



RENEWAL ANNUAL INFORMATION FORM

JUST ENERGY INCOME FUND

(formerly Energy Savings Income Fund)

JUNE 18, 2009

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⁽¹⁾ Except as otherwise indicated, all information in this Renewal Annual Information Form is as at March 31, 2009.

All capitalized terms not otherwise defined in the body of this Annual Information Form, shall have the meanings ascribed to them in the Glossary of Terms attached as Schedule "A" hereto.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form and documents incorporated by reference herein constitute forward-looking statements. These statements relate to future events and future performance. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “may”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. The Fund believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be. In particular, this Annual Information Form, and the documents incorporated by reference herein, contain forward looking statements pertaining to customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, distributable cash, the ability to compete successfully and treatment under governmental regimes. Some of the risks that could affect the Fund’s future results and could cause results to differ materially from those expressed in forward-looking statements include, but are not limited to, levels of customer natural gas and electricity consumption, rates of customer additions and renewals, rates of customer attrition, fluctuation in natural gas and electricity prices, changes in regulatory regimes and decisions by regulatory authorities, competition, difficulties encountered in the integration of acquisitions and dependence on certain suppliers. See “Risk Factors” for additional information on these and other factors that could affect the Fund’s operations, financial results or distribution levels. Except as required by law, the Fund does not undertake any obligation to publicly update or revise any forward-looking statements.

STRUCTURE OF THE FUND

Just Energy Income Fund

The Fund is an open-ended limited purpose trust established by the Declaration of Trust and governed by the laws of the Province of Ontario. The Fund is administered by OESC, which is governed by its board of directors. The principal and head office of OESC is located at Suite 200, 6345 Dixie Road, Mississauga, Ontario L5T 2E6. The corporate head office of the Fund is located at Suite 2630, First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1E1.

The Fund was established to hold, directly or indirectly, securities of its Affiliates. The Fund's principal assets are its investments in the debt and/or equity securities of OESC, ESIF CT, ESLP, OESLP and Manitoba Energy Savings. Except for Newton Home Comfort L.P. (where the Fund holds an indirect 80% equity interest), the Fund owns beneficially, directly or indirectly 100% of the securities of its Affiliates in the Provinces of Ontario, Manitoba, Quebec, British Columbia and Alberta and in several States of the United States (Reference the Organization Chart on page 2).

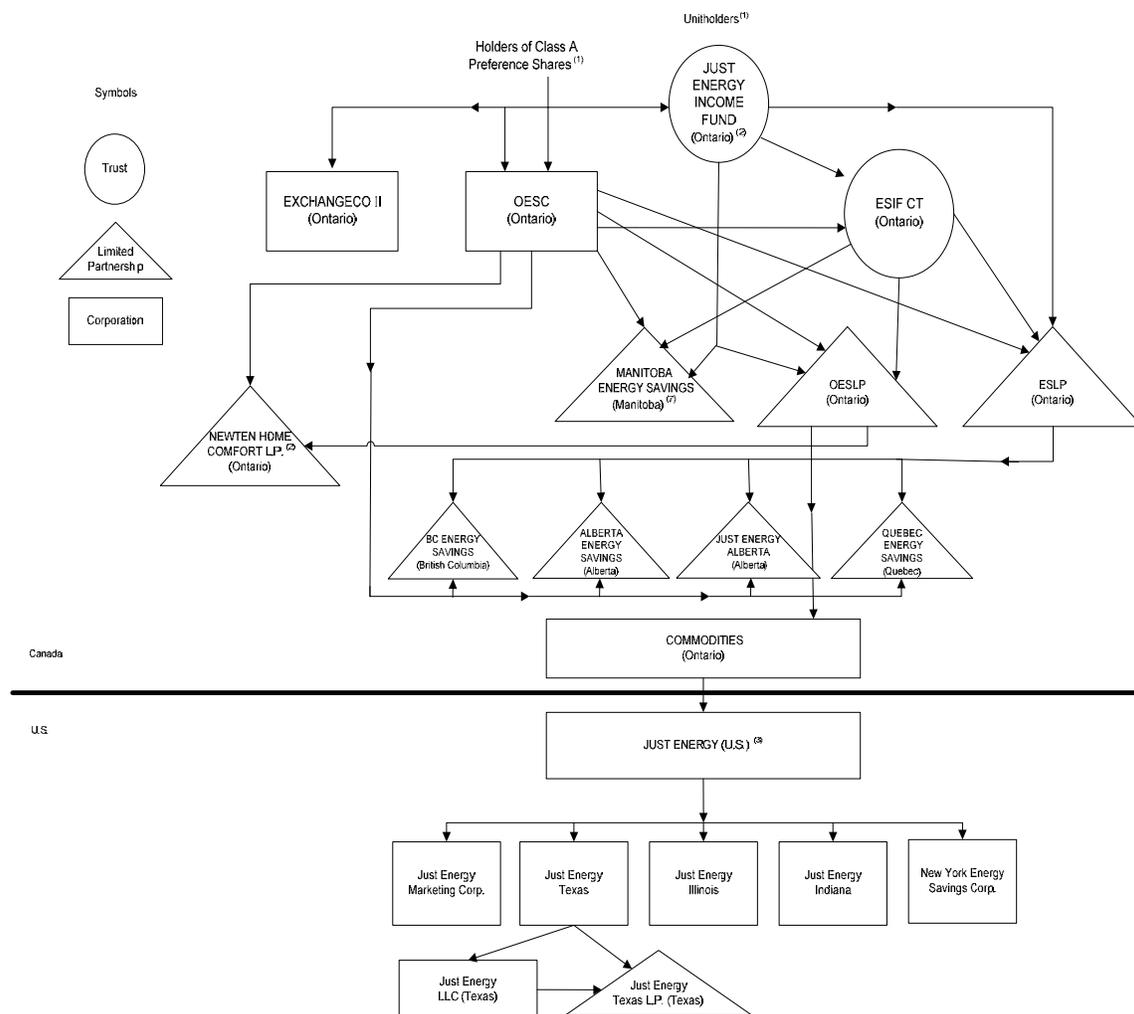
To the maximum extent possible, the Fund makes cash distributions to Unitholders of amounts received and to be received by it, arising from interest income, dividends, distributions and other income including royalty, licence and service fees from and with respect to the securities of its Affiliates which carry on business in the Provinces of Ontario, Manitoba, Quebec, British Columbia and Alberta and in the States of Illinois, New York, Indiana and Texas, after expenses of the Fund and its Affiliates and any cash redemptions of Units. The Fund also expects it will receive income from other Affiliates which it currently owns in several other States and which it will acquire with the proposed acquisition of Universal Energy Group Ltd. (“Universal”). See “Name Change” and “Three Year History” on page 4.

Subject to the terms and conditions of the Declaration of Trust, the Trustee may exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner of the assets of the Fund. See “Schedule “C” – Declaration of Trust and Description of Units”. However, pursuant to the Declaration of Trust, the Trustee may delegate such authority and powers as it determines to the Administrator to effect the actual administration of the duties of the Trustee. Pursuant to the Administration Agreement, the Administrator and, by implication, its board of directors, has the exclusive authority to manage the operations and affairs of the Fund. The head office of the Administrator is located at Suite 200, 6345 Dixie Road, Mississauga, Ontario L5T 2E6.

The Fund's business strategy includes providing value to Unitholders by developing and executing sound business strategies in its Affiliates' businesses while reviewing opportunities to expand operations into other jurisdictions and diversifying its operations into related businesses. The Affiliates of the Fund market: (i) natural gas to residential customers, commercial and small industrial customers in Ontario, Manitoba, Alberta, British Columbia, Illinois, New York and Indiana and solely to commercial and small industrial customers in Quebec, (ii) electricity to residential, commercial and small industrial customers in Ontario and Alberta and in the States of New York and Texas and (iii) lease, sell and install tankless and high efficiency waterheaters to customers in the Province of Ontario. The Fund is reviewing the opportunities to market natural gas and/or electricity in other jurisdictions in the United States and waterheaters in other jurisdictions in both Canada and the United States. The Fund also offers related "green" products through its Green Energy Option (GEO) program in Canada and the United States. See "Business of Just Energy".

Organizational Structure of the Fund

The structure of the Fund and its significant Affiliates and Subsidiaries is set out below:



The Organizational Chart does not include: (a) wholly owned inactive Subsidiaries incorporated in the Provinces of British Columbia, Alberta and Québec for the purpose of protecting the Just Energy name; (ii) wholly owned Subsidiaries established in various States in the United States with the Just Energy name, one or more of which hold licences to market energy products; and (iii) Subsidiaries operating in the States of California, Ohio, Michigan, Virginia, Pennsylvania, New Jersey, Florida, Kentucky, Nevada and Maryland which the Fund will indirectly acquire subject to the completion of the acquisition of Universal.

- (1) At May 15, 2009, there were 106,170,109 Units of the Fund and 5,263,728 Class A Preference Shares of OESC outstanding.
- (2) The equity securities of all Affiliates of the Fund whether trusts, limited partnerships or corporations (except for the Class A Preference Shares of OESC and a 20% equity interest in Newten Home Comfort L.P.), are owned beneficially, directly or indirectly, as to 100% by the Fund, subject to a pledge, in most cases, in favour of the Fund's bankers.
- (3) All U.S. Subsidiaries (except Just Energy LLC and Just Energy Texas L.P.), are incorporated under the laws of the State of Delaware.

Name Change

The name of the Fund was changed from Energy Savings Income Fund to Just Energy Income Fund pursuant to an amendment to the Fund's Declaration of Trust dated May 14, 2009 effective June 1, 2009 at which time the TSX trading symbol was changed from SIF.UN to JE.UN. At approximately the same time the corporate names of most of the operating Subsidiaries of the Fund carrying on business in the United States, were changed to incorporate the Just Energy name. During 2008, the Just Energy name was reserved for use by the Fund's Subsidiaries in most jurisdictions in Canada and the United States where the Fund's Affiliates carry on business or plan to carry on business. In Canada, while it is the Fund's intention to reflect the Just Energy name as part of the business name of all of its operating Canadian Affiliates, these name changes will not be completed until after the end of June, 2009. A second limited partnership was established by the Fund in Alberta on January 23, 2009 with the name ESG (Alberta) L.P., whose name was changed to Just Energy Alberta L.P. on May 26, 2009. The Fund also plans to use the Just Energy name in those jurisdictions in the United States where Universal currently carries on business or holds commodity licences including Delaware, Maryland, New Jersey, Pennsylvania, Virginia, Florida, Georgia, Kentucky, and Nevada.

GENERAL DEVELOPMENT OF THE FUND

The Fund completed its initial public offering of Units on April 30, 2001 at a price of \$2.50 per Unit (post-splits) pursuant to a final prospectus dated April 20, 2001 and completed a subsequent sale of Units (post-splits) pursuant to the exercise of an over-allotment option on May 16, 2001. The Fund and OESC have subdivided their units and shares twice since July 17, 2002.

Three Year History

Energy Savings commenced marketing natural gas in Ontario in the fall of 1997. Since then its business has expanded through organic growth and acquisitions. The Fund's business is described in detail under the heading "Business of Just Energy" commencing on page 6.

On May 17, 2007, Energy Savings Texas Corp. (now Just Energy Texas), entered into an agreement to purchase all of the partnership units of Just Energy Texas L.P. for a consideration of U.S. \$34 million of which U.S. \$16 million was paid to the vendors (the "Vendors") in cash on May 24, 2007 (the "Closing Date") and U.S. \$18 million was deposited in an escrow account with Computershare Trust Company of Canada ("Escrow Agent") pursuant to an escrow agreement between the Vendors, Escrow Agent, the Fund, OESC and Just Energy Texas (the "Escrow Agreement"). Pursuant to the Escrow Agreement, on October 9, 2007, the Fund deposited 1,169,399 Units of the Fund with the Escrow Agent for the benefit of the Vendors, in exchange for the cash in the escrow account, based on the simple average closing market price of Units for the five trading days preceding October 9, 2007. One third of the Units were released from escrow to the Vendors on each of the first and second anniversaries of the Closing Date and, subject to certain conditions, the remaining one third of the Units will be released from escrow to the Vendors on the third anniversary of the Closing Date. See "Escrowed Securities"

On June 26, 2008, the Fund through its Affiliates entered into the Newten Home Comfort Limited Partnership Agreement to form Newten Home Comfort L.P., a business involving the marketing, lease, sale and installation of tankless and high efficiency water heaters. The Fund holds an 80% equity interest in the business and has to date invested \$1.0 million in the form of equity and approximately \$5.0 million in the form of convertible debt.

On August 14, 2008 Just Energy purchased substantially all of the commercial and residential customer contracts of CEG Energy Options Inc. ("CEG"), in B.C. for \$1.8 million. CEG was a Western Canada marketer of natural gas, wholly owned by SemCanada Energy Company, both of which filed for creditor protection under the Companies'

Creditors Arrangement Act on July 30, 2008. The customer contracts had annualized volumes of approximately 4.9 million GJs.

On April 22, 2009, Just Energy and Universal jointly announced that they had entered into a definitive agreement pursuant to which Just Energy will propose to acquire all of the outstanding common shares of Universal. The plan of arrangement provides for a share exchange through which each outstanding share of Universal will be exchanged for 0.58 of a share of a subsidiary of Just Energy, which will be exchangeable into one Unit of Just Energy at any time at the option of the holder, for no additional consideration. The transaction will result in a corresponding adjustment to the conversion feature of Universal's outstanding 6% convertible unsecured subordinated debentures in accordance with its terms.

The transaction is expected to close in early July and is subject to certain conditions, including approval of Universal shareholders, compliance with the Competition Act, approval of Just Energy's lenders and commodity suppliers and satisfaction of other customary approvals including regulatory, stock exchange and court approvals.

Reference is made to the Material Change Report filed by the Fund on May 1, 2009 available at SEDAR at www.sedar.com which is incorporated herein by reference.

As at March 31, 2009 the Fund, through its Affiliates: (i) held Gas Contracts in Canada and the United States representing approximately 978,000 RCEs; (ii) held Electricity Contracts in Canada and the United States representing approximately 812,000 RCEs and (iii) held approximately 1,700 contracts for leased Waterheaters under Newten.

Reorganizations

When the Fund became a reporting issuer in April 2001, a simple trust on corporation structure was in place. The Fund has never had any directors or individual trustees and was and continues to be governed by the Declaration of Trust which, since April 2001 and has been amended and restated several times. See Schedule "C" for a detailed description of the Declaration of Trust, the Units and the Fund, and see also the Organization Chart on page 2. OESC was the sole operating Affiliate of the Fund in April, 2001 and OESC continues to serve as the attorney and administrator of the Fund pursuant to the Declaration of Trust and the Administration Agreement. While OESC no longer carries on any active marketing activities, its board of directors supervises the business and affairs of the Fund and its Affiliates through the senior officers of OESC and its Affiliates most of whom are employed by OESC and are listed on pages 28 to 30.

While OESC is the successor corporation to many amalgamations since April, 2001, its share and loan capital structure remains substantially the same. See "Share and Loan Capital Structure of Ontario Energy Savings Corp." on page 20. The OESC Shareholders' Agreement, described in Schedule "B" hereto, was first executed in April 2001. While it has been amended several times, it continues to exist primarily to govern the exchange, on a 1:1 basis, of the remaining 5,263,728 Class A Preference Shares for Units.

The Fund has completed several reorganizations culminating in the April 2007 Reorganization in order to: (i) facilitate the expansion of the Fund's business in Canada and the United States whether organic or through acquisitions, (ii) conserve cash flow and (iii) ensure the continuity of distributions to Unitholders.

April 2007 Reorganization

In contemplation of the April 30, 2007 Reorganization, OESLP was formed on June 1, 2005 and on August 1, 2005 acquired substantially all of OESC's marketing business in Ontario. On June 29, 2005 the Unitholders of the Fund and holders of Preference Shares authorized the Fund by special resolution, subject to receipt of a tax ruling, to approve a reorganization of the Fund and its Canadian Affiliates with a view to conserving cash flow for expansion and ensuring continuity of distributions to Unitholders. The Fund received a favourable income tax ruling in respect of the April 30, 2007 Reorganization from the Canada Revenue Agency on March 30, 2007. The objective of the April 30, 2007 Reorganization and the transactions related thereto was: (i) to reorganize the structure of the Fund and its Affiliates into a structure suited to the profitable, expansionary development of the Fund's business in Canada and the United States and (ii) to protect the expectation of Unitholders regarding the returns on their

investment in the Fund. As a result of the April 30, 2007 Reorganization the Fund's holding company structure in Canada is now replaced with a trust and partnership structure as depicted in the Organization Chart on page 2.

The April 30, 2007 Reorganization involved a multitude of transactions commencing with the establishment on October 31, 2006 of Manitoba Energy Savings, a limited partnership which purchased substantially all of the assets and certain related liabilities of Energy Savings (Manitoba) Corp. ("Manitoba Corp.") pursuant to an asset purchase agreement dated January 1, 2007. Manitoba Corp. and OESC amalgamated pursuant to the Amalgamation of April 25, 2007 so that Manitoba Energy Savings now carries on the Fund's natural gas marketing business in the Province of Manitoba.

The transactions entered into to complete the April 30, 2007 Reorganization also included a number of agreements between certain Affiliates of the Fund pursuant to which assets, liabilities and securities owned by these Affiliates were transferred to or assumed by other Affiliates and included the Amalgamations of April 30, 2007 which resulted in the continuation of OESC, which employs all of the senior officers listed on pages 28 to 30.

To accommodate the April 30, 2007 Reorganization: (i) amendments were made to the OESC Shareholders' Agreement and to the Declaration of Trust, (ii) additional Subsidiaries were incorporated and (iii) the ESIF Note Indenture and the Exchangeco II Note Indenture were created.

As a result of the April 30, 2007 Reorganization: (i) the authorized capital of OESC was changed so that, while it includes the Class A Preference Shares (6,706,212 at March 31, 2008 of which at March 31, 2009 5,263,728 continued to be outstanding and which continue to be exchangeable into Units on a 1:1 basis), the Class B Preference Shares were eliminated and replaced by an unlimited number of a new class of non-voting Class B Preference Shares and an unlimited number of a new class of non-voting Class C Preference Shares. All Class B Preference Shares and Class C Preference Shares which were issued, were subsequently cancelled, purchased and/or redeemed to accommodate the April 30, 2007 Reorganization. There are no Class B Preference Shares or Class C Preference Shares of OESC outstanding and OESC has no intention to issue any additional Class B Preference Shares or Class C Preference Shares; (ii) by operation of law (ie., the Amalgamation of April 27, 2007 and the Amalgamations of April 30, 2007), all outstanding Exchangeco Notes and OESC Notes were cancelled effective April 27 and/or April 30, 2007. OESC continues to be bound by the OESC Note Indenture and the OESC Supplemental Note Indenture by operation of law and continues to issue OESC Notes thereunder from time to time; (iii) OESC replaced OESC GP as the general partner of B.C. Energy Savings, Alberta Energy Savings, Manitoba Energy Savings, Quebec Energy Savings, ESLP and OESLP and as the trustee of the ESIF Trust Indenture; (iv) Exchangeco II and Computershare entered into the Exchangeco II Note Indenture on terms substantially similar to the Exchangeco Note Indenture except that notes issued pursuant thereto to facilitate the exchange of Class A Preference Shares for Units no longer bear any interest.

The OESC Shareholders' Agreement was amended effective April 30, 2007 pursuant to the Consent and Approval Agreement so that: (i) OESC Exchangeco II replaced Exchangeco as the corporate vehicle to facilitate the exchange of Class A Preference Shares for Units and (ii) all references to the "Class B Preference Shares" were expunged.

The Declaration of Trust was amended for the purpose of accommodating the April 30, 2007 Reorganization and for unrelated housekeeping purposes. The principal changes included amendments: (i) to permit the creation and issuance of a second class of Units designated as "Special Units" solely to facilitate the completion of the Reorganization; (ii) to gradually shift the value of the Fund's business to ESIF CT over time, the Declaration of Trust was amended to provide that where the redemption of Units is not paid in cash, each Unit tendered for redemption will be redeemed by way of a distribution in *specie* of ESIF Notes issued by ESIF CT; (iii) to permit the consolidation of Units; (iv) to permit the distribution of securities owned by the Fund to Unitholders resident in Canada only in circumstances where non resident Unitholders are not prejudiced by such distributions; and (v) necessary or otherwise appropriate to carry out the April 30, 2007 Reorganization.

On December 20, 2007, the Declaration of Trust was amended by Special Resolution, for the sole purpose of providing the Administrator with the discretion to determine that there not be a consolidation of Units on a *pro-rata* distribution of additional Units to all Unitholders.

On May 14, 2009, the Declaration of Trust was amended by a supplemental indenture between the Trustee and OESC for the sole purpose of changing the name of the Fund to Just Energy Income Fund. Unitholder approval was not required.

BUSINESS OF JUST ENERGY

General

Just Energy's business involves the: (i) sale of natural gas to residential, commercial and small industrial customers under long-term and short-term Gas Contracts; (ii) the sale of electricity to residential, commercial and small industrial customers under long-term and short-term Electricity Contracts, (iii) sale and lease of tankless and high efficiency waterheaters and (iv) the sale of related green energy option products. Just Energy's price protection programs reduce or eliminate customers' exposure to fluctuating energy prices, providing peace-of-mind from volatile energy prices and the ability to plan and budget more effectively. Although Just Energy does not promise its customers savings, some of its customers have been able to save money using its programs.

It is Just Energy's policy to match the estimated requirements of its customers by purchasing offsetting volumes of natural gas and electricity from Commodity Suppliers. Just Energy derives its gross margins from the difference between the price at which it is able to sell gas and electricity to its customers and the price at which it purchases the offsetting volumes from Commodity Suppliers. In addition to revenues earned by Just Energy based upon its ability to lock in margins between the price it pays for gas and electricity supply and the price it charges its customers, Just Energy's cash flows are impacted by the sale and purchase of excess gas and electricity supply.

Natural Gas

Just Energy, through its Affiliates, has been continuously marketing Gas Contracts since OESC's inception in 1997. Gas Contracts have historically been primarily for a four or five year term after which time they are eligible for renewal, however short-term products are now also being offered. Just Energy's natural gas customers are, in most cases, charged a fixed gas price for the full term of their contracts as opposed to a variable gas price (WACOG) charged by the LDCs, such as Union Gas and Enbridge Gas in Ontario and Terasen in British Columbia, etc. Although customers purchase their gas supply through Affiliates of Just Energy, the LDC is still mandated, on a regulated basis, to distribute the gas. Except in Alberta, the LDCs provide billing and, except in Alberta and Illinois, the LDC's provide collection services, including the collection and remittance to Just Energy's Affiliates or their Gas Suppliers of the commodity portion of each customer's account for a small monthly fee. In Illinois, the LDC provides collection services only until the account is delinquent. In Ontario, British Columbia, Manitoba and Quebec each LDC assumes 100% of the credit (receivable) risk associated with default in payment by residential and commercial customers.

In Alberta, Alberta Energy Savings receives cash only when the customer has ultimately consumed the gas. Alberta's regulatory environment is different from other Canadian markets where Alberta Energy Savings is required to invoice and receive payments directly from its customers. To facilitate this obligation, Alberta Energy Savings entered into a five year agreement with EPCOR for the provision of billing and collection services in Alberta. The five year agreement with EPCOR for the provision of billing and collection services for all of Just Energy's customers in Alberta was amended and extended in December 2008 so that EPCOR will continue to provide billing and collection services for Alberta Energy Savings until November 30, 2011, with respect to Alberta Energy Savings existing customers. In the late summer of 2009, Just Energy, through Just Energy Alberta (a limited partnership formed on January 23, 2009 separate and distinct from Alberta Energy Savings), intends to begin selling natural gas to Alberta customers and will begin billing and collection services directly for all new customers signed and renewed customers.

Just Energy Illinois obtained its gas marketers licence and started test marketing the sale of Gas Contracts in January, 2004 and is currently operating in the NICOR, Peoples and North Shore territories. In Illinois the available natural gas market is approximately 4.0 million customers. While the LDCs in Illinois can be responsible for billing customers for Just Energy Illinois' commodity charges, Just Energy Illinois is exposed to the risk of non-payment.

New York Energy Savings obtained the necessary New York licences and registrations by March 2005 and commenced marketing gas in the State of New York in November 2005. The New York market has 4.8 million natural gas customers.

On December 1, 2006, Just Energy Indiana entered into a supplier aggregation services arrangement with Northern Indiana Public Service Company (NIPSCO) and commenced marketing Gas Contracts to residential, small to mid-size commercial and small industrial customers in the NIPSCO territory in the State of Indiana. The Indiana market has approximately one million natural gas customers of which management estimates that approximately 9% of residential customers and 21% of commercial customers are on long term contracts.

Just Energy purchases gas supply in advance of marketing. The utility regularly provides marketers with monthly and annual forecasts so Just Energy can maintain its supply purchases in line with utility requirements on an ongoing basis. LDCs require some of Just Energy's Affiliates to inject gas into storage in the summer for delivery to customers in the winter pursuant to a preset delivery schedule. In New York, Consolidated Edison does not provide gas storage capacity to marketers. All gas requirements are met with flowing gas deliveries. In all Canadian markets except for Alberta, the LDCs pay Just Energy for the gas when it is delivered. In other jurisdictions Just Energy is paid upon consumption by the customers.

As at March 31, 2009, Just Energy, through its Affiliates, had Gas Contracts in Canada representing approximately 743,000 RCEs and in the United States representing approximately 235,000 RCEs.

Electricity

Just Energy, through OESLP, has been actively marketing for commercial and retail electricity customers in Ontario since December, 2005 (OESC had commenced marketing for commercial and retail electricity customers in Ontario in May, 2002, but indefinitely suspended its marketing activities in late 2002 as a result of provincial regulation). There are approximately 9.6 million RCEs of electricity available for marketing in Ontario. The principles relating to the marketing of natural gas equally apply to the marketing of electricity, except that rather than offering customers a fixed price, as is generally the case for natural gas, the Electricity Contracts offer customers price protection for approximately 90 - 95% of their electricity requirements. Customers may experience a small balancing charge or credit each billing due to fluctuations in prices applicable to their load requirements not covered by fixed pricing. In 2008, Just Energy began marketing an indexed product to electricity customers in Ontario, pursuant to which customers can pay the market price and choose to receive Just Energy's Green Energy Option for electricity at a marginal premium.

Alberta Energy Savings commenced marketing Electricity Contracts in Alberta in February 2005. The Alberta market has a total of approximately 2.1 million electricity RCEs. The Alberta electricity market is open for residential, commercial and industrial customers. In the late summer of 2009, Just Energy, through Just Energy Alberta (a limited partnership formed on January 23, 2009 separate and distinct from Alberta Energy Savings) intends to begin selling electricity to Alberta customers and will begin billing and collection services directly for all new customers signed and renewal customers.

The New York market has approximately 8.1 million electricity customers. New York Energy Savings has five offices in New York State. Electricity consumption attributable to Just Energy's customers is settled through the New York Independent System Operator.

Through the Just Energy Texas acquisition (see "General Development of the Fund – Three Year History"), Just Energy commenced marketing Electricity Contracts in Texas on May 24, 2007. Just Energy Texas L.P. has been marketing electricity pursuant to predominantly short term commercial contracts in the State of Texas since November, 2002. See "General Development of the Fund – Three Year History" commencing on page 3. The Texas market consists of more than 16.0 million residential, small commercial and small industrial RCEs. Texas Energy Savings is exposed to the risk of non-payment in the Texas market.

Electricity accounts are automatically balanced daily. In real-time, any supply greater than consumption is immediately sold off into the open market at the spot price, while any shortfall is immediately purchased in the open market at the spot price.

As at March 31, 2009, Just Energy, through its Affiliates, had Electricity Contracts in Canada representing approximately 578,000 RCEs and in the United States representing approximately 234,000 RCEs.

Green Energy Products

Just Energy also offers green products through its GEO program. The electricity GEO product offers the customers the option of having all or a portion of their electricity sourced from renewable green sources such as wind, hydro or biomass. The gas GEO product offers carbon offset credits which will allow the customer to reduce or eliminate the carbon footprint for their home or business. Just Energy believes that these GEO products will not only add to profits, but also increase sales receptivity and improve renewal rates.

Marketing

Just Energy's growth through its Affiliates has been achieved primarily through their own marketing initiatives. Residential customers are solicited primarily on a door-to-door basis by Independent Contractors, who are not employees of Energy Savings. The elapsed period between the time when a customer is signed to when the first payment is received from the customer varies with each market. The time delays per market are approximately two to six months. The cost for obtaining a new customer and related expenses currently includes commissions payable to the Independent Contractors, salaries paid to the marketing and customer service departments which support the Independent Contractors, salaries paid to customer service representatives who verify the customer contracts, the costs of printing contracts, bonus awards, advertising costs and the costs of promotional materials. The ability of Just Energy through its Affiliates to contract large numbers of customers at a reasonable cost has been a key ingredient in the success of Just Energy.

Renewals

Legislation and regulations related to the renewal of consumer contracts in general or Energy Contracts in particular can affect Just Energy's ability to automatically renew customers upon notice, thereby affecting the percentage of existing customers whose Energy Contracts are renewed at the end of their initial term. Ontario's energy regulations permit automatic renewal under specified conditions, but automatic renewal of Electricity Contracts for those who consume less than 150,000 kWh per year is not permitted. On July 30, 2005, consumer protection regulations came into force in Ontario that prevent the automatic renewal of contracts to which the legislation applies (which includes consumer Energy Contracts entered into after July 30, 2005). On November 30, 2005, Alberta's energy regulations were amended to permit the automatic renewal for up to one year of contracts including Energy Contracts, provided automatic renewal is permitted by the terms of the contract itself.

In the Province of British Columbia, the *Code of Conduct for Gas Marketers* provides for the automatic renewal of Energy Contracts. In the Provinces of Quebec and Manitoba, the renewal of Energy Contracts is permitted by means of a wet signature.

In New York, Illinois and Indiana, existing Energy Contracts may be automatically renewed for up to 5 years. In Texas, Energy Contracts may be renewed, however, automatic renewals are restricted to monthly terms.

In fiscal 2009, the renewal rate for Gas Contracts was 73% and the renewal rate for Electricity Contracts was 67%.

Secured Supply Arrangements

To enable it to meet its supply obligations to its customer base and fix its margins, Just Energy enters into supply contracts with Commodity Suppliers to purchase the natural gas and the electricity required to supply its customers. Just Energy purchases gas and electricity in large volumes on a wholesale basis and is therefore able to secure favourable long-term fixed price supply contracts. By following a policy of purchasing its estimated customer supply obligations in advance, Just Energy is able to achieve stable and predictable cash flows. Additional cash flows may be achieved through signing up new customers and renewing existing customers to new four or five year Gas Contracts and Electricity Contracts.

Approximately 49% of Just Energy's natural gas supply requirements and approximately 54% of Just Energy's electricity supply requirements are physically purchased from or financially hedged with the Shell Entities pursuant

to contractual arrangements with Just Energy and its Affiliates. Shell Energy assists Just Energy in managing and balancing its gas requirements and scheduling some of its electricity requirements for a fee pursuant to an energy management agreement and the Shell Entities have entered into specific gas supply and electricity hedging transactions (the "Shell Transactions") pursuant to certain gas purchase and sale agreements and electricity purchase and sale agreements between Just Energy's Affiliates and the Shell Entities. Similar contractual arrangements exist in connection with gas purchase and sale agreements as between Just Energy and its Affiliates, the BP Entities, Bruce Power, Fortis and Constellation (together with the Shell Transactions, the "Transactions").

Each Transaction is specific as to price, volume and term. Energy Savings' financial obligations to the Shell Entities, the BP Entities, Bruce Power, Fortis and Constellation (collectively, the "Secured Suppliers") are secured by a joint security interest over all customer contracts (except for those owned by Alberta Energy Savings), pursuant to the intercreditor agreement and related security agreements described under the heading "Credit Facility" on page 11. If the Secured Suppliers default in their obligations to deliver gas and electricity to Just Energy, or if Just Energy or its Affiliates default in their obligations to accept delivery of gas or electricity, under a Transaction, subject to force majeure, the contractual arrangements between them contain provisions requiring the payment of various amounts by the defaulting party to the non-defaulting party, including liquidated damages. To date, neither the Secured Suppliers nor Just Energy or its Affiliates have failed to fulfil their respective obligations.

Just Energy, through its Affiliates, has also entered into contractual arrangements for the physical purchase or financial hedge of gas and electricity supply from other Commodity Suppliers, predominantly EPCOR. Although the contractual arrangements with these other Commodity Suppliers are not secured on the same basis as the Transactions with the Secured Suppliers, in certain circumstances, security for the obligations of Just Energy and its Affiliates to these other Commodity Suppliers is provided by way of letter of credit. In addition, EPCOR has security over the customer contracts in Alberta.

Revenues

Information on the Fund's revenues is contained in the Fund's consolidated financial statements and management's discussion and analysis for the year ended March 31, 2009, available on SEDAR at www.sedar.com.

Competition

Management of Just Energy believes it has significant competitive advantages over other ABMs in that it has: (i) a marketing and sales organization which has achieved significant success in commodity sales; (ii) a responsive customer care and customer service process; (iii) a disciplined management of commodity purchases; (iv) an offering priced to achieve stable margin growth vs. customer growth. The industry credibility of Just Energy's Affiliates is based on the long-term experience of its management team relating to the deregulation of natural gas and electricity and their innovations in providing consumer choices within the direct purchase market.

To the extent that Just Energy is successful through its marketing program in educating customers, it believes that it can be successful in signing LDC customers to Gas Contracts and Electricity Contracts. Just Energy offers its customers protection against price volatility through fixed price, fixed term supply arrangements, providing peace-of-mind and the ability to plan and budget more effectively. Just Energy does not view the LDCs as true competitors, but rather as a supplier of last resort for customers. The LDCs are currently not permitted to make a profit on the sale of the gas and electricity commodity to their supply customers.

Industry Competition – Natural Gas and Electricity

Other than LDCs (discussed below) Just Energy's largest competitors in Canada are Direct Energy, (which is owned by Centrica plc.), I.D.T, Energy, Gateway, MX Energy Superior Plus and Universal. See proposed acquisition of Universal under the heading "Three Year History" on page 4.

Just Energy has competitors in every jurisdiction in which it carries on business. Generally, competitors are local in nature with a few extending to multiple jurisdictions. There can be upwards of twenty competitors in many markets. The nature and product offerings varies by jurisdiction both in the term of an offering and the security provided over changing commodity prices.

Energy Source Competition

Natural gas enjoys advantages over electricity and other fossil fuels, including the fact that it is readily available through vast transmission and distribution systems and has significant environmental advantages compared to other fossil fuels, which should result in consumers continuing to switch to natural gas for their energy needs. However, the price advantage which natural gas at one time enjoyed over these other forms of energy will be diminished if the price of natural gas increases and, to the extent that consumers have the capacity to switch to the use of other forms of energy, such increases in the price of natural gas could result in other sources of energy providing more significant competition to Just Energy's natural gas offering. With regard to Just Energy's customer base, while some of its mid-sized industrial and commercial customers may be in a position to select an alternate energy source, this option would normally not be available to its residential, small to mid-size commercial and small industrial customers without significant capital cost. Accordingly, while major industrial users (a market segment not served by Just Energy) can indeed change from one source of energy to another to take advantage of commodity price differentials, this requires installation of equipment which is generally not economic for residential or small to mid-size commercial and small industrial users. Currently, there is no foreseeable alternative for power.

Environmental Protection

Just Energy does not view potential environmental liabilities as a significant concern. The Affiliates of Just Energy never have physical custody or control of the natural gas or electricity or any facilities used to transport it and pass title to the gas and electricity sold to their respective customers at the same point at which they accept title from their respective Commodity Suppliers. Therefore, any potential liability to the Affiliates of Just Energy for gas leaks or explosions during transmission and distribution is considered to be remote.

Employees

Just Energy employed 702 persons as at March 31, 2009 of which 6 constitute the executive group, 49 were employed in the finance and risk management departments, 21 were employed in the legal and regulatory departments, 93 were employed in the information technology group, 136 were employed in the operations department, 10 were involved in the human resources and facilities department and 387 were employed in the customer service, marketing and processing group. Approximately 747 Independent Contractors were involved in the door-to-door marketing of Gas Contracts and Electricity Contracts at March 31, 2009.

Real Property

While the Subsidiaries and Affiliates of Just Energy do not own any real property, to carry on its business, Just Energy and its Subsidiaries and Affiliates lease approximately 192,873 square feet of space consisting of 59,223 square feet of head office and administrative space, 48,000 square feet near its Mississauga head office to serve as a call and customer service centre, 75,446 square feet (31 offices) as centres for the contracting of Independent Contractors in Canada and the United States and 10,204 square feet in Houston Texas to serve as its head office in the United States.

Industry Regulation

The OEB is the primary government body responsible for the regulation of the natural gas and electricity distribution industry within Ontario. Pursuant to the *Ontario Energy Board Act, 1998* and the *Energy Competition Act, 1998* (Ontario), the OEB regulates virtually all aspects of the industry including transmission, distribution, storage, and supply of natural gas and electricity to Ontario consumers. The regulation of the British Columbia natural gas and electricity industry is the responsibility of the British Columbia Utilities Commission pursuant to the *Utilities Commission Act* (British Columbia). The sale of electricity and natural gas in Alberta is regulated by the Alberta Utilities Commission pursuant to the *Electric Utilities Act* (Alberta) and the *Gas Utilities Act* (Alberta), respectively. The marketing of energy products in Alberta is regulated by The Ministry of Service Alberta, pursuant to the *Fair Trading Act* (Alberta). The Manitoba Public Utilities Board regulates the natural gas and electricity industry in the Province of Manitoba pursuant to the *Public Utilities Board Act* (Manitoba). The Board oversees all aspects of natural gas marketing within the Province. Marketing natural gas by Energy Savings Quebec in the operating territory of Gaz Metro, in the Province of Quebec, was approved by the Régie de l'énergie under Decision D-2003-180. The Decision provides that Gaz Metro may administer and oversee directly a program to allow

commercial consumers (within certain rate classes) to receive natural gas from alternative suppliers. The rules and practices which govern the program are described in an approved service agreement executed between the marketer and the utility.

The New York Public Service Commission regulates natural gas and electricity in the State of New York pursuant to the *Public Service Law*. In the State of Illinois, the sale of natural gas is regulated by the Illinois Commerce Commission pursuant to the *Public Utilities Act*. The regulation of the sale of natural gas in the State of Indiana is regulated under the *Indiana Code*, by the Indiana Utility Regulatory Commission. Pursuant to the Texas *Public Utility Regulatory Act*, the Public Utility Commission of Texas regulates the sale of electricity in the State of Texas.

Just Energy has obtained and maintains all of the licenses required to undertake its business in all of the jurisdictions in which it operates.

Credit Facility

OESLP and Just Energy (U.S.) have entered into a credit agreement pursuant to which a group of financial institutions have made a \$170 million operating facility available to OESLP and Just Energy (U.S.) (the "Credit Facility"). Securities (including notes issued pursuant to the OESC Note Indenture and the Exchangeco II Note Indenture), owned directly or indirectly by the Fund in "restricted" entities (including OESC, ESIF CT, Exchangeco II, ESLP, OESLP, B.C. Energy Savings, Quebec Energy Savings, Commodities, Manitoba Energy Savings, Just Energy (U.S.), Just Energy Illinois, Just Energy Indiana, New York Energy Savings and Just Energy Texas L.P. have been pledged to CIBC, as the collateral agent, as security for the Credit Facility. CIBC, as collateral agent, also holds as security for the Credit Facility all Energy Contracts owned directly or indirectly by the Fund, except for those customer contracts owned by Alberta Energy Savings. To complement the Credit Facility, the Shell Entities, the BP Entities, Bruce Power, Fortis and Constellation and the lenders have entered into an intercreditor agreement (the "Intercreditor Agreement") pursuant to which the Shell Entities, the BP Entities, Bruce Power, Fortis, Constellation and the lenders jointly hold security over substantially all of the assets of the Fund and its active Subsidiaries and Affiliates (other than Alberta Energy Savings). All LDC receipts are directed to bank accounts over which CIBC, as collateral agent, has a blocked account agreement (each a "Blocked Account"). Gas Suppliers and Electricity Suppliers invoice the Affiliates and Subsidiaries of the Fund directly and, provided that no event of default exists under the Credit Facility, the Intercreditor Agreement, the Energy Contracts or the related security agreements, the Affiliates and Subsidiaries of the Fund, on a monthly basis, pay the cost of commodity and related administration fees directly from the Blocked Accounts and remit the remaining proceeds to the Affiliates and Subsidiaries of the Fund. Where an event of default exists, CIBC as collateral agent has the right to exercise control over each Blocked Account in any manner and in respect of any item of payment or proceeds thereof in accordance with the terms of the Intercreditor Agreement. To date, OESLP and Just Energy (U.S.) have complied with all covenants under the Credit Facility.

RISK FACTORS

The principal risks and uncertainties that Just Energy can foresee are described below. The list may not be an exhaustive list as some future risks may be as yet unknown. Other risks currently regarded as immaterial, could turn out to be material.

CREDIT COMMODITY AND OTHER MARKET RELATED RISKS

Availability of Supply and Dependence on Shell Energy

The risk of supply default is mitigated through credit and supply diversity arrangements. The Just Energy business model is based on contracting for supply to lock in margin. While Just Energy has the ability to select alternate Commodity Suppliers, subject to certain limitations contained in its agreement with Shell Energy, approximately 49% of its gas and 54% of its electricity supply contracts are currently with the Shell Entities. There is a risk that counterparties could not deliver due to business failure, not deliver due to supply shortage or be otherwise unable to perform their obligations under their agreements with Just Energy, or that Just Energy could not identify alternatives to Shell Energy. Just Energy continues to investigate opportunities to identify or secure additional Gas Suppliers and Electricity Suppliers. In addition to the Shell Entities, Just Energy has contracts with other commodity suppliers

including the BP Entities, EPCOR, Bruce Power, and Constellation. Other suppliers represent less than 1% and 2% of Just Energy's gas and electricity supply, respectively.

Volatility of Commodity Prices - Enforcement

A key risk to Just Energy's business model is a sudden and significant drop in the market price of gas or electricity resulting in some customers renouncing their contracts. Just Energy may encounter difficulty or political resistance for enforcement of liquidated damages and/or enactment of force majeure provisions in such a situation and be exposed to spot prices with a material adverse impact to cash flow. Continual monitoring of margin and exposure allows management of Just Energy time to adjust strategies, pricing and communications to mitigate this risk.

Availability of Credit

Just Energy operates in the Illinois, Texas, Indiana and Alberta markets which provide for payment by LDCs only when the customer has paid for the consumed commodity (rather than when the commodity is delivered). Also, in the Illinois and Indiana markets, Just Energy must inject gas inventory into storage in advance of payment. These factors, along with the seasonality of customer consumption, create working capital requirements necessitating the use of Just Energy's available credit. In addition, some of Just Energy's Subsidiaries and Affiliates are required to provide credit assurances by means of providing guarantees or posting collateral in connection with commodity supply contracts, license obligations and obligations owed to certain LDCs. Cash flow and distributions could be impacted by the ability of Just Energy to fund such requirements or to provide other satisfactory credit assurance for such obligations. To mitigate credit availability risk and its potential impact to cash flows, Just Energy has security arrangements in place pursuant to which Commodity Suppliers and the lenders under the Credit Facility hold security over substantially all of the assets of Just Energy (other than Alberta Energy Savings and Newten). Other Commodity Suppliers' security requirements are met through cash margining, guarantees and letters of credit. The most significant assets of Just Energy consist of its contracts with customers, which may not be suitable as security for some creditors and Commodity Suppliers. To date, the Credit Facility and related security agreements have met the collateral posting and operational requirements of the business. Just Energy continues to monitor its credit and security requirements. Just Energy's business may be adversely affected if it is unable to meet cash obligations for operational requirements or its collateral posting requirements.

Market Risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Although Just Energy manages its estimated customer requirements net of contracted commodity to zero, it is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements or where it has not been able to exactly purchase the estimated customer requirements. Just Energy is also exposed to interest rates associated with its credit facility and foreign currency exchange rates associated with the repatriation of US denominated funds for Canadian denominated distributions. Just Energy's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets, and the absolute and relative levels of interest rates and foreign currency exchange rates. Just Energy enters into derivative instruments in order to manage exposures to changes in commodity prices and foreign currency rates; current exposure to interest rates does not economically warrant the use of derivative instruments. The derivative instruments that are used are designed to fix the price of supply for estimated customer commodity demand in Canadian dollars and thereby fix margins such that Unitholder distributions can be appropriately established. Derivative instruments are generally transacted over-the-counter. The inability or failure of Just Energy to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of Just Energy.

Market Risk Governance

Just Energy has adopted a corporate-wide Risk Management Policy governing its market risk management and any derivative trading activities. An internal Risk Committee, consisting of senior officers of Just Energy monitors company-wide energy risk management activities as well as foreign exchange and interest rate activities. There is also a Risk Committee of the Board that oversees management. The Risk Office and the internal Risk Committee monitor the results and ensure compliance with the Risk Management Policy. The Risk Office is responsible for

ensuring that Just Energy manages the market, credit and operational risks within limitations imposed by the Board of Directors in accordance with its Risk Management Policy. Market risks are monitored by the Risk Office and internal Risk Committee utilizing industry accepted mark-to-market techniques and analytical methodologies in addition to company specific measures. The Risk Office operates and reports independently of the traders. The failure or inability of Just Energy to comply with and monitor its Risk Management Policy could have an adverse effect on the operations and cash flow of Just Energy.

Energy Trading Inherent Risks

Energy trading subjects Just Energy to some inherent risks associated with future contractual commitments, including market and operational risks, counterparty credit risk, product location differences, market liquidity and volatility. There is continuous monitoring and reporting of the valuation of identified risks to the internal Risk Committee, Executive Committee and the Risk Committee of the Board of Directors. The failure or inability of Just Energy to monitor and address the energy trading inherent risks could have a material adverse effect on its operations and cash flow.

Customer Credit Risk

In Alberta, Texas and Illinois, credit review processes have been implemented to manage customer default as Just Energy has credit risk in these markets. The processes are also applied to commercial customers in other jurisdictions. In addition, there is a credit policy that has been established to govern these processes. If a significant number of residential customers or a collection of large commercial customers for which Just Energy has the credit risk were to default on their payments, it could have a material adverse affect on the operations and cash flow of Just Energy. Management factors default from credit risk in its margin expectations for all customers in Illinois, Texas and Alberta and commercial customers where Just Energy has the credit risk.

For the remaining markets, the LDCs provide collection services and assume the risk of any bad debts owing from Energy Savings' customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to Energy Savings is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

Counterparty Credit Risk

Counterparty credit risk represents the loss that Just Energy would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in Just Energy replacing contracted supply at prevailing market rates thus impacting the related customer margin or replacing contracted foreign exchange at prevailing market rates impacting the related Canadian dollar denominated distributions. Counterparty limits are established within the Risk Management Policy. Any exception to these limits requires approval from the Board of Directors of OESC. The Risk Office and internal Risk Committee monitor current and potential credit exposure to individual counterparties and also monitor overall aggregate counterparty exposure. The failure of a counterparty to meet its contractual obligations could have a material adverse effect on the operations and cash flow of Just Energy.

Electricity Supply – Balancing Risk

It is Just Energy's policy to procure the estimated electricity requirements of its customers with offsetting electricity swaps in advance of obtaining customers. Depending on several factors, including weather, Just Energy customers may use more or less electricity than the volume purchased by Just Energy for delivery to them. Just Energy is able to invoice some of its existing electricity customers for balancing charges or credits when the amount of energy used is greater than or less than the amount of energy that Just Energy has estimated. For certain Texas and commercial customers, Just Energy bears the risk of fluctuation in customer consumption. Just Energy monitors consumption and has a balancing and pricing strategy to accommodate the estimated associated costs. In certain circumstances, there can be balancing issues for which Just Energy is responsible when customer aggregation forecasts are not realized.

Natural Gas Supply – Balancing Risk

It is Just Energy's policy to match the estimated gas requirements of its customers by entering into offsetting gas physical forwards in advance of obtaining customers. Depending on several factors, including weather, Just Energy's customers may use more or less gas than the volume purchased by Just Energy for delivery to them. Just Energy does not invoice its natural gas customers for balancing and, accordingly, bears the risk of fluctuation in customer consumption. Just Energy monitors gas consumption and has an options strategy that covers forecast differences in customer consumption due to weather variations as well as forecast LDC balancing requirements. The cost of this strategy is incorporated in the price to the customer. To the extent that forecast balancing requirements are outside the options purchased, Just Energy will bear financing responsibility, be exposed to market risk and, furthermore, may also be exposed to penalties by the LDCs. The inability or failure of Just Energy to manage and monitor these balancing risks could have a material adverse effect on its operations and cash flow. In addition, for certain commercial customers, Just Energy bears the risk of fluctuations in customer consumption. Just Energy monitors consumption and has a balancing and pricing strategy to accommodate for the estimated associated costs.

OPERATIONAL RISKS

Information Technology Systems

Just Energy operates in a high volume business with an extensive array of data interchanges and market requirements. Just Energy is dependent on its management information systems to track, monitor and correct or otherwise verify a high volume of data to ensure the reported financial results are accurate. Management also relies on its management information systems to provide its independent contractors with compensation information and to electronically record each customer telephone interaction. Just Energy's information systems also help management forecast new customer enrolments and their energy requirements, which helps ensure that the Fund is able to supply its new customers' estimated average energy requirements without exposing it to the spot market beyond the risk tolerances established by the Risk Management Policy. The failure of Just Energy to install and maintain these systems could have a material adverse effect on the operations and cash flow of Energy Savings.

Reliance on Third Party Service Providers

In all jurisdictions in which Just Energy operates, the LDCs currently perform billing and collection services except as follows: in the Province of Alberta and the State of Texas, where Just Energy is required to invoice and receive payments directly from its customers; in Illinois, where Just Energy is responsible for collection of defaulted amounts in British Columbia where Just Energy is required to invoice and receive payments from certain commercial customers; and in Ontario, where Just Energy would be responsible for collection of defaulted amounts in respect of certain large volume users in one utility territory. To date, no defaults have been experienced in this last category. In 2005, Just Energy entered into a five year agreement with EPCOR for the provision of billing and collection services for all of Just Energy's customers in Alberta which were amended and extended in December 2008. Pursuant to the amended agreement, EPCOR will continue to provide billing and collection services for Alberta Energy Savings until November 30, 2011 with respect to Alberta Energy Savings' existing customers. In the late summer of 2009 Just Energy intends to begin billing and collection services directly for all new customers signed and renewed customers. If the LDCs cease to perform these services, Just Energy would have to seek a third party billing provider or develop internal systems to perform these functions. There is no assurance that the LDCs and EPCOR will continue to provide these services in the future.

Outsourcing and Offshoring Arrangements

Just Energy has outsource arrangements, predominantly to support the call centre's requirements for business continuity plans and independence for regulatory purposes. Contract data input is also outsourced. A minor number of the outsourcing contracts are offshore. As with any contractual relationship, there are inherent risks to be mitigated and these are actively managed, predominantly through quality control measures and regular reporting.

Competition

A number of companies (Direct Energy, Superior Energy, MX Energy) and incumbent utility subsidiaries compete with Just Energy in the residential, small to mid-sized commercial and small industrial market. It is possible that new entrants may enter the market as ABMs and compete directly for the customer base that Just Energy targets, slowing or reducing its market share. If the LDCs are permitted by changes in the current regulatory framework to sell natural gas at prices other than cost, their existing customer bases could provide them with a significant competitive advantage. This may limit the number of customers available for marketers including Just Energy.

Dependence on Independent Sales Contractors

Just Energy must retain qualified Independent Contractors despite competition among Just Energy competitors. If Just Energy is unable to attract a sufficient number of Independent Contractors, Just Energy's customers and renewals may decrease and the Fund may not be able to execute its business strategy. The continued growth of Just Energy is reliant on distribution channels, including the services of its Independent Contractors. There can be no assurance that competitive conditions will allow these Independent Contractors, who are not employees of Just Energy or its Affiliates, to achieve these customer additions. Lack of success in these marketing programs would limit future growth of the cash flow of Just Energy.

Just Energy has consistently taken the position that its Independent Contractors act independently pursuant to their contracts for service, which provide that Just Energy does not control how, where or when they provide their services. On occasion, a contractor may make a claim that it is entitled to a benefit pursuant to legislation even though it has entered into a contract with Just Energy that provides that they are not entitled to benefits normally available to employees and Just Energy must respond to these claims. Just Energy's position has been confirmed by regulatory bodies in many instances but Just Energy is currently appealing the findings of two regulatory bodies (one in Canada and one in the United States). Should Just Energy be unsuccessful in its appeals, Just Energy would be required to remit unpaid amounts plus interest and might be assessed a penalty. It could also mean that Just Energy would have to reassess its position in respect of other regulatory matters affecting its Independent Contractors (such as income tax treatment). Such a decision could have a material adverse effect on the operations and cash flow of Just Energy.

Electricity Contract Renewals and Attrition Rates

As at March 31, 2009, Just Energy held long-term Electricity Contracts reflecting approximately 812,000 long-term electricity RCEs, of which 8% renew in 2010, 18% renew in 2011, 19% renew in 2012, 25% in 2013, and 30% beyond 2013. Although Just Energy experienced electricity contract attrition rates of approximately 13% per year, there can be no assurance that this rate of annual attrition will not increase in the future or that Energy Savings will be able to renew its existing Electricity Contracts at the expiry of their terms. Changes in customer behaviour, government regulation or increased competition may affect (potentially adversely) attrition and renewal rates in the future and these changes could adversely impact the future cash flow of Energy Savings. See discussion under "Renewals". Just Energy's experience is that approximately 67% of its electricity customers renew at the expiry of the term of their Electricity Contract.

Gas Contract Renewals and Attrition Rates

As at March 31, 2009, Just Energy had long-term Gas Contracts reflecting approximately 978,000 long-term gas RCEs, of which 21% renew in 2010, 22% renew in 2011, 18% renew in 2012, 19% in 2013 and 20% renew beyond 2013. The experience of Just Energy is that approximately 73% of gas customers renew at the expiry of the term of their Contract. Although Just Energy has experienced gas contract attrition rates of approximately 15% per year, there can be no assurance that this rate of attrition will not increase in the future or that Energy Savings will be able to renew its existing gas contracts at the expiration of their terms. Changes in customer behaviour, government regulation or increased competition may affect (potentially adversely) attrition and renewal rates in the future and these changes could adversely impact the future cash flow of Energy Savings. See discussion under "Renewals".

Cash Distributions Are Not Guaranteed and Will Fluctuate with the Performance of the Fund

Although Just Energy intends to distribute the interest and other income it earns less expenses and amounts, if any, paid by Just Energy in connection with the redemption of Units, there can be no assurance regarding the amounts of income to be generated by the Fund's Affiliates and paid, directly or indirectly to the Fund. The ability to distribute and the actual amount distributed in respect of the Units will depend upon numerous factors, including profitability, fluctuations in working capital, debt service requirements (including compliance with Credit Facility obligations), the sustainability of margins, the ability of Just Energy to procure, at favourable prices, its estimated commitment to supply natural gas and electricity to their customers, the ability of Just Energy to secure additional Gas Contracts and Electricity Contracts and other factors beyond the control of Just Energy. Management of Just Energy cannot make any assurances that the Fund's Affiliates will be able to pass any additional costs arising from legislative changes (or any amendments), on to customers. Cash distributions are not guaranteed and will fluctuate with the performance of the Fund's Affiliates and other factors.

Earnings Volatility

Just Energy business is seasonal in nature. In addition to regular seasonal fluctuations in its earnings, there is significant volatility in its earnings associated with the requirement to mark its commodity contracts to market. The earnings volatility associated with seasonality and mark to market accounting may be misconstrued as instability impacting access to capital. Management ensures there is adequate disclosure for both the mark to market and seasonality to mitigate this risk.

Model Risk

The approach to calculation of market value and customer forecasts requires data intensive modeling used in conjunction with certain assumptions when independently verifiable information is not available. Although Just Energy uses industry standard approaches and validates its internally developed models, results could change significantly should underlying assumptions prove incorrect or an embedded modeling error go undetected in the vetting process.

Commodity Alternatives

To the extent that natural gas and electricity enjoy a price advantage over other forms of energy, such price advantage may be transitory and consumers may switch to the use of another form of energy. The inherent volatility of natural gas and electricity prices could result in these other sources of energy providing more significant competition to Just Energy.

Capital Asset and Replacement Risk

The Fund does not invest in a significant capital asset program and the vast majority of capital asset expenditures are with respect to information technology including telephony. The capital asset expenditure cash flow in fiscal 2009 represents 4% of operating cash flow and has been funded through operations. Replacement of capital assets is not considered significant.

Material Debt Arrangements

The Fund's Credit Facility is in the amount of \$170 million. There are various covenants pursuant to the Credit Facility that govern most of the Fund's Subsidiaries and Affiliates. In addition, the Fund is required to submit monthly reporting covering, among other things, mark to market exposure, borrowing base certificate and a supply/demand projection. To date the Fund has met the requirements of the Credit Facility. Should the Credit Facility be unavailable, there would be a significant material adverse effect as the likely result would be either a replacement facility with increased costs or an inability to operate.

Disruptions to Infrastructure

Customers are reliant upon the LDCs to deliver their contracted commodity. LDCs are reliant upon the continuing availability of the distribution infrastructure. Any disruptions in this infrastructure would result in counterparties

and thereafter Just Energy enacting the force majeure clauses of their contracts. Under such severe circumstances there would be no revenue or associated cost of sales to report for the affected areas.

Expansion Strategy and Future Acquisitions

The Fund plans to grow its business by expansion into additional deregulated markets through organic growth and acquisitions. The expansion into additional markets is subject to a number of risks, any of which could prevent the Fund from realizing its business strategy.

Acquisitions involve numerous risks, any one of which could harm the Fund's business, including difficulties in integrating the operations, technologies, products, existing contracts, accounting processes and personnel of the target and realizing the anticipated synergies of the combined businesses; difficulties in supporting and transitioning customers, if any, or assets of the target company may exceed the value the Fund realizes, or the value it could have realized if it had allocated the purchase price or other resources to another opportunity; risks of entering new markets or areas in which Just Energy has limited or no experience or are outside its core competencies; potential loss of key employees, customers and strategic alliances from either Just Energy's current business or the business of the target; assumption of unanticipated problems or latent liabilities, such as problems with the quality of the products of the target; and inability to generate sufficient revenue to offset acquisition costs.

Future acquisitions or expansion could result in the incurrence of additional debt and related interest expense, as well as unforeseen liabilities, all of which could have a material adverse effect on the Fund's business, results of operations a financial condition. The failure to successfully evaluate and execute acquisitions or otherwise adequately address the risks associated with acquisitions could have a material adverse effect on Just Energy's business, results of operations and financial condition. Just Energy may require additional financing should an appropriate acquisition be identified and it may not have access to the funding required for the expansion of its business or such funding may not be available to Just Energy on acceptable terms. There is no assurance that Just Energy will determine to pursue any acquisition or that such an opportunity, if pursued, will be successful.

LEGAL, REGULATORY AND SECURITIES RISKS

Legislative and Regulatory Environment

Just Energy operates in the highly regulated natural gas and electricity retail sales industry in the Provinces of Ontario, Manitoba, Quebec, British Columbia and Alberta and in the States of Illinois, Indiana, New York and Texas. It must comply with the legislation and regulations in these jurisdictions in order to maintain its licensed status and to continue its operations. There is potential for changes to this legislation and these regulatory measures that may, favourably or unfavourably, impact Just Energy's business model. As part of doing business as a door to door marketing company, Just Energy receives complaints from consumers which may involve sanctions from regulatory and legal authorities including those which issue marketing licences. See "Legal Proceedings" for information on Just Energy's litigation. Similarly, changes to consumer protection legislation in those provinces and states where Just Energy markets to non-commercial customers may, favourably or unfavourably, impact Just Energy's business model. Just Energy has a dedicated team of in-house regulatory advisors to ensure adequate knowledge of the legislation and regulations in order that operations may be advised of regulations pursuant to which procedures are required to be implemented and monitored to maintain license status. When new markets are entered, the team assesses the market and determines if additional expertise (internal or external), is required. There is also a team that monitors and addresses complaints with a view to mitigating underlying causes of complaints.

In addition to the complaints and class actions referenced herein and litigation in the ordinary course of business, Just Energy may in the future be subject to class actions, other litigation and other actions arising in relation to our consumer contracts and marketing practices (See "Legal Proceedings"). This litigation is, and any such additional litigation could be, time consuming and expensive and could distract our executive team from the conduct of our daily business. The adverse resolution of any specific lawsuit could have a material adverse effect on Just Energy's ability to favourably resolve other lawsuits and on our financial condition and liquidity..

Investment Eligibility

Just Energy will endeavor to ensure that the Units continue to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments and there is no assurance that the conditions prescribed for such qualified or eligible investments will be adhered to at any particular time.

Nature of Units

Securities such as the Units are hybrids in that they share certain attributes common to both equity securities and debt instruments. The Units do not represent a direct investment in the natural gas or electricity wholesale business and should not be viewed by investors as shares or securities in any of the Fund's Affiliates. As holders of Units, subject to the *Trust Beneficiaries' Liability Act, 2004* (referred to below), Unitholders do not have the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions. The Units represent a fractional interest in the Fund. The Fund's primary assets are its direct and indirect interests in the securities of its Affiliates. The price per Unit is, among other things, a function of anticipated distributable income.

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. OESC Notes, Exchangeco II Notes and ESIF Notes (of which none are outstanding) which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such OESC Notes, Exchangeco II Notes and ESIF Notes. Cash redemptions are subject to limitations. See "Declaration of Trust and Description of Units - Redemption Right".

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its assets or obligations and, in the event that a court determines that Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholders' share of the Fund's assets.

The Declaration of Trust further provides that the Trustee and the Fund shall make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Fund or the Trustee on behalf of the Fund a contractual provision to the effect that neither the Unitholders nor the Trustee have any personal liability or obligations in respect thereof. The Administration Agreement contains such provisions. Personal liability may also arise in respect of claims against the Fund that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. As the Fund's activities are generally limited to investing in securities issued by its Affiliates, the possibility of any personal liability of this nature arising is considered remote.

On December 16, 2004, the Government of Ontario passed the *Trust Beneficiaries' Liability Act, 2004* which limits the liability of holders of trust units, in a manner similar to that afforded to holders of shares of Ontario incorporated limited liability corporations. The legislation provides that the beneficiaries of a trust are not as beneficiaries, liable for any act, default, obligation or liability of the trust or any of its trustees that arises after the Act became law if, when the act or default occurs or the obligation or liability arises: (a) the trust is a reporting issuer under the *Securities Act* (Ontario); and (b) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of Ontario. However, the courts have not yet had an opportunity to consider this legislation.

The operations of the Fund will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability on the Unitholders for claims against the Fund.

Distribution of Common Shares and Notes on Termination of the Fund

Upon termination of the Fund, the Trustee may distribute the Common Shares, Exchangeco Common Shares, OESC Notes, Exchangeco II Notes and ESIF Notes directly to the Unitholders, subject to obtaining all required regulatory approvals. There is currently no market for the Common Shares, Exchangeco II Common Shares, Exchangeco II Notes, OESC Notes, or ESIF Notes. In addition, the Common Shares, Exchangeco Common Shares, Exchangeco II Notes, OESC Notes and ESIF Notes are not freely tradeable and are not currently listed on any stock exchange. See "Declaration of Trust and Description of the Fund - Term of the Fund" in Schedule "C".

The Fund May Issue Additional Units Diluting Existing Unitholders' Interests

The Declaration of Trust authorizes the Administrator to cause the Fund to issue an unlimited number of Units for such consideration and on such terms and conditions as shall be established by the Administrator without the approval of any Unitholders. Additional Units have been and will be issued by the Fund on the exercise of the Exchangeco Exchange Rights relating to the Preference Shares. See "OESC Shareholders' Agreement – Exchangeco II Exchange Rights" in Schedule "B", upon the exercise of options to acquire Units under the Fund's 2001 Unit Option Plan, the exchange of fully paid unit appreciation rights for Units under the Fund's 2004 Unit Appreciation Rights Plan and the issue of Units to directors of OESC under the Directors' Deferred Unit Compensation Plan.

Restrictions on Potential Growth

The payout by the Fund's Affiliates of the vast majority of all of their operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. Lack of such funds could limit the future growth of Just Energy and its cash flow.

Changes in Legislation

There can be no assurance that the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the Units will cease to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans.

Tax

See "Tax on Income Trusts" on page 22 hereof.

DISTRIBUTIONS

The Fund's current distribution policy is described under the headings "Declaration of Trust and Description of Units" in Schedule "C" hereto under the heading "Cash Distributions" and under the heading "Distributions Policy", "Share and Loan Capital Structure of Ontario Energy Savings Corp." on page 20 hereof and under the heading "Risk Factors" – "Cash Distributions Are Not Guaranteed and Will Fluctuate with the Performance of the Fund" on page 16 hereof. In addition, the Board of Directors of OESC, as administrator of the Fund, has adopted a distribution policy which contains quantitative and qualitative guidelines which are reviewed regularly to ensure the Fund is in compliance with the policy.

The following table sets forth the month of payment and the distributions per Unit paid by the Fund on the Units for the three financial years of the Fund from April 1, 2006 to March 31, 2009 and for the months of April to June 2009.

Record of Cash Distributions ⁽¹⁾	Fiscal 2010 \$ Per Unit	Fiscal 2009 \$ Per Unit	Fiscal 2008 \$ Per Unit	Fiscal 2007 \$ Per Unit
April.....	0.10333	0.10083	0.09292	0.07875
May.....	0.10333	0.10083	0.09292	0.07875
June.....	0.10333 ⁽⁴⁾	0.10083	0.09292	0.07875
July	–	0.10333	0.09708	0.08125

	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
August.....	–	0.10333	0.09708	0.08375
September.....	–	0.10333	0.10083	0.08375
October.....	–	0.10333	0.10083	0.08375
November.....	–	0.10333	0.10083	0.08375
December.....	–	0.10333	0.10083	0.08625
		0.165 ⁽³⁾	0.4100 ⁽²⁾	
January.....	–	0.10333	0.10083	0.08625
February.....	–	0.10333	0.10083	0.08625
March.....	–	0.10333	0.10083	0.08875

Notes:

- (1) All amounts reflect cash distributions for the Units on a post-split basis, in respect of each of: (a) the 2:1 subdivision of Units effective on July 29, 2002 and (b) the 2:1 subdivision of Units effective on January 30, 2004. All distributions are paid on the last day of the month to Unitholders of record the 15th day of the month.
- (2) Special distribution declared December 20, 2007, payable to persons who were Unitholders at December 31, 2007 as to 50% (\$0.205) in cash (payable as to 1/3rd thereof on the last day of each of January, February and March of 2008) and as to 50% (\$0.205) in Units payable by the issuance of Units as to 1/3rd thereof on the last days of each of June, September and December of 2008) based on the \$16.70 closing TSX price for Units on December 31, 2007. Similar arrangements were made by OESC to ensure that the special distribution was made available in 2008 to the holders of Preference Shares, unit appreciate rights and deferred unit grants on the December 31, 2007 record date.
- (3) Special distribution declared December 18, 2008, to persons who were Unitholders at December 31, 2008 payable as to 100% in cash on January 31, 2009. Similar arrangements were made by OESC to ensure that the special distribution was made available in 2009 to the holders of Preference Shares, unit appreciation rights and deferred unit grants on the December 31, 2008 record date.
- (4) Regular monthly distribution declared May 29, 2009, payable on June 30, 2009 to persons who were Unitholders on June 15, 2009.

MARKET FOR SECURITIES

The Units of the Fund are listed for trading on the TSX under the symbol JE.UN. The following table sets forth the price range and trading volume of Units traded on the TSX for the most recently completed financial year of the Fund ended March 31, 2009 and for the months of April and May and to June 12, 2009:

Month	High	Low	Close	Volume
June 1 – June 12	\$11.30	\$11.00	\$11.07	3,938,747
May 2009	\$12.60	\$11.00	\$11.10	6,921,103
April 2009.....	\$12.75	\$10.36	\$12.16	4,987,212
March 2009.....	\$11.17	\$10.02	\$10.60	3,760,220
February 2009.....	\$11.12	\$9.61	\$10.72	6,116,387
January 2009.....	\$9.97	\$7.76	\$9.96	5,463,510
December 2008.....	\$8.74	\$6.37	\$8.74	9,681,500
November 2008.....	\$12.25	\$6.19	\$6.46	6,264,325
October 2008.....	\$13.08	\$8.96	\$11.95	4,182,714
September 2008.....	\$13.80	\$11.21	\$12.97	3,398,557
August 2008.....	\$13.96	\$12.15	\$13.70	3,521,890
July 2008.....	\$13.93	\$11.89	\$13.11	3,913,897
June 2008.....	\$15.09	\$13.34	\$13.81	6,267,206
May 2008.....	\$14.16	\$13.23	\$13.37	3,060,155
April 2008.....	\$14.09	\$12.47	\$13.81	3,481,285

SHARE AND LOAN CAPITAL STRUCTURE OF ONTARIO ENERGY SAVINGS CORP.

(as at March 31, 2009)

Share Capital

The authorized share capital of OESC consists of an unlimited number of Common Shares, an unlimited number of Class A Preference Shares, an unlimited number of Class B Preference Shares and an unlimited number of Class C

Preference Shares of which, at March 31, 2009, 100 Common Shares, 5,263,728 Class A Preference Shares, no Class B Preference Shares and no Class C Preference Shares were issued and outstanding. No additional Class A Preference Shares, Class B Preference Shares or Class C Preference Shares may be issued. The voting rights attached to the Common Shares are subject to the terms of the OESC Shareholders' Agreement. See Schedule B hereto. The following is a description of the rights attached to such shares.

Common Shares

Each Common Share entitles the holder thereof to receive notice of and to attend all meetings of shareholders of OESC and to one vote per share at such meetings (other than meetings of another class of shares of OESC). The holders of Common Shares are, at the discretion of the board of directors of OESC and subject to applicable legal restrictions, entitled to receive any dividends declared by the board of directors on the Common Shares. In the event of the liquidation, dissolution or winding-up of OESC or other distribution of its assets among its shareholders, holders of the Common Shares shall be entitled to receive the amounts specified below under the heading "Liquidation, Dissolution or Winding-up".

Preference Shares

Class A Preference Shares

Except where specifically provided by the OBCA, the holders of the Class A Preference Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of OESC and shall not be entitled to vote at any such meeting. However, pursuant to the Declaration of Trust, the holders of the Class A Preference Shares will be entitled to vote in all votes of Unitholders (including resolutions in writing) as if they were the holders of the number of Units which they would receive if they exercised all of their Shareholder Exchange Rights as of the record dates for such votes and shall be treated in all respects as Unitholders for the purposes of any such votes.

The Class A Preference Shares shall entitle the holders thereof to receive in any year as and when declared by the board of directors of OESC cash distributions in a maximum amount per share equal to the distribution entitlement per share of the Class B Preference Share less 56% of the management bonus payable in respect of each Class A Preference Shares pursuant to the Special Management Incentive Program of OESC for such year. See "OESC Shareholders' Agreement - Special Management Incentive Program" below. Holders of Class A Preference Shares will receive, collectively from dividends and payments under the Special Management Incentive Program of OESC, in any period an amount not greater than the distributions they would have received if they exercised all of their Shareholder Exchange Rights at the commencement of such period.

In the event of the liquidation, dissolution or winding-up of OESC or other distribution of its assets among its shareholders, holders of Class A Preference Shares shall be entitled to receive the amount specified below under the heading "Liquidation, Dissolution or Winding-Up". Such amount will effectively be the same as, and will in no circumstances exceed, the amount per Class A Preference Share that the holder of such Class A Preference Share would have received had OESC and the Fund been liquidated, dissolved or wound-up on the same date and the Shareholder Exchange Rights relating thereto been exercised immediately prior thereto.

Class B Preference Shares

Class B Preference Shares are non-voting and are redeemable at the option of OESC and retractable at the option of the holder, at a price of \$0.01 per Class B Preference Share together with all accrued and unpaid dividends, subject to consent of the holder or OESC, respectively. No Class B Preference Shares were outstanding at year end and no additional Class B Preference Shares may be issued.

Class C Preference Shares

Class C Preference Shares are non-voting and are redeemable at the option of OESC and retractable at the option of the holder, at a price of the fair market value of the issued and outstanding Common Shares and OESC Notes on the date such Common Shares and OESC Notes were transferred to a predecessor of the OESC. During the April 30, 2007 Reorganization all issued and outstanding Class C Preference Shares were redeemed by OESC. As a result, no Class C Preference Shares were outstanding at year end. No additional Class C Preference Shares may be issued.

Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of OESC or other distribution of its assets among its shareholders, the holders of the Class A Preference Shares and Common Shares shall be entitled, after payment of all liabilities of OESC, to share in all remaining assets of OESC as follows:

- (a) the holders of the Class A Preference Shares shall be entitled to share in all such assets to the extent of their *pro rata* share thereof determined by multiplying the amount of such assets by a fraction, the numerator of which is the number of Units which the holders of the Class A Preference Shares would be entitled to receive if they exercised their Shareholder Exchange Rights on the date of such liquidation, dissolution or winding-up of OESC or other distribution of its assets amongst its shareholders, and the denominator of which shall be the number of Units that would be outstanding on such date if all the Shareholder Exchange Rights had been exercised on such date; and
- (b) the holders of the Common Shares shall be entitled to share in all such assets to the extent of their *pro rata* share thereof determined by multiplying the amount of such assets by a fraction, the numerator of which is the number of Units outstanding on the date of such liquidation, dissolution or winding-up of OESC or other distribution of its assets amongst its shareholders, and the denominator of which shall be the number of Units that would be outstanding on such date if all the Shareholder Exchange Rights had been exercised on such date.

Distribution Policy

The distribution policy of OESC is to distribute all of its available cash, subject to applicable law, by way of monthly dividends on its Common Shares after; (i) satisfaction of its debt service obligations, if any (and provided no event of default exists under the Credit Facility); (ii) satisfaction of its interest and other expense obligations; (iii) making any principal repayments in respect of the OESC Notes and the Exchangeco II Notes (if any) considered advisable by the board of directors of OESC, with the consent of the Fund and the holders of the OESC Notes and the Exchangeco Notes (if any) by Extraordinary Resolution and Exchangeco II Extraordinary Resolution, respectively; and (iv) setting aside the amounts necessary to pay the bonuses to the holders of Class A Preference Shares under the Special Management Incentive Program (which will in no circumstances amount to a payment in any year in respect of each Class A Preference Share in excess of the distributions paid on a Unit in such year), and subject to OESC retaining such reasonable working capital reserves as may be considered appropriate by the board of directors of OESC. OESC does not intend to pay dividends on its Preference Shares.

As a result of the March 2004 Reorganization and the August 2005 Reorganization resulting in the creation of ESLP and OESLP, respectively, to the extent funds are available, distributions are also paid on the various classes of units of all limited partnerships and trusts to enable the Fund to meet its obligations to pay distributions on Units to Unitholders.

Expenditures

Except for the capital and other expenditures which the Fund will incur with respect to the acquisition of Universal (see page 4), OESC does not anticipate that significant capital expenditures will be required in connection with the business of the Fund other than to finance future growth. Reference the Credit Facility on page 13 hereof. Capital expenditures or other expenditures may be financed with borrowings or additional issuances of Units, from the working capital and cash flow of the Subsidiaries and Affiliates of the Fund and/or pursuant to the Credit Facility.

OESC Notes

The following is a summary of the material attributes and characteristics of the OESC Notes, and is qualified in its entirety by reference to the provisions of the OESC Note Indenture which contains a complete statement of such attributes and characteristics.

The OESC Notes authorized are unlimited and will mature on April 30, 2031, subject to prepayment from time to time as considered advisable by the board of directors of OESC, with the consent of the Fund and the holders of the

OESC Notes by Extraordinary Resolution, and subject to extension for an additional ten year term with the consent of the holders of the OESC Notes by Extraordinary Resolution. On December 19, 2007, the Note Indenture was amended by the Second Supplemental Note Indenture to eliminate all interest on any outstanding OESC Notes as of December 19, 2007. All interest payable on the outstanding OESC Notes to December 19, 2007 had been paid in full.

The OESC Notes are issuable only as fully registered Notes in minimum denominations of \$10 and for amounts above such minimum only integral multiples of \$1.

The principal of the OESC Notes is payable in lawful money of Canada. All OESC Notes are registered in the name of the Fund and have been pledged to one of the lenders in its capacity as collateral agent pursuant to the Credit Facility.

Payment upon Maturity

On maturity, OESC will repay the indebtedness represented by the OESC Notes by paying to the Note Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding OESC Notes, together with accrued and unpaid interest, if any, thereon.

Redemption

From time to time the board of directors of OESC will review the status of OESC's assets and the economic condition relating to OESC's business and the industry within which it operates. If this review, in the opinion of the board of directors of OESC, indicates that it is unlikely that the indebtedness of OESC evidenced by the OESC Notes could be refinanced on the same terms and conditions upon maturity of such notes, then OESC may, subject to the consent of the Trustee and the holders of the Notes by Extraordinary Resolution, commence principal repayments on the OESC Notes such that in the opinion of the board of directors of OESC, the OESC Notes will be fully repaid upon maturity. In that event, the available cash of OESC will be utilized to the extent required to fund such repayments in lieu of dividends on the Common Shares. In addition, if OESC has available cash, but is prohibited from declaring or paying a dividend or reducing its stated capital under applicable corporate laws, the board of directors of OESC may make principal repayments on the OESC Notes to the extent of such available cash. Except as aforesaid, the OESC Notes will not be redeemable at the option of OESC or by the holders thereof prior to maturity.

Ranking

The OESC Notes are unsecured debt obligations of OESC and are subordinate in right of payment to other direct unsecured indebtedness of OESC and all secured debt of OESC.

Default

The Note Indenture provides that any of the following shall constitute an Event of Default (as defined in the Note Indenture): (i) default in payment of the principal of the OESC Notes when the same becomes due; (ii) the failure to pay the interest obligations, if any, of the OESC Notes when the same becomes due, for a period of 12 months; (iii) default on any indebtedness exceeding \$5,000,000; (iv) certain events of winding-up, liquidation, bankruptcy, insolvency or receivership; (v) the taking of possession by an encumbrancer of all or substantially all of the property of OESC; (vi) OESC ceasing to carry on its business, or a substantial or significant part thereof, in the ordinary course; or (vii) default in the observance or performance of any other covenant or condition of the Note Indenture and the continuance of such default for a period of 30 days after notice in writing has been given by the Note Trustee to OESC specifying such default and requiring OESC to rectify the same.

The Note Indenture also provides that the Note Trustee shall not take steps or actions with respect to an Event of Default without the prior consent of the Fund provided the Fund holds, directly or indirectly, at least 25% of the aggregate principal amount of the outstanding OESC Notes. Certain other provisions under the Note Indenture require the prior consent or authorization of the Fund if the Fund holds, directly or indirectly, at least 25% of the aggregate principal amount of the outstanding OESC Notes.

Trustee and General Partner

OESC serves as the trustee of ESIF CT and as the general partner of each of OESLP, ESLP, Manitoba Energy Savings, Quebec Energy Savings, Alberta Energy Savings and BC Energy Savings. See "Organization Chart".

SHARE AND LOAN CAPITAL STRUCTURE OF OESC EXCHANGE CO II INC. (March 31, 2009)

Internal Reorganization

Exchangeco II was incorporated to replace Exchangeco as the agent to facilitate the exchange of Preference Shares for Units pursuant to, and to assume its obligations under, the Shareholder Exchange Rights described under the heading "OESC Shareholders' Agreement" in Schedule "B". On April 30, 2007, Exchangeco II entered into the Exchangeco II Note Indenture. The material attributes and characteristics of the Exchangeco II Notes are similar to the material attributes and characteristics of the OESC Notes issued under the Note Indenture (described above under the heading "OESC Notes").

Share Capital of Exchangeco II

The authorized share capital of Exchangeco II consists of an unlimited number of common shares, of which 100 common shares are issued and outstanding and owned by the Fund. The voting rights attached to the common shares are subject to the terms of the OESC Shareholders' Agreement. The following is a description of the rights attached to such shares.

Common Shares

Each common share entitles the holder thereof to receive notice of and to attend all meetings of shareholders of Exchangeco II and to one vote per share at such meetings (other than meetings of a class of shares of Exchangeco II). The holders of common shares are, at the discretion of the board of directors of Exchangeco II and subject to applicable legal restrictions, entitled to receive any dividends declared by the board of directors on the common shares. In the event of the liquidation, dissolution or winding-up of Exchangeco II or other distribution of its assets among its shareholders, holders of the common shares, after payment of all of the liabilities of Exchangeco II, are entitled to share ratably in all remaining assets of Exchangeco II.

Exchangeco II Notes

The terms and conditions of the Exchangeco II Notes are similar to the terms and conditions of the OESC Notes. The Exchangeco II Notes will be issued in connection with the exercise of the Exchangeco II Exchange Rights designed to facilitate the exchange of Preference Shares for Units pursuant to the Shareholder Exchange Rights. See "Schedule "B" OESC Shareholders' Agreement" below.

ESIF CT TRUST AND LIMITED PARTNERSHIPS (March 31, 2009)

Background

When the Fund became a reporting issuer in April 2001, a simple structure was in place, utilizing only one Ontario corporation, a predecessor of OESC, to carry on the business which, at the time, involved the marketing of Gas Contracts to residential, mid-sized commercial and small industrial customers solely in the Province of Ontario. In early 2002, a decision was made to expand OESC's business beyond Ontario into other provinces of Canada through greenfield operations and acquisitions. A subsidiary, Manitoba Corp., was incorporated to expand the business into Manitoba which is now carried by Manitoba Energy Savings. To expand the business into the Provinces of Quebec, British Columbia and Alberta, separate limited partnerships were created. Subsidiary corporations were established in several States in the United States (Illinois, Indiana, New York, Texas, Massachusetts, Connecticut, Maryland, Virginia and the District of Columbia), to market Gas Contracts and Electricity Contracts commencing with the marketing of Gas Contracts in Illinois in early 2004. See "Organization Chart".

March 2004 Reorganization

With a view to conserving future cash flow to enable the Fund to further expand its business, especially into the United States, the Fund, as the initial limited unitholder established and interposed ESIF CT between the Fund and ESLP and created limited partnerships in each of Quebec (Quebec Energy Savings), British Columbia (B.C. Energy Savings) and Alberta (Alberta Energy Savings) to carry on the business in those Provinces. See "Organization Chart".

To enable each of the Quebec, British Columbia and Alberta limited partnerships and the United States Subsidiaries of Just Energy (U.S.) – formerly Energy Savings U.S. Corp. - to carry on business in their respective jurisdictions, a predecessor of OESC transferred its Energy Savings System to ESLP pursuant to the Acquisition Agreement in return for 100 Class A units of ESLP at \$20 per unit (\$2,000) and 3,100 Class B units of ESLP at \$10,000 per unit (\$31 million). Contemporaneously, ESLP entered into separate licence and royalty agreements with each of Quebec Energy Savings, B.C. Energy Savings and Alberta Energy Savings on March 19, 2004 to enable each of Quebec Energy Savings, B.C. Energy Savings and Alberta Energy Savings to use the Energy Savings System to carry on business in each of their respective jurisdictions. On March 18, 2004 ESLP entered into a similar licence and royalty agreement with U.S. Energy Savings to authorize it to enter into agreements to sublicense the Energy Savings System to its subsidiaries in the United States and, in furtherance thereof, Just Energy (U.S.) entered into sublicense agreements with Just Energy Illinois on March 18, 2004, New York Energy Savings on September 1, 2005, Just Energy Indiana on December 1, 2006 and Just Energy Texas on July 16, 2007, to authorize each of them to use the Energy Savings System to carry on business in the States of Illinois, New York, Indiana and Texas, respectively.

