. I was appointed by the Board to this Committee, along with three other

Trustees, and served on that Committee from and after December 3, 2001, except for the period September 2005 to December 31, 2005. Since January 1, 2006, I have been Chief Administrative Officer at the OPTrust and have served on the Committee in this capacity and as a non-voting member.

7. On December 18, 2001, the Board voted to seek lead plaintiff status in the Nortel I proceeding. At its meeting, the Board considered the then current draft of the Consolidated Amended Class Action Complaint (the "Complaint"). The Board heard presentations from representatives of Milberg Weiss Bershad Hynes & Lerach LLP ("Milberg Weiss"), as well as from the Board's regular pension counsel, Koskie Minsky LLP ("Koskie Minsky"). It also received an analysis of the accounting allegations in the Complaint from Professor Vern Krishna, Q.C. Professor Krishna was associated with Koskie Minsky, and had been President of the Certified General Accountants' Association (Ontario) from 1995 to 1996. He was also a tenured Professor of taxation law in the Faculty of Law at the University of Ottawa.

8. After reviewing the Complaint and receiving this advice, the Board met in-camera and voted to seek Lead Plaintiff status in this litigation. In making this determination, the Board considered its fiduciary obligations to its own pension plan members, as well as its fiduciary obligations to the class as defined in the Complaint. It concluded that class member interests would be better protected under U.S. law than under Canadian law at the time. It also determined that plaintiffs' counsel's fees would be paid on a contingency fee basis if and when the litigation was resolved successfully for class members and that counsel's fee application would be subject to the approval of OPTrust before being submitted to the Court.

9. The United States District Court appointed OPTrust as sole Lead Plaintiff on January 10, 2002.

OPTRUST'S EXTENSIVE PARTICIPATION IN THE PROSECUTION AND SETTLEMENT OF THIS LITIGATION

10. Subsequent to the Board's determination to seek the position of Lead Plaintiff, the Board delegated to the Committee the responsibility for oversight of this litigation. Koskie Minsky and the Committee reported to the Board periodically on the status of the proceeding.

11. The Committee received substantial support, assistance and advice during the course of this litigation from staff at the OPTrust, including my predecessor, Ms. Colleen Parrish, and the OPTrust's Chief Investment Officer, Mr. Morgan Eastman.

12. The Committee carefully reviewed the Second Amended Complaint before it was filed on January 18, 2002. New Trustees who joined the Nortel Committee after the Lead Plaintiff application were each briefed individually by counsel as to the nature of the Complaint as well as its then current litigation status.

13. The Committee's first act was to consider the retention of counsel. The Board had determined on December 18, 2001, that there should be a single U.S. law firm acting as Lead Counsel, for reasons of efficiency and accountability. It also recognized that Milberg Weiss, which had been involved in the litigation since its inception, was a competent and appropriate Lead Counsel. Consequently, Milberg Weiss was instructed to seek an Order from the United States District Court designating it as sole Lead Counsel. Judge Berman made an Order appointing Milberg Weiss as sole Lead Counsel on February 1, 2002.

14. In considering the retainer of Milberg Weiss, the Committee considered alternative fee structures, and concluded that a retainer arrangement, under which the Committee's consent to a final fee application would be required, would best protect the Nortel I Class. Accordingly, it entered into such a fee agreement with Lead Counsel.

15. The Board anticipated that Koskie Minsky would be responsible for Canadian litigation in connection with this matter. It also retained and instructed Koskie Minsky to assist the Committee in supervising and monitoring the litigation. The Board was aware of the contingency fee sharing relationship between Milberg Weiss and Koskie Minsky, and new Board and Committee members have been apprised of that relationship upon their joining the Board or the Committee.

16. For the purposes of finalizing the Second Amended Consolidated Complaint (the "Amended Complaint"), the OPTrust met with counsel in connection with its adequacy and typicality as a Plaintiff. As the OPTrust's assets were, during the Nortel I Class Period, invested by third party money managers, all relevant investment manager agreements and mandates were

collected, reviewed and provided to Lead Counsel. Letters were also secured from the OPTrust's investment advisors indicating that the OPTrust trades in Nortel securities were based on publicly available information and were otherwise typical. Copies of letters from the OPTrust's investment managers, as well as the OPTrust's Certification and Declaration, were attached to the Amended Complaint, which was filed with the United States District Court on January 18, 2002.

17. In recognition of the separation of its Lead Plaintiff role from its normal course investment functions, and anticipating that the OPTrust could become privy to material non-public information concerning Nortel, and on the advice of counsel, the OPTrust adopted internal firewall procedures that prevented members of the Nortel Committee from communicating about Nortel with persons responsible for the OPTrust's investment decision-making. These procedures were adopted prior to OPTrust's receipt or consideration of any material non-public information.

