

## Just Energy Group – Employee FAQs

### 1. What is the CCAA?

The CCAA, or the *Companies' Creditors Arrangement Act*, is a federal law in Canada that provides insolvent companies with debts in excess of \$5 million an orderly and supervised means to restructure their businesses.

Once a company has been granted CCAA protection, the Court enters an Initial Order establishing what is known as a 'Stay of Proceedings', which prevents creditors from taking action against the company, its directors and officers, and its assets for an initial period of 10 days (which can be further extended as the court deems appropriate) allowing the company to continue to manage the day-to-day operations of the business while it addresses its restructuring objectives in an orderly and efficient manner.

CCAA protection provides companies with the time and "breathing room" necessary to emerge as a successful, going concern business and to position the business as a stronger, more competitive company.

### 2. Is Just Energy bankrupt?

No. While a company filing for CCAA is insolvent, meaning that it has insufficient liquidity to continue to fund its obligations as they become due and/or its liabilities are greater than the assets that are available to satisfy those liabilities, the company is not considered to be bankrupt. In Canada, 'bankruptcy' refers to proceedings commenced under the *Bankruptcy and Insolvency Act*, which is different than the CCAA.

In fact, the Stay of Proceedings under the CCAA prevents creditors from forcing the company into bankruptcy. For this reason, CCAA is sometimes referred to as 'Bankruptcy Protection'.

We continue to proudly provide a vital service to our customers while meeting our regulatory obligations to ERCOT and regulators in the other jurisdictions in which we operate. Our valued partners – including vendors and brokers – will be paid in the normal course.

### 3. Is Just Energy at risk of a POLR event?

Other retail energy providers in Texas whose customers were shifted to a POLR were not paying ERCOT. We continue to pay ERCOT, and in fact we pursued this course of action because it was the best path to ensure we could continue to pay ERCOT.

### 4. Is CCAA the same as declaring bankruptcy in the US?

CCAA would be most similar to a Chapter 11 reorganization in the US. We have also received an order from the US Court under Chapter 15 of the US Bankruptcy Code, which recognizes the Canadian process, as is customary in these matters.

### 5. What is debtor in possession (DIP) financing?

DIP financing is credit financing provided to insolvent debtor companies to enable them to carry on business while operating under formal court protection from their creditors.

### 6. Could Just Energy be sold during this process? Could parts of the Company be sold?

Our intention is to complete our restructuring and emerge from CCAA proceedings as a going concern business. We will evaluate all available options during the restructuring proceedings.

**7. There is some talk of ERCOT having to reverse some of its charges. Why didn't you wait to see if that happens before taking such a significant step?**

We would welcome a reversal of what we believe to be erroneous rate and ancillary charges and we continue to pursue this. If a reversal were to occur, it would help us through this process (even after filing under the CCAA) with those funds benefiting the Company and its stakeholders. But we had an immediate payment due to ERCOT, so needed to take the necessary actions that would allow us to continue to operate.

**8. Why did Just Energy file CCAA?**

The unprecedented cold weather in Texas in February, and the corresponding charges from the Energy Reliability Council of Texas (ERCOT) have created a liquidity challenge for Just Energy.

While Just Energy hedges weather risk based on historical scenarios, the weather conditions in Texas were colder than anything experienced in decades.

A combination of customer usage and actions by the Texas Public Utility Commission (PUC) and ERCOT contributed to the negative financial impact of the weather emergency.

**9. What happens in a CCAA filing?**

The company is given time to develop and propose a “plan of arrangement” under which the financial affairs of the company are restructured. During that time, a “stay of proceedings” is in place to prevent creditors from taking actions that could destabilize the company or force it into bankruptcy.

Subject to the oversight of the Court, the company remains in control of its business and operations and can take steps to complete its financial restructuring and improve its operations.

Once a plan of arrangement has been developed, creditors will vote on the plan. If it is approved by the creditors and the Court, the Company implements the plan and “emerges” from CCAA, completing the process.

The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. FTI Consulting has been appointed as Monitor.

**10. How long will the CCAA proceeding take to complete?**

The Court has granted CCAA protection for an initial period of 10 days, which may be extended for a period that the Court deems appropriate. The Company will work to complete its restructuring in a timely fashion, though there is no standard timeframe for the duration of CCAA proceedings.

**11. What is the Monitor?**

The Monitor is appointed by, and serves as an officer of, the Court. Its responsibilities are prescribed by the CCAA and by Court order, and include monitoring the Company's restructuring initiatives, assisting the Company with the preparation of cash flow statements and other financial reporting, liaising with stakeholders, and reporting to the Court from time to time on the progress of the CCAA proceedings.

In Just Energy's case, FTI Consulting Canada Inc. (“FTI”) has been appointed as the Monitor. Professionals from FTI will work closely with the Company throughout the CCAA process.

**12. Who is now in charge of the Company?**

The Board of Directors and the executive management team remain in control of Just Energy and its operations, subject to the specific requirements of the CCAA Order.

**13. What does the filing mean for the Company's operations?**

We expect to run the business in the normal course, across all of our operations in the U.S. and Canada. This means we continue to proudly provide a vital service to our customers while meeting our regulatory obligations to ERCOT and all other regulators where we operate.

Nothing changes regarding your employment and you will continue to be paid and earn vacation.

Our vendors and brokers will continue to be paid for post-filing goods and services.

**14. Does the Company have sufficient financing to continue operations?**

Yes. As part of the CCAA proceedings, the Company has arranged for new financing called "debtor- in-possession" or "DIP" financing to provide additional liquidity in case of unforeseen events.

**15. Will I be paid my wages/salary going forward?**

Wages and salaries will continue to be paid in the normal course.

You will continue to earn vacation, as you normally would.

**16. Will I be paid the expenses owed to me by the company?**

Expense submitted in accordance with the Company's policy will be reimbursed.

**17. How will my vacation entitlements be affected?**

Your vacation entitlements are not affected by the CCAA proceedings. You must continue to comply with normal policies and procedures with regard to approval of time off.

**18. Will my benefits package continue?**

Yes, benefits arrangements remain unchanged.

**19. Are there going to be layoffs?**

We are not planning on any at this time, and we hope that is always the case, but we cannot say so definitively.

**20. I am currently on a leave of absence. How will I be treated?**

Anyone on a leave of absence will be treated the same as active employees. If your leave of absence is a disability leave of absence, at this time you will continue to receive any disability payments you have been approved for, your benefits will continue as per the program in place at this time, provided you continue to make any required payments for your coverage. At the end of your disability period, please contact your HR representative.

Anyone in receipt of insured long-term disability benefits will continue to be governed by the terms and conditions of the applicable insurance plan(s).

**21. How will I be kept informed of developments during the proceedings?**

We will provide periodic updates on the progress of the restructuring and any key developments via email, phone calls and in person meetings. In addition, court materials, including Monitor's reports, will be available online at <http://cfcanada.fticonsulting.com/justenergy>.

## **22. Who do I contact if I have other questions?**

For day-to-day business questions, you should continue to speak to your supervisor/manager/area manager.

For questions relating to the CCAA proceedings, you can review the Monitor's website <http://cfcanada.fticonsulting.com/justenergy>.

Information regarding the CCAA proceedings can also be obtained by calling the Monitor's hotline at 416-649-8127 or 1-844-669-6340, or by email at [justenergy@fticonsulting.com](mailto:justenergy@fticonsulting.com).