The following is a summary of the material provisions of the ESIF Trust Indenture, the ESLP Limited Partnership Agreement, the three provincial limited partnerships, the Energy Savings System Acquisition Agreement and the licence and royalty and sublicense agreements referred to above.

ESIF CT

ESIF CT is an open-ended, unincorporated investment trust, established pursuant to the ESIF Trust Indenture for the purpose of investing in the Class A partnership units of ESLP, issuing common trust units to the Fund and issuing preferred trust units to OESC to finance the acquisition of Gas Contracts aggregated by EPCOR. ESIF CT has two authorized classes of units: (i) common units, 100% of which are owned by the Fund and (ii) preferred units, 100% of which are owned by OESC.

The holders of common and preferred units of ESIF CT are entitled to receive non-cumulative distributions if, as and when declared by OESC (as trustee of ESIF CT) out of the net income of ESIF CT, the capital of ESIF CT or otherwise in any year, in such amounts, and on such dates as OESC may determine. All income of ESIF CT in an amount not less than the income of ESIF CT for any taxation year of ESIF CT shall be payable for such year. ESIF CT has the same termination date as the Fund. See "Declaration of Trust and Description of Units - Term of the Fund". After paying, retiring or discharging all liabilities and obligations of ESIF CT, OESC must distribute the remaining part of any sale proceeds, together with any cash forming part of ESIF CT fund, among the unitholders. The fiscal year of ESIF CT ends on March 31 of each year. The assets of ESIF CT are 871,849 Class A units of ESLP, 49,999 Class A units of OESLP and 1 Class A unit of Manitoba Energy Savings.

ESLP

ESLP was established as a Canadian limited partnership pursuant to the ESLP Partnership Agreement. ESLP is owned as to 9 Class A units and 251 Class B units by OESC as general partner, 92 Class A units and 2,849 Class B Units by the Fund as a limited partner and 871,849 Class A units by ESIF CT, a limited partner. Class A unitholders of ESLP are entitled to distributions once the Class B preferred return has been paid.

The ESLP Partnership Agreement provides the partnership is limited to not more than 50 partners, the transfer of its units is restricted and persons who are non-residents of Canada may not purchase or acquire units. The fiscal year end of ESLP is March 31 in each year. The ESLP Partnership Agreement provides for Class A and Class B units. The Class B units are entitled to a preferred return which for a fiscal year is the lesser of: (i) the net income of the partnership for a fiscal year end; and (ii) an amount equal to 14% of the total aggregate subscription price of the

Class B units. ESLP was formed for several purposes including: (a) to acquire certain assets from OESC including the Energy Savings System; (b) to enter into separate limited partnership agreements, as limited partner with a predecessor of OESC, as general partner to carry on the Fund's business in each of British Columbia (B.C. Energy Savings), Alberta (Alberta Energy Savings) and Quebec (Quebec Energy Savings); (c) to grant licences to the Energy Savings System to each of the limited partnerships referred in (b) above and to U.S. Energy Savings, in each case in return for royalty payments; and (d) to carry on any business in any jurisdiction related to the Fund's business including the purchase of energy supply.

Provincial Limited Partnerships

The material terms and conditions of the limited partnership agreements which govern each of OESLP, Quebec Energy Savings, Alberta Energy Savings, B.C. Energy Savings and Manitoba Energy Savings are similar. Each limited partnership has an authorized capital of an unlimited number of units, is limited to not more than 50 partners, the transfer of units is restricted to persons who are residents of Canada and the fiscal year end is March 31 in each year. Each partnership is managed by OESC as the general partner. On June 26, 2008 Newten Home Comfort Inc., OESC (as general partner) and OESLP entered into the Newten Home Comfort L.P. which is owned as to 0.01% (1 Class A Unit) by UESC, 79.99% (1,400 Class A Units) by OESLP and 20% (350 Class B Units) by Newten Home Comfort Inc.

Energy Savings System

On March 18, 2004, a predecessor of OESC sold its Energy Savings System for use in the Provinces of Quebec, British Columbia and Alberta and in the United States to ESLP in return for Class A and Class B units of ESLP having a paid in capital of approximately \$31 million, subject to adjustment, at which time OESC's predecessor became a limited partner of ESLP as described above. The Acquisition Agreement contained the usual representations and warranties from both OESC's predecessor and OESC GP as general partner of ESLP including as regards title to the assets, no material adverse change, options or litigation and the usual covenants. On January 1, 2007, Manitoba Energy Savings purchased the rights to use the Energy Savings System from Energy Savings (Manitoba) Corp. ("Manitoba Corp"), prior to Manitoba Corp.'s continuance into Ontario and amalgamation with an OESC predecessor (see "April 30, 2007 Reorganization").

Licence and Royalty and Sub Licence Agreements

On March 18 and 19, 2004 OESC GP, as general partner of ESLP (at that date), licenced the Energy Savings System pursuant to separate licence and royalty agreements to each of Energy Savings Quebec, B.C. Energy Savings and Energy Savings Alberta to enable each such limited partnership to use in perpetuity the System for purposes of the Fund's business in each such jurisdiction in return for royalty payments to ESLP in an amount per year equal to 4% of gross revenues of licensee providing no royalties are payable until licensee has earned positive cash flow during each royalty period of at least \$200,000. Each licence and royalty agreement contains terms and conditions relating to support services, obligations of the licensee including business standards and non-competition, confidentiality, royalty payment terms and default. Contemporaneously, on March 18, 2004 OESC GP, as general partner of ESLP, licenced the Energy Savings System to Just Energy (U.S.) pursuant to a licence and royalty agreement to enable it to sublicense the System in perpetuity to its subsidiaries and contemporaneously Just Energy (U.S.) sublicenced the Energy Savings System to Just Energy Illinois to enable it to use the System in perpetuity to carry on its business in the State of Illinois. U.S. Royalty payments payable by Just Energy (U.S.) to ESLP and by Just Energy Illinois to Just Energy (U.S.) are also based on 4% of annual gross revenues of licensee except that no royalties are payable until the licensee has earned positive cash flow during each royalty period of at least U.S. \$5 million. Just Energy (U.S.) subsequently entered into sublicense agreements with New York Energy Savings on September 1, 2005, Just Energy Indiana on December 1, 2006 and Just Energy Texas on July 16, 2007. The terms and conditions of each of the above referenced licence and royalty and sublicense agreements are otherwise similar and include provisions dealing with non-competition, confidentiality, support services, business standards, ownership of intellectual property rights, representations and warranties and covenants usual and normal for such agreements. Effective January 1, 2009, the U.S. \$5 million positive cash flow threshold was removed from all licence and sublicense agreements referred to above.

August 2005 Reorganization

On June 29, 2005 the Unitholders and holders of Preference Shares authorized the Fund to approve an internal reorganization, with a view to conserving cash flow for expansion and to ensure continuity of distributions to Unitholders. The Fund applied to the Canada Revenue Agency for an advance income tax ruling in respect of the reorganization. The proposed reorganization involved several steps some of which did not require an advance income tax ruling. Accordingly, OESLP was formed on June 1, 2005 by OESC GP as general partner which acquired one Class A Unit (\$20) and by ESIF CT as the initial limited partner which acquired 49,999 Class A Units at \$20 per Unit (\$999,980). Effective August 1, 2005, OESLP acquired substantially all of the assets and related liabilities of OESC pursuant to the OESLP Acquisition Agreement, thereby transferring substantially all of OESC's operations and all future marketing efforts in Ontario to OESLP for a consideration of \$300,052,640 paid for by the issue by OESLP to OESC of 30,000 Class B Units of OESLP at \$10,000 per Unit (\$300,000,000) and 2,632 Class A Units of OESLP at \$20 per Unit (\$52,640). Contemporaneously, OESC and OESLP entered into a services agreement pursuant to which OESLP reimburses OESC for various identified out-of-pocket expenses incurred by it on behalf of OESLP including commissions for Independent Contractors (who remained associated with OESC), and various other items including insurance, director/officer fees, salaries, bonuses paid pursuant to the Special Management Incentive Program, marketing fees etc. On August 1, 2005 the OESLP Limited Partnership Agreement was amended to authorize it to carry on business under the trade name "Ontario Energy Savings".

CONSTRAINTS ON OWNERSHIP

See "Declaration of Trust and Description of Units – Limitation on Non-Resident Ownership".

ESCROWED SECURITIES

Pursuant to the Escrow Agreement in connection with Just Energy Texas' purchase of all of the partnership units of Just Energy (see "General Development of the Fund – Three Year History"), on October 9, 2007, the Fund deposited 1,169,399 Units of the Fund with Computer Share Trust Company of Canada, as Escrow Agent, for the benefit of the vendors. One third of the Units were released from escrow to the Vendors on each of the first and second anniversaries of the Closing Date and, subject to certain conditions, one third of the Units will be released from escrow to the Vendors on the third anniversary of the Closing Date.

As of May 29, 2009, the following Units were held in escrow pursuant to the Escrow Agreement:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Units	389,799	0.37%

DIRECTORS AND SENIOR OFFICERS OF OESC

The Fund is administered by OESC pursuant to the Administration Agreement. The names and municipalities of residence of the persons who are the directors (including their year of appointment), and executive officers of OESC and their principal occupations during the five preceding years are as follows:

Name and Municipality of Residence and Year of Appointment for Directors ⁽⁴⁾	Position with the Company	Principal Occupation(s) During Five Preceding Years
John A. Brussa ^{(2) (4)} Calgary, Alberta 2001	Director	Partner, Burnet, Duckworth & Palmer LLP (law firm)

Name and Municipality of Residence and Year of Appointment for Directors ⁽⁴⁾	Position with the Company	Principal Occupation(s) During Five Preceding Years
Ken Hartwick, C.A. Milton, Ontario 2008	Director, Chief Executive Officer and President	<p>Chief Executive Officer and President of the Company (currently)</p> <p>President of the Company (March 9, 2006 to February 29, 2008)</p> <p>Chief Financial Officer of the Company (April 5, 2004 to March 8, 2006 and from July 1, 2007 until December 31, 2007)</p> <p>Chief Financial Officer and Senior Vice President, Finance of Hydro One Inc. (electric utility) (October 2001 to April 2004)</p>
Ronald V. Joyce ⁽³⁾ Burlington, Ontario 2008	Director	Chairman, Jetport Inc. (executive charter airline)
The Hon. Gordon D. Giffin ⁽²⁾⁽⁴⁾ Atlanta, Georgia 2006	Director	Senior Partner, McKenna, Long & Aldridge LLP (law firm)
The Hon. Michael Kirby ⁽¹⁾⁽⁴⁾ Ottawa, Ontario 2001	Director	<p>Corporate Director (currently)</p> <p>Member of the Senate of Canada (1984 to October 2006)</p> <p>Chair of the Standing Senate Committee on Social Affairs, Science and Technology (until 2006)</p>
The Hon. R. Roy McMurtry ⁽²⁾⁽³⁾ Toronto, Ontario 2007	Director	<p>Counsel, Gowling Lafleur Henderson LLP (law firm) (currently)</p> <p>Chief Justice, Province of Ontario (February 1996 to May 31, 2007)</p>
Rebecca MacDonald Toronto, Ontario 2001	Director and Executive Chair	<p>Executive Chair of the Company (currently)</p> <p>Chief Executive Officer of the Company (until April 1, 2005)</p>
The Hon. Hugh D. Segal ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Kingston, Ontario 2001	Lead Director	<p>Senior Fellow, School of Policy Studies, Queens University (currently)</p> <p>Member of the Senate of Canada (currently)</p> <p>President of the Institute of Research on Public Policy (research institute) (until May 31, 2006)</p>
Brian R.D. Smith ⁽¹⁾⁽²⁾ Victoria, British Columbia 2001	Director	Federal Chief Treaty Negotiator and Energy Consultant (currently)

Name and Municipality of Residence and Year of Appointment for Directors ⁽⁴⁾	Position with the Company	Principal Occupation(s) During Five Preceding Years
Beth Summers, C.A. Oakville, Ontario	Chief Financial Officer	Chief Financial Officer of the Company (currently) Chief Financial Officer and Executive Vice President, Hydro One Inc. (electric utility) from March 2004 to January 2009 and Corporate Controller from January 2003 to February 2004
Stephanie M. Bird Toronto, Ontario	Vice-President and Corporate Risk Officer	Vice-President and Corporate Risk Officer of the Company (currently) Director and Corporate Risk Officer of the Company (April 1, 2005 to March 31, 2006) Manager, Risk and Analysis of the Company (2003 to March 31, 2005)
Richard R. Early Markham, Ontario	Vice-President, Human Resources	Vice-President, Human Resources of the Company (currently) Vice President, Human Resources of WebHelp Inc. (global business process outsourcers) (July 2001 to April 2004)
R. Scott Gahn Houston, Texas	Executive Vice-President and Chief Operating Officer	Executive Vice-President and Chief Operating Officer of the Company (currently) Executive Vice-President, Just Energy (U.S.) Corp. (currently) Chief Executive Officer, Just Energy Texas, (currently) Chief Executive Officer, Just Energy Texas LP (energy retailer) (until May 24, 2007)
Deborah Merrill Houston, Texas	Senior Vice-President, Commercial Sales and Marketing	Senior Vice-President, Commercial Sales and Marketing of the Company (currently) Vice President, Sales and Marketing of Texas Energy Savings (May 2007 to April 30, 2008) Vice President, Sales and Marketing of Just Energy (May 2002 to May 2007)
Gord Potter Richmond Hill, Ontario	Executive Vice-President, Regulatory and Legal Affairs	Executive Vice-President Regulatory and Legal Affairs of the Company (currently) Senior Vice-President, Regulatory Affairs of the Company (April 1, 2007 to April 1, 2009) Vice President, Regulatory Affairs of the Company (April 2005 to April 1, 2007) Director, Regulatory and Utility Management of the Company (June 2003 to April 2005)

Name and Municipality of Residence and Year of Appointment for Directors ⁽⁴⁾	Position with the Company	Principal Occupation(s) During Five Preceding Years
Darren Pritchett Kilbride, Ontario	Executive Vice-President, Consumer Sales	Executive Vice-President, Consumer Sales of the Company (currently) Self-employed National Distributor for Just Energy (until April 30, 2008)
John Roche Caledon, Ontario	Senior Vice-President North American Commercial Sales – Independent Contactors	Senior Vice-President North American Commercial Sales – Independent Contactors of the Company (currently) Self-employed National Distributor for Just Energy (until November 1, 2008)
Lynn Roy Waterloo, Ontario	Senior Vice-President, Customer Service	Senior Vice-President, Customer Service of the Company (currently) Executive Director, Customer Care of CAA South Central Ontario (road side assistance) (February 2005 to February 2007) Vice-President, Client Retention of Manulife Financial (financial services) (December 2004 to February 2005) Assistant Vice-President, Customer Care of Sun Life Financial (financial services) (January 2001 to December 2004)
Andrew E. Schneider Oakville, Ontario	Senior Vice-President and Chief Information Officer	Senior Vice-President and Chief Information Officer of the Company (currently) Vice-President and Chief Information Officer of the Company (to April 1, 2007)
Shelley Sheppard Toronto, Ontario	Senior Vice-President, Finance	Senior Vice-President, Finance of the Company (currently) Vice-President, Finance of the Company (September 2006 to April 1, 2007) Vice-President, Finance, CHUM Radio (broadcasting) (2002 to 2005)
Robert K. Weir Burlington, Ontario	Senior Vice-President, Commercial Marketing, Canada	Senior Vice-President, Commercial Marketing, Canada of the Company (currently) Senior Vice-President Constellation NewEnergy Canada and other positions with Constellation (natural gas and electricity retailer) in Canada and the United States prior to October 29, 2008

Notes:

- (1) Member of the Audit Committee. Mr. Kirby is the Chair of the Committee.
- (2) Member of the Compensation and Human Resources Committee. Mr. Smith is the Chair of the Committee.
- (3) Member of the Nominating and Corporate Governance Committee. Mr. Segal is the Chair of the Committee.
- (4) Member of the Risk Committee. Mr. Kirby is the Chair and Mr. Giffin is the Vice-Chair of the Committee.

- (5) Each of the persons, who are directors of OESC, became a director on the Amalgamation of April 30, 2001 except for: (i) Mr. Smith who was appointed to the Board of OESC on August 21, 2001, (ii) Mr. McMurtry who was elected to the board on June 28, 2007, (iii) Mr. Giffin who was elected to the Board on June 29, 2006 and Messrs Joyce and Hartwick who were each appointed to the board on August 8, 2008. Each of the persons who is listed above as a director has continued as a director of OESC since their initial appointment. The present term of office of each director will expire immediately prior to the election of directors at the next annual meeting of Unitholders.
- (6) Appointed lead director by the Board of Directors on January 17, 2005.