18. The OPTrust closely supervised, monitored, and/or participated in all aspects of the litigation. The Committee has had extensive and regular communications with counsel and other advisors. It has met frequently with Koskie Minsky, and regularly with Milberg Weiss, by telephone conference call or in person, concerning current issues in the litigation and tactical and strategic decisions in regard to the prosecution of this action. I and the Nortel Committee members have collectively devoted hundreds, if not thousands, of hours to the oversight of the prosecution of this action.

19. The Committee directed Murray Gold of Koskie Minsky to attend at all significant Court appearances, and at all significant meetings and telephone discussions with counsel for the Defendants, and to report back to the Committee as to the issues raised and their outcomes. The Committee received and reviewed regular reports and updates from Koskie Minsky as to the status of the litigation and related issues.

20. In connection with the Class Certification Motion, the OPTrust was served, on March 26, 2003 with a Request for Documents. On April 2, 2003, the OPTrust was served with the Defendants' Interrogatories to Plaintiff Regarding Lead Plaintiff's Pending Motion for Class

Certification. The OPTrust, with the assistance of counsel, complied with both the Request and the Interrogatories.

21. In addition to supervising the conduct of Nortel I, the Committee also requested and received reports as to the status of the Nortel I proceedings in the Southern District of New York and the Canadian litigation against the Defendants that had been commenced in Ontario, Quebec and British Columbia.

22. In April of 2004, the Committee was advised that the possibility of negotiating a settlement of this litigation had been raised between Lead Counsel and counsel for Nortel. It was apparent that any settlement agreement would have to settle the securities class action in which OPTrust was the Lead Plaintiff, covering the Nortel I Class Period, October 15, 2000 through February 15, 2001, together with a subsequent class action (the "Nortel II Action") filed in the Southern District of New York by the Ontario Teachers Pension Plan Board and the Department of the Treasury of the State of New Jersey and its Division of Investment covering the class period April 23, 2003 through April 27, 2004 (the "Nortel II Class Period"). Defendants were prepared to engage in settlement discussions on the basis of Nortel's ability to pay, that would result in a settlement of both the Nortel I and Nortel II Actions, and this necessitated a common bargaining position to be shared by Lead Plaintiffs in both actions.

23. From April 2004, the Committee was closely involved in overseeing and participating in the lengthy negotiations that culminated in the proposed settlements of the Nortel I and Nortel II Actions. These negotiations were conducted within the framework of a reasonable assessment of the Defendants' ability to pay, and a recognition that much of the value of the settlement for class members in both the Nortel I and II Actions would have to be in the Defendants' common stock. In light of this framework, the Committee determined to work closely with Lead Plaintiffs in the Nortel II Action, the Ontario Teachers' Pension Plan Board and the State of New Jersey, to reach common positions in settlement negotiations with the Defendants.

24. The Committee's objectives in the settlement discussions, which it shared with Lead Plaintiffs in the Nortel II Action, were to secure the maximum level of recovery for the Nortel I Class. The Committee also determined to review the Defendants' corporate governance

processes and to seek improvements with a view to protecting and enhancing the securities that the Nortel I Class is receiving as part of the Stipulation.

25. In aid of developing a common settlement position with Lead Plaintiffs in the Nortel II Action, the Committee agreed that it was important to reach an understanding with Lead Plaintiffs in Nortel II as to how any aggregate proceeds of settlements would be allocated between the Nortel I and Nortel II Classes. In this regard, the Committee examined the Nortel II complaint, and received extensive advice as to the respective merits, estimated damages and procedural postures of the two proceedings.

26. The Committee members were advised and understood that, although the estimated damages in Nortel I exceed the estimated damages in Nortel II, the Nortel II Action is arguably somewhat stronger on the merits because, among other things: (i) Nortel filed an actual restatement of its reported financial results for the Nortel II Class Period, (ii) Nortel's top management during the Nortel II Class Period was terminated for cause (for engaging in the very conduct alleged in the Nortel II Action); (iii) the terminated executives were sued by Nortel for the return of bonus compensation, and (iv) Nortel made certain admissions in public filings concerning the terminated executives' wrongful conduct and their motive for engaging in the accounting conduct impugned by the Nortel II Complaint.

27. The Committee also received advice from Lead Counsel regarding the status of the insurance coverages available in respect of both the Nortel I and Nortel II Class Periods, and considered strategies to maximize recoveries from Nortel's insurers. The Committee actively directed and monitored discussions between Lead Counsel for the Nortel I and Nortel II Actions, and provided instructions and directions to Milberg Weiss and Koskie Minsky during the course of those discussions.

