

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 a company that files for protection under CCAA considered to be 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 for goods and services purchased by the company that are rendered on or after the date of commencement of the proceedings under the CCAA.

3. Why did Just Energy file for protection under CCAA?

The unprecedented storm in Texas and corresponding charges from the Electric Reliability Council of Texas (ERCOT) have created a liquidity challenge for our business. The CCAA is a flexible statute that is designed to address the complex restructuring needs of large corporations, being limited to only those insolvent companies with debts in excess of \$5 million.

The CCAA provides the Court with significant discretion to issue novel relief based on the specific facts of a particular case. Just Energy feels strongly that the greater flexibility under the CCAA will ensure a more efficient and orderly restructuring process that will allow it to continue as a going concern and will improve the overall outcome for all stakeholders.

4. I've heard that the State and/or regulators are going to fix this. Did you have to take this action now?

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.

5. 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 U.S. Court under Chapter 15 of the U.S. Bankruptcy Code, which recognizes the Canadian CCAA proceeding, as is customary in these matters.

6. 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.

7. Once the Company is granted protection under the CCAA, who is in charge?

The Company's Board of Directors and management team remain in control of the day-to-day operations of the business, subject to the specific requirements of the Initial Order made in the CCAA proceedings, under the supervision of the Court-appointed Monitor.

8. What is a 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.

9. 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.

10. 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 any actions that lead to a reversal of these disputed charges, and if that were to occur, it would help us through this process. But we had an immediate payment due to ERCOT, so needed to take the necessary actions that would allow us to continue to operate.

11. Is there a public filing or disclosure required as part of filing for protection under the CCAA?

Yes. Among other public documents filed with the Court, the Company submits an Affidavit that includes, but is not limited to, the following information: a brief history of the Company and an overview of its business; a description of the nature of its assets and liabilities; the reasons for its financial difficulties; and support for the relief being sought from the Court. Once the CCAA Initial Order is issued, the Monitor is required to notify known creditors and publish a public notice of the CCAA proceedings. The Monitor is also required to establish a website where materials relating to the CCAA proceedings will be posted. In this case, FTI has established <http://cfcanada.fticonsulting.com/justenergy>.

In addition to the Affidavit and the application for a CCAA Initial Order, there will be motions filed with the Court from time to time during the CCAA proceedings, as well as reports submitted to Court by the Monitor that will provide the Court and stakeholders with updates as to the progress of the CCAA proceedings. These documents will be matters of public record and most will be made available by the Monitor on its website.

Additionally, Just Energy, as a publicly-traded company, has certain public disclosure obligations that it must follow in accordance with Canadian and United States law. Just Energy's publicly filed documents can be found at <http://www.sedar.com/> and www.sec.gov.

12. Where can public Court documents and other information related to the CCAA proceedings be accessed?

Court materials, including reports prepared by the Monitor, will be available at the Monitor's website, <http://cfcanada.fticonsulting.com/justenergy>.

13. What do I do if I have other questions?

For questions regarding ordinary course business, you should continue to speak to your regular contact person at Just Energy. For questions or filings relating to the CCAA proceedings, access 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.

14. How long does the CCAA process take and what is the tentative timeline?

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.

15. 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.