As at May 15, 2009 the above directors and senior officers of OESC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over approximately 9,828,813 Units of the Fund and 5,263,728 of the Class A Preference Shares of OESC which Units and Preference Shares together constitute 15,092,541 (13.5 %) of the Units of the Fund (diluted).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of OESC, or a unitholder holding a sufficient number of securities of the Fund to affect materially the control of the Fund is, as at the date hereof, or has been within the 10 years before the date hereof, a director, or executive officer of any company that, while such person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company any exemption under securities legislation, for a period of more than 30 consecutive day; or (iii) within a year of such person ceasing to act in that capacity become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of OESC, or a unitholder holding a sufficient number of securities of the Fund to affect materially the control of the Fund (or any personal holding company of such person), has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director or officer of OESC, or a unitholder holding sufficient securities of the Fund to affect materially the control of the Fund, or a personal holding company of any such persons, has, within the 10 years preceding the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of OESC will be subject in connection with the operations of OESC. In particular, certain of the directors and officers of OESC are involved in managerial or director positions with other oil and gas companies whose operations may, from time to time, be in direct competition with those of OESC and the Fund or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of OESC and the Fund. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA. The OBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided in the OBCA. As at the date hereof, OESC is not aware of any existing material conflicts of interest between the Fund or a subsidiary of the Fund and any director or officer of the Fund or a subsidiary of the Fund.

TAX ON INCOME TRUSTS

The Fund is a mutual fund trust for income tax purposes and will be taxed as a specified investment flow-through trust ("SIFT") for years commencing after 2010. Prior to January 1, 2011 the Fund is only subject to current income taxes on any taxable income not distributed to Unitholders. Subsequent to December 31, 2010, the Fund will be subject to current income taxes on any taxable income not distributed to Unitholders and on all taxable income earned from Canadian corporate and flow-through subsidiaries, other than dividends from Canadian corporate subsidiaries distributed to Unitholders. If the Fund's equity capital grows beyond certain dollar limits prior to January 1, 2011, the Fund would become a SIFT and would commence in that year being subject to tax on income distributed. The Fund expects that its income distributed will not be subject to tax prior to 2011 and intends to distribute all its taxable income earned prior to then.

With the end of the current tax treatment of trusts approaching in 2011, the directors of OESC, the Fund's administrator are prepared to proceed to an immediate conversion should market conditions or trading values make this necessary. All conversion options have been reviewed and the optimal form will be implemented when it is in the best interest of Unitholders.

LEGAL PROCEEDINGS

There are no outstanding legal proceedings which, individually, are for claims in excess of 10% of the current asset value of the Fund to which the Fund or any of its Affiliate is a party or in respect of which any of their respective properties are subject, nor are there any such proceedings known to be contemplated. On February 7, 2008, the Attorney General for Illinois filed a complaint against Just Energy Illinois (the "Illinois AG Complaint"). The Illinois AG Complaint alleged that independent sales agents used deceptive practices in their sale of Just Energy Contracts to Illinois customers. On May 12, 2009, a settlement of the action was reached. The settlement was approved by the Circuit Court, Cook County, on May 15, 2009. Under the settlement, Just Energy Illinois will comply with several consumer safeguards, many of which Just Energy Illinois has practiced for more than a year. In addition, \$1.0 million will be paid to a limited number of customers in settlement of claims. On March 3, 2008, the Citizen's Utility Board (the "CUB"), AARP and Citizen Action/Illinois filed a complaint before the Illinois Commerce Commission alleging claims very similar to those in the Illinois AG Complaint. Just Energy has commenced discussion with CUB to address and defend the allegations and intends to seek a constructive resolution to the matter.

On March 20, 2008, an Indiana resident filed a proposed consumer class action against Just Energy Illinois in Illinois also based on allegations similar to those made by the Illinois Attorney General. The court dismissed the action and ordered the plaintiff to refile in the proper jurisdiction. The action has been restricted to Indiana plaintiffs on a limited basis. The plaintiff will now have to seek certification.

On April 4, 2008 New York Energy Savings was served with a complaint initiated by a commercial customer in New York that proposes a class action against New York Energy Savings, the Fund and the LDC (Consolidated Edison) on behalf of residents of New York City. On December 16, 2008, the court dismissed the complaint against the Fund and the complaint against New York Energy Savings was referred to arbitration. The plaintiff's representative filed an appeal but has not yet, under state court rules, perfected it. It has until July 15, 2009 to perfect its rights. Just Energy will resolve or vigorously contest the claims in these matters. Management believes that the pending legal actions against Just Energy Illinois, New York Energy Savings, Just Energy Indiana and the Fund are not expected to have a material impact on the financial condition of the Fund at this time.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Fund, any Unitholder who directly or indirectly beneficially owns, or exercises control or direction over, more than 10% of the Units or any known associate or affiliate of such persons in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or will materially affect the Fund.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Fund are KPMG LLP, Chartered Accountants, Toronto, Ontario.

Computershare Investors Services Inc. at its offices in Toronto, Ontario acts as the transfer agent and registrar for the Trust Units.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement, report or valuation made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Fund during, or related to, the Fund's most recently completed financial year other than KPMG LLP, the Fund's auditors. To the knowledge of the Fund, none of the aforementioned persons or companies had any registered or beneficial interests, direct or indirect, in any securities or other property of the Fund or of the Fund's associates or affiliates either at the time they prepared the statement, report or valuation prepared by them, at any time thereafter or to be received by them.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of OESC or of any associate or affiliate of OESC, except for John A. Brussa, a director of OESC, who is a partner of Burnet, Duckworth & Palmer LLP, which law firm renders legal services to OESC, and Gordon D. Giffin, a director of OESC, who is a partner of McKenna, Long & Aldridge LLP, which law firm renders legal services to OESC.

MATERIAL CONTRACTS

Except for contracts entered into by the Fund in the ordinary course of business or otherwise disclosed herein, the only material contracts entered into by the Fund and/or its Affiliates and Subsidiaries are: the Declaration of Trust, the Credit Facility and the ESIF Trust Indenture each of which is described herein. Copies of the Declaration of Trust, the Credit Facility, the Intercreditor Agreement, the ESIF Trust Indenture are available on the Fund's SEDAR profile at www.sedar.com. Reference is made to the Material Change Report filed by the Fund on May 1, 2009 with respect to the proposed acquisition by the Fund of Universal described under the heading "Three Year History" on page • which Report is available on SEDAR at www.sedar.com and which is incorporated herein by reference.

AUDIT COMMITTEE INFORMATION

Multilateral Instrument 52-110 of the Canadian Securities Administrators requires the Fund to disclose annually in its AIF certain information relating to OESC's Audit Committee and its relationship with its independent auditors. Schedule "D" contains additional information contemplated by Form 52-110F1 - "Audit Committee Information required in an AIF", including information with respect to the financial literacy and experience of each member of the Audit Committee. The text of the mandate for the Audit Committee is included at Schedule "E".

ADDITIONAL INFORMATION

Additional information relating to the Fund may be found on Sedar at www.sedar.com. Additional information, including directors' and officers' remuneration, principal holders of the Fund's securities and securities authorized for issuance under equity compensation plans, is contained in the Information Circular of the Fund for its most recent annual meeting of unitholders that involved the election of directors of OESC. Additional financial and other information is contained in the Fund's audited consolidated financial statements and management's discussion and analysis for the year ended March 31, 2009 And in the Management Information Circular for the Fund's Annual and Special Meeting to be held on June 25, 2009.

For additional copies of this Renewal Annual Information Form and the material listed in the preceding paragraphs please contact:

Just Energy Income Fund
First Canadian Place
100 King Street West
Suite 2630, P.O. Box 355
Toronto, Ontario
M5X 1E1

Attention: Board Secretary

SCHEDULE "A" - GLOSSARY OF TERMS

In this Renewal Annual Information Form (including the Schedules hereto), the following terms shall have the meanings set forth below, unless otherwise indicated:

"**ABMs**" means Agents/Brokers/Marketers such as OESLP and its Affiliates. ABMs are market aggregators meaning that they aggregate downstream customers into groups.

"**Acquisition Agreement**" means the acquisition agreement between OESC and OESC GP as the general partner of ESLP dated March 18, 2004 as amended by amending acquisition agreement #1 between the parties dated June 15, 2004.

"**Administration Agreement**" means the administration agreement between the Fund and OESC (as Administrator), dated April 30, 2001, as amended from time to time.

"**Administrator**" means OESC in its capacity as administrator of the Fund pursuant to the Administration Agreement.

"**Affiliate**" shall have the meaning ascribed thereto in the OBCA and includes all direct and indirect Subsidiaries of the Fund .

"**Alberta Energy Savings**" means the limited partnership formed under the laws of the Province of Alberta with the name Alberta Energy Savings L.P. pursuant to a limited partnership agreement dated March 18, 2004, as amended from time to time.

"**Amalgamation of April 25, 2007**" means the amalgamation pursuant to the provisions of the OBCA of Energy Savings (Manitoba) Corp. and OESC as one corporation under the name "Ontario Energy Savings Corp."

"**Amalgamations of April 30, 2007**" means the amalgamations pursuant to the provisions of the OBCA as part of the April 30, 2007 Reorganization, concluding with the amalgamation on April 30, 2007 of OESC Amalco and OESC GP as one corporation under the name "Ontario Energy Savings Corp."

"**Amended and Restated OESC Shareholders' Agreement**" means the agreement dated March 1, 2005 among the Fund, Exchangeco, OESC and the persons who held all of the outstanding Class A Preference Shares as further amended and restated effective April 30, 2007.

"**April 30, 2007 Reorganization**" means the corporate reorganization of the Fund and certain of its Affiliates approved by Unitholders and holders of Preference Shares at the annual and special meeting on June 29, 2005 and completed on April 30, 2007.

"**B.C. Energy Savings**" means the limited partnership formed under the laws of the Province of British Columbia with the name ES (B.C.) Limited Partnership pursuant to a limited partnership agreement dated March 18, 2004, as amended.

"**Book-Entry Only System**" means the book-based system administered by CDS.

"**BP Canada**" means BP Canada Energy Company.

"**BP Entities**" means BP Canada, BP Canada Energy Marketing Corp. and BP Corporation of North America Inc.

"**Bruce Power**" means Bruce Power L.P.

"**CIBC**" means Canadian Imperial Bank of Commerce, a Canadian chartered bank.

"**CDS**" means The Canadian Depository for Securities Limited.

"Clarification and Restatement Agreement" means the agreement dated as of April 30, 2001 among the persons who were the original parties to the OESC Shareholders' Agreement.

"Class A Preference Shares" means the Class A preference shares in the capital of OESC.

"Class B Preference Shares" means the Class B preference shares in the capital of OESC.

"Class C Preference Shares" means the Class C preference shares in the capital of OESC.

"Commodities" means Ontario Energy Commodities Inc., a corporation incorporated under the OBCA on January 25, 2002.

"Commodity Suppliers" means Gas Suppliers and Electricity Suppliers.

"Common Shares" means the common shares in the capital of OESC.

"Consent and Approval Agreement" means the agreement between the Fund, OESC, Exchangeco and the holders of the Class A Preference Shares dated April 30, 2007 as part of the April 30, 2007 Reorganization.

"Constellation" means Constellation Energy Group Inc. and Constellation Energy Commodities Group, Inc.

"Credit Facility" shall have the meaning attributed thereto under the heading "Credit Facility" on page • hereof.

"Declaration of Trust" means the amended and restated declaration of trust for the Fund dated April 30, 2001 as amended and restated from time to time.

"Electrico" means Ontario Electric Savings Corporation, a corporation incorporated under the OBCA on February 15, 1999 and which amalgamated with a predecessor of OESC pursuant to the Amalgamation of July 1, 2002.

"Electricity Contracts" means contracts entered into from time to time by Just Energy with customers for the supply of electricity and/or GEO products.

"Electricity Supplier" means a person who is an electricity producer or an electricity supply aggregator.

"Energy Contracts" means Gas Contracts and Electricity Contracts.

"Energy Savings System" means the proprietary concepts (including intellectual property and know-how), and methodologies specifically developed by OESC for the business of marketing energy contracts to residential, small to mid-sized commercial and small industrial customers including the unique recruitment, training and evaluation methodology for independent commission contractors, the proven direct marketing and sales methodology, the unique customer care program for inbound and outbound calls and all intellectual property etc., all as more specifically described in the Acquisition Agreement.

"EPCOR" means interchangeably EPCOR Utilities Inc. or EPCOR Market and Capital L.P., as applicable.

"ESIF CT" means ESIF Commercial Trust I, an open ended investment trust established under the laws of the Province of Ontario pursuant to the ESIF Trust Indenture.

"ESIF Note Indenture" means the note indenture dated April 30, 2007 between OESC as trustee for ESIF CT and the ESIF Note Trustee.

"ESIF Note Trustee" means Computershare Trust Company of Canada.

"ESIF Notes" means the notes issuable pursuant to the ESIF Note Indenture.

"**ESIF Trust Indenture**" means the trust indenture dated March 16, 2004 between the Fund, as the initial unitholder and OESC as trustee, as amended from time to time.

"**ESLP**" means Just Energy Trading LP, the limited partnership established under the laws of the Province of Ontario pursuant to the ESLP Partnership Agreement.

"**ESLP Partnership Agreement**" means the limited partnership agreement dated March 17, 2004 between ESIF CT as the initial limited partner and OESC GP as the general partner, as amended.

"**Exchange**" means OESC Exchange Inc., a corporation which amalgamated with a predecessor of OESC on March 1, 2005.

"**Exchangeco II Note Trustee**" and "**Exchangeco Note Trustee**" means Computershare Trust Company of Canada.

"**Exchangeco**" means OESC Exchangeco Inc., a company incorporated pursuant to the OBCA on February 23, 2005 and amalgamated with a predecessor of OESC pursuant to the Amalgamation of April 30, 2007.

"**Exchangeco Notes**" means the 13% unsecured notes of Exchangeco issued by Exchangeco to the Fund from time to time pursuant to the Exchangeco Note Indenture.

"**Exchangeco Note Indenture**" means the note indenture dated February 23, 2005, as amended by a supplemental indenture dated March 1, 2005, providing for the issuance of Exchangeco Notes made between Exchangeco and the Exchangeco Note Trustee.

"**Exchangeco II**" means OESC Exchangeco II Inc., a corporation incorporated pursuant to the OBCA on April 25, 2007.

"**Exchangeco II Common Shares**" means the common shares in the capital of Exchangeco II.

"**Exchangeco II Exchange Rights**" means the rights granted by the Fund pursuant to the OESC Shareholders' Agreement entitling Exchangeco II to acquire Units in order to fulfil its obligations under the Shareholder Exchange Rights and to satisfy the purchase price for such Units by the issuance of Exchangeco II Notes to the Fund.

"**Exchangeco II Extraordinary Resolution**" means a resolution passed by the holders of not less than 66⅔% of the principal amount of Exchangeco II Notes outstanding, either in person or by proxy at a meeting of holders of Exchangeco II Notes called for the purposes of approving such resolution, or approval in writing by the holders of not less than 66⅔% of the principal amount of Exchangeco II Notes then outstanding.

"**Exchangeco II Note Indenture**" means the note indenture dated April 30, 2007 providing for the issue of Exchangeco II Notes and made between Exchangeco II and the Note trustee.

"**Exchangeco II Notes**" means the unsecured notes of Exchangeco II issued by Exchangeco II to the Fund from time to time pursuant to the Exchangeco II Note Indenture.

"**Extraordinary Resolution**" means a resolution passed by the holders of not less than 66⅔% of the principal amount of OESC Notes outstanding, either in person or by proxy, at a meeting of holders of OESC Notes called for the purpose of approving such resolution, or approval in writing by the holders of not less than 66⅔% of the principal amount of OESC Notes then outstanding.

"**Fortis**" means Fortis Energy Marketing & Trading G.P.

"**Fund**" means Just Energy Income Fund, a trust established under the laws of the Province of Ontario and governed by the Declaration of Trust.

"Gas Contracts" means Gas contracts entered into from time to time by Just Energy with customers for the supply of natural gas and/or GEO products.

"Gas Supplier" means a person who is a natural gas producer or natural gas supply aggregator.

"GJ" means gigajoules (one billion joules). A joule is a measurement of energy, with one gigajoule being equal to 0.95 million British thermal units or 26.53 m³ of natural gas.

"Independent Contractor" means a person who serves in the capacity of an independent contractor to solicit contracts for the supply of natural gas and/or electricity to residential, small to mid-size commercial and small industrial customers.

"Just Energy" means all or any one or more of the Fund and the Affiliates thereof as the context implies or may require.

"Just Energy Illinois" means Just Energy Illinois Corp., a corporation incorporated under the laws of the State of Delaware on August 29, 2003.

"Just Energy Indiana" means Just Energy Indiana Corp., a corporation incorporated under the laws of the State of Delaware on August 29, 2003.

"Just Energy Marketing" means Just Energy Marketing Corp., a corporation incorporated under the laws of the State of Delaware on December 24, 2003.

"Just Energy Texas" means Just Energy Texas I Corp., a company incorporated under the laws of the State of Texas on January 27, 2006.

"Just Energy Texas L.P." means Just Energy Texas L.P. a limited partnership formed under the laws of the State of Texas on May 30, 2006 as a result of the conversion on March 30, 2006.

"Just Energy (U.S.)" means Just Energy (U.S.) Corp., a corporation incorporated under the laws of the State of Delaware on December 4, 2001.