28. Although I was not a member of the Committee between September, 2005 and January 1, 2006 when I assumed the position of Chief Administrative Officer and Plan Manager of the OPTrust, I understand that ultimately, after the differences between the Lead Plaintiffs in the Nortel I and Nortel II Actions had been sufficiently narrowed, the Committee agreed that the final resolution of the allocation issues as between Nortel I and Nortel II would benefit from advice and comment from Judge Sweet. Judge Sweet met with Lead Counsel for plaintiffs in the

Nortel I and Nortel II Actions on October 3, 2005 and November 18, 2005, after which he recommended that aggregate settlement proceeds to be paid by the Defendants be divided equally between Nortel I and Nortel II Classes. He also recommended a sharing formula with respect to insurance proceeds paid under the Nortel I and Nortel II insurance policies that would result in the Nortel I Class receiving substantially more than the Nortel II Class, in the aggregate. After receiving advice from Lead Counsel, the Committee agreed to the allocation principles recommended by Judge Sweet. The Committee believes that, in view of the relative merits and damages of the Nortel I and Nortel II actions, this allocation is an excellent result for the Nortel I Class, yet is fair and equitable to the Nortel II Class.

29. The Committee also oversaw the settlement negotiations with the Defendants from April 2005. To prepare for negotiations, the Committee interviewed, retained and met in New York with their financial advisors, W.L. Ross & Company, to receive advice as to the current status of the Defendants' business and financial condition. The Committee also interviewed, retained and met with their governance advisors, Mr. Robert Monks and Mr. Richard Bennett, of Lens Advisors Inc., to receive advice as to the Defendants' governance practices and recommendations as to prospective improvements in the Defendants' governance structure.

30. Committee members attended in New York in person for presentations from its financial advisors, W.L. Ross, as to the Defendants' ability to pay in July 2005. I am advised that the Committee also reviewed presentations from the Defendants and Lazard Freres & Co. LLC made on December 21, 2005, and received advice and analysis from their own financial advisors in regard to the positions taken by the Defendants and their advisors.

31. The Committee was intimately involved in overseeing the negotiations leading up to the mediations scheduled by Judge Sweet on February 6, 2006 with respect to financial terms, and on March 10 and 13, 2006 with respect to the Defendants' insurers' contributions and corporate governance changes. Throughout the entire negotiation, the Committee received in-depth briefings and advice from their advisors and counsel, and took an active role in assessing the positions taken by the parties and in instructing counsel on the positions to be taken on behalf of the Nortel I Class.

32. The Committee attended in person for both mediation sessions before Judge Sweet. On February 6, 2006, the mediation was also attended by the Defendants' principals. The mediation lasted for a full day, and the parties, all of which were professionally advised by counsel and financial experts, engaged in hard arm's-length bargaining. At the conclusion of the day, after a near breakdown in discussions after which Judge Sweet made his own recommendation as to financial settlement terms, the parties finally agreed on the principal financial elements of the settlement.

33. In addition, Committee members attended in person at the second set of meetings mediated by Judge Sweet that began on March 10, 2006. As well, I attended the mediated session on March 13, 2006. These meetings were also attended by the Defendants, and by their insurers. The discussions with the insurers were lengthy and difficult, partly because of the large number of insurers present, the many different views that they expressed in regard to coverage and procedure and the significant amounts that Lead Plaintiffs demanded of them. At the conclusion of these mediated discussions, the parties agreed with the Defendants' insurers in regard to their contribution to the overall settlement and also reached agreement upon a number of corporate governance reforms that Nortel agreed to implement. The parties also agreed on a further non-adversarial process for one further round of governance discussions.

OPTRUST CLOSELY MONITORS MILBERG WEISS' CONTINUED ABILITY TO
REPRESENT THE CLASS

34. In the course of these proceedings, the Committee, and the Board, were advised by Milberg Weiss that the firm and certain of its members, including Mr. David Bershad and Mr. Steven Schulman, were under investigation by the Department of Justice. Although the subject matter of the investigation was unrelated to the litigation against the Defendants, the Committee was concerned about the impact of the investigation on the conduct of this litigation. The Committee was particularly concerned that Milberg Weiss continue to devote adequate resources to the litigation and settlement processes, and that the investigation not be a material distraction from the litigation. The Committee instructed Koskie Minsky to remain active in all facets of the proceeding, and received regular reports as to the steps being taken to implement the settlement.