"kWh" means a kilowatt hour, the standard commercial unit of electric energy, with one kilowatt hour being the amount of energy consumed by ten 100 watt light bulbs burning for one hour.

"Large Volume User" means an electricity consumer who consumes more than 250,000 kWh of electricity per year.

"LDC" means local distribution company, the natural gas or electricity distributor for a geographic franchise area.

"m³" means a cubic meter or 0.03769 GJs.

"Manitoba Energy Savings" means the limited partnership formed pursuant to the laws of the Province of Manitoba with the name Energy Savings (Manitoba) LP pursuant to a limited partnership agreement dated October 31, 2006

"March 2004 Reorganization" means the internal reorganization of the Fund described on page 23 hereof.

"New York Energy Savings" means New York Energy Savings Corp., a corporation incorporated under the laws of the State of Delaware on July 22, 2004.

"Newten" means Newten Home Comfort Inc., a company incorporated under the laws of Canada.

"Newten Home Comfort L.P." means the limited partnership formed under the laws of the Province of Ontario pursuant to the Newten Home Comfort Limited Partnership Agreement.

“Newten Home Comfort Limited Partnership Agreement” means the limited partnership agreement dated June 26, 2008 between OESC and Newten as the general partners and OESLP as the limited partner.

"Note Trustee" means Computershare Trust Company of Canada.

"OBCA" means the *Business Corporations Act* (Ontario), as amended from time to time, including the regulations promulgated thereunder.

"OEB" means the Ontario Energy Board, a regulatory body which regulates, *inter alia*, the distribution and marketing of natural gas and electricity in the Province of Ontario.

"OESC" or the **"Company"** means Ontario Energy Savings Corp., the corporation created by the Amalgamation of April 30, 2007 as part of the April 30, 2007 Reorganization, and, for the purposes of this annual information form, includes all predecessor companies with the name Ontario Energy Savings Corp.

“OESC Amalco” means OSEC Amalco Inc. the corporation created by the amalgamation of a predecessor to OESC and OESC Newco pursuant to the OBCA on April 30, 2007 as part of the April 30, 2007 Reorganization.

"OESC First Supplemental Note Indenture" means the first supplemental note indenture between OESC and the Note Trustee dated March 1, 2005.

"OESC GP" means OESC GP Corp., a corporation incorporated under the OBCA on February 21, 2004 and which amalgamated with OESC Amalco as part of the April 30, 2007 Reorganization to form OESC.

“OESC Newco” means OESC Newco Inc., a corporation incorporated pursuant to the OBCA on April 25, 2007 as part of the April 30, 2007 Reorganization.

"OESC Notes" means the unsecured, subordinated notes of OESC issued by OESC pursuant to the Note Indenture.

“OESC Note Indenture” means the note indenture dated April 30, 2001 providing for the issuance of OESC Notes between OESC and the Note Trustee as supplemented and amended by the OESC First Supplemental Note Indenture and the OESC Second Supplemental Note Indenture.

“OESC Quebec Inc.” means La Corporation d'économie d'énergie du Québec Inc. a company incorporated under the laws of the Province of Quebec on March 11, 2004.

“OESC Second Supplemental Note Indenture” means the second supplemental note indenture between OESC and the Note Trustee made as of December 19, 2007.

"OESC Shareholders' Agreement" means the shareholders' agreement dated April 30, 2001 among the Fund, a predecessor of OESC, Exchange and the shareholders and former shareholders of OESC as amended by the Clarification and Restatement Agreement and the Consent and Approval Agreement.

"OESLP" means the limited partnership formed under the laws of the Province of Ontario with the name Ontario Energy Savings L.P. pursuant to the OESLP Limited Partnership Agreement.

"OESLP Acquisition Agreement" means the acquisition agreement between OESLP and a predecessor of OESC dated August 1, 2005 pursuant to which OESLP acquired substantially all of the assets and certain related liabilities of OESC's predecessor.

"OESLP Limited Partnership Agreement" means the limited partnership agreement dated June 1, 2005 between a predecessor of OESC, as general partner, and ESIF CT, as the limited partner, as amended by amending agreement #1 dated August 1, 2005.

"OESLP Natural Gas Licence" means Licence Number GM-2005-0316 issued by the OEB to OESLP on July 15, 2005 authorizing OESLP to serve as a gas marketer in the Province of Ontario to July 14, 2010.

"**Preference Shares**" means, collectively, the Class A Preference Shares, the Class B Preference Shares and the Class C Preference Shares.

"**Quebec Energy Savings**" means the limited partnership formed under the laws of the Province of Quebec with the name Energy Savings (Quebec) L.P. pursuant to a limited partnership agreement dated March 18, 2004 .

"**RCE**" means a residential customer equivalent which is a unit of measurement equivalent to a customer using, as regards natural gas, 2,815 m³ (or 106 GJ's) of natural gas on an annual basis and, as regards electricity, 10,000 kWh of electricity on an annual basis, which represents respectively the approximate amount of gas and electricity used by a typical household.

"**Shareholder Exchange Rights**" means the rights granted by Exchange (now Exchangeco II), to the holders of Preference Shares pursuant to the OESC Shareholders' Agreement entitling the holders thereof to require Exchange (now Exchangeco II), to purchase their Preference Shares and to satisfy the purchase price for such Preference Shares by the transfer of Units to them.

"**Shell Energy**" means Shell Energy North America (Canada) Inc., an affiliate of Shell Oil Company.

"**Shell Entities**" means Shell Energy and Shell Energy North America (US) L.P.

"**Special Management Incentive Program**" means the bonus which each of the holders of Class A Preference Shares is entitled to receive, on a quarterly basis, equal to the amount he would have received had he been a holder of record on the record date for all distributions made on Units in respect of such quarter of a number of Units equivalent to the number of Class A Preference held by him.

"**Special Resolution**" means a resolution passed by a majority of not less than 66 $\frac{2}{3}$ % of the votes cast, either in person or by proxy, at a meeting of Unitholders, called for the purpose of approving such resolution, or approved in writing by the holders of not less than 66 $\frac{2}{3}$ % of the Units entitled to be voted on such resolution.

"**Subsidiary**" shall have the meaning ascribed thereto in the OBCA.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.

"**Trustee**" means Montreal Trust Company, trustee pursuant to the Declaration Trust.

"**TSX**" means the Toronto Stock Exchange.

"**Unitholders**" means the holders from time to time of Units and includes, while the Units are registered in the Book-Entry Only System, the beneficial owners of Units.

"**Units**" means the units of the Fund, each unit representing an equal undivided beneficial interest therein.

"**WACOG**" means, for any period, the weighted average cost of gas for such period, which is generally derived by weighting the gas volumes by the gas prices paid under specific gas contracts to produce one average price for a gas supply portfolio.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

All share and Unit amounts relating to Preference Shares, Common Shares and Units reflect each of the 2:1 subdivisions effective July 29, 2002 and January 30, 2004.

SCHEDULE "B" - OESC SHAREHOLDERS' AGREEMENT

(March 31, 2009)

On April 30, 2001 the Fund, a predecessor of OESC, the shareholders of a predecessor of OESC (including former shareholders who were issued Units in lieu of Preference Shares), Exchange, Electrico and the shareholders of Electrico entered into the OESC Shareholders' Agreement which Agreement was amended and restated by the Clarification and Restatement Agreement and further amended by the Consent and Approval Agreement. The following is a summary of the material provisions of the OESC Shareholders' Agreement as amended and restated which does not purport to be complete. Reference is made to the OESC Shareholders' Agreement for a complete text of its provisions.

Directors of OESC

The OESC Shareholders' Agreement provides that the board of directors of OESC shall consist of a minimum of three and a maximum of ten directors, with the initial number of directors set at eight. The OESC Shareholders' Agreement provides that at least a majority of the directors shall be persons who are not officers or employees of OESC or any of its affiliates (as defined in the OBCA) or persons who beneficially own, directly or indirectly, or who exercise control or direction over, Units representing more than 10% of the outstanding Units on a fully-diluted basis or directors or officers of any such person or any of its affiliates.

Transfer of Common Shares and Preference Shares

On March 20, 2008, the OESC Shareholders' Agreement was amended to permit the transfer of Preference Shares to persons who were not parties thereto contingent on such parties' simultaneous exchange of such Preference Shares for Units.

Other than the above-indicated transfer, until the Fund is liquidated, the Class A Preference Shares may only be sold or otherwise disposed of pursuant to the Shareholder Exchange Rights and the related purchase for cancellation of such shares by OESC or in the event of:

- (a) a successful takeover bid for all of the Units, in which case the holders of Class A Preference Shares are obligated to sell their Preference Shares to:
 - (i) the successful bidder; or
 - (ii) the Fund, if that takeover bid is not also made to the holders of the Class A Preference Shares or if the price of the bid for the Class A Preference Shares is less than the price per Class A Preference Share described below, in which case the Fund is obligated to purchase the Class A Preference Shares;
 - at a cash price per share equal to the price paid per Unit pursuant to the successful takeover bid multiplied by the number of Units which the holders of the Class A Preference Shares would be entitled to receive if they exercised the Shareholder Exchange Rights relating to the Class A Preference Shares on the date of purchase divided by the number of Class A Preference Shares outstanding; or
- (b) a takeover bid, amalgamation, plan of arrangement or other business combination involving all of the shares of OESC.

If a takeover bid is made for all of the Units and not less than 90% of the Units on a fully-diluted basis (other than Units held at the date of the takeover bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the Fund shall have the option, exercisable within 60 days of the termination of the takeover bid, to require the holders of the Class A Preference Shares to sell their Class A Preference Shares to the Fund at a price per Class A Preference Share determined on the same basis as set forth in paragraph (a) above.

Shareholder Exchange Rights

Pursuant to the OESC Shareholders' Agreement, the Shareholder Exchange Rights granted to holders of Class A Preference Shares entitle the holders thereof to require Exchangeco II to acquire Class A Preference Shares in exchange for Units. The Shareholder Exchange Rights may be exercised with respect to such number of Preference Shares up to the number of Preference Shares held by the relevant holder at such time on the last day of any calendar quarter upon 10 days written notice to the Fund, OESC and Exchangeco II.

In the case of the Class A Preference Shares, the Shareholder Exchange Rights entitle the holder of such shares to receive a number of Units equivalent to the number of Class A Preference Shares in respect of which the Shareholder Exchange Rights have been exercised.

Exchangeco II Exchange Rights

To enable Exchangeco II to honour its obligations pursuant to the Shareholder Exchange Rights, the Fund has granted to Exchangeco II, the Exchangeco II Exchange Rights, providing Exchangeco II the right to purchase from treasury, that number of Units required by Exchangeco II from time to time to fulfill its obligations under the Shareholder Exchange Rights. The purchase price for such Units is the market price of the Units to be purchased as at the date of exercise by the Shareholder of the Shareholder Exchange Rights which they are being issued in respect of (determined on the basis set forth under "Declaration of Trust and Description of Units – Redemption Right") and shall be satisfied by the issuance by Exchangeco II to the Fund of Exchangeco II Notes with a principal amount equal to such market price.

OESC is required, subject to applicable law, to purchase from Exchangeco II for cancellation all Preference Shares acquired by Exchangeco II from time to time pursuant to the exercise of the Shareholder Exchange Rights for an amount equal to (the "Preference Share Purchase Price") which as regards: (i) Class A Preference Shares is equal to the market price of the Units exchanged by Exchangeco II for such Class A Preference Shares, (ii) Class B Preference Shares is equal to the redemption price, i.e., \$2.50 per Share, together with all accrued and unpaid dividends thereon, if any, and (iii) Class C Preference Shares, and OESC will satisfy the purchase price by the issue to Exchangeco II of additional OESC Notes in a principal amount equal to the total Preference Share Purchase Price. Once all of the Shareholder Exchange Rights have been exercised and all of the Preference Shares have been purchased for cancellation, OESC and Exchangeco will amalgamate.

Pursuant to the terms of the OESC Shareholders' Agreement, on the earlier of (i) March 31, 2016, (ii) the date of the termination of the employment or consulting arrangement with OESC and a holder of Class A Preference Shares for any reason, (iii) the date of death of a holder of Class A Preference Shares, and (iv) the date upon which a holder of Class A Preference Shares becomes a non-resident of Canada within the meaning of the Tax Act, all of the Shareholder Exchange Rights held by such holders relating to Class A Preference Shares which have not been exercised by such date shall be deemed to have been exercised.

All of the Shareholder Exchange Rights relating to Class B Preference Shares were exercised on or before January 1, 2004.

Special Management Incentive Program

Each of the holders of the Class A Preference Shares is entitled to receive, on a quarterly basis, a management bonus equal to the amount that such holder would have received had he been a holder of record on the record date for all distributions made on Units in respect of such quarter of a number of Units equivalent to the number of Class A Preference Shares held by the individual.

Other Matters

The OESC Shareholders' Agreement also provides that no additional Preference Shares may be issued and that the Fund will not accept an offer or agree to support any proposal involving its Common Shares or Preference Shares unless the same offer or proposal is made to the holders of Preference Shares for their Preference Shares for a consideration based on the consideration for the Common Shares which reflects the percentage indirect interest of

the holders of the Preference Shares in OESC through the Fund on the basis that they had exercised all of the Shareholder Exchange Rights.

At March 31, 2009, all 5,263,728 outstanding Preference Shares were and continue, at the date of the 2009 Annual Information Form, to be owned by Rebecca MacDonald, Executive Chair and a director of OESC.

SCHEDULE "C" - DECLARATION OF TRUST AND DESCRIPTION OF UNITS

(March 31, 2009)

Declaration of Trust

The Fund is an open-ended, limited purpose trust established under the laws of the Province of Ontario and is governed by the Declaration of Trust. The Fund qualifies as a mutual fund trust for the purposes of the Tax Act. The following is a summary of the material attributes and characteristics of the Units and certain provisions of the Declaration of Trust which does not purport to be complete. Reference is made to the Declaration of Trust for a complete description of the Units and the full text of its provisions.

Activities of the Fund

The Declaration of Trust provides that the Fund is restricted to:

- (a) investing in securities, including those issued by OESC and Exchangeco II;
- (b) temporarily holding cash in interest-bearing accounts or short-term government debt for the purposes of paying the expenses of the Fund, paying amounts payable by the Fund in connection with the redemption of any Units and making distributions to Unitholders; and
- (c) issuing Units (i) for cash or in order to acquire securities including those issued by OESC and (ii) upon the exercise of the Exchangeco II Exchange Rights granted by the Fund to Exchangeco II pursuant to the OESC Shareholders' Agreement.

Units

An unlimited number of Units may be issued pursuant to the Declaration of Trust. Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Units are of the same class with equal rights and privileges. The Units are not subject to future calls or assessments, and entitle the holder thereof to one vote for each whole Unit held at all meetings of Unitholders. Pursuant to the Declaration of Trust, the holders of the Preference Shares will be entitled to vote in all votes of Unitholders (including resolutions in writing) as if they are the holders of the number of Units which they would receive if they exercised their Shareholder Exchange Rights as of the record dates for such votes and will be treated in all respects as Unitholders for the purposes of any such vote. Except as set out under "Redemption Right" below, the Units have no conversion, retraction, redemption or pre-emptive rights.

Issuance of Units

The Declaration of Trust provides that Units or rights to acquire Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Administrator determines. Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a *pro rata* basis. The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution, providing however that the Administrator may in its sole discretion as part of a resolution of the Administrator approving any *pro rata* distribution of additional Units determine there be no such consolidation of Units.

Trustee

The Trustee of the Fund is Montreal Trust Company of Canada, 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

The Declaration of Trust provides that, subject to the terms and conditions thereof, the Trustee may, in respect of the trust assets, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof and shall supervise the investments and conduct the affairs of the Fund. The Declaration of Trust prohibits a non-resident of Canada (as that term is defined in the Tax Act) from acting as the Trustee. The Trustee is responsible for, among other things: (i) acting for, voting on behalf of and representing the Fund as a shareholder and noteholder of OESC and Exchangeco; (ii) maintaining records and providing reports to Unitholders; (iii) supervising the activities of the Fund; (iv) effecting payments of distributable cash from the Fund to Unitholders; and (v) voting in favour of the Fund's nominees to serve as directors of OESC.

The Trustee may resign upon 60 days' written notice to the Fund and may be removed by an ordinary resolution of the Unitholders and the vacancy created by such removal or resignation must be filled at the same meeting, failing which it may be filled by the former Trustee.

The Declaration of Trust provides that the Trustee shall act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Trustee shall be entitled to indemnification from the Fund in respect of the exercise of its powers, and the discharge of its duties provided that it acted honestly and in good faith with a view to the best interests of all the Unitholders.

Administration of the Fund

The Fund entered into the Administration Agreement with a predecessor of OESC on April 30, 2001 pursuant to which OESC has agreed to act as Administrator of the Fund. The Administrator will provide or arrange for the provision of services required in the administration of the Fund. These services may include arranging and paying for annual audit and regulatory public reporting services and costs, arranging for, and paying the cost of, legal counsel, monitoring and co-ordinating the activities of, and paying the fees of, the transfer agent and registrar for the Units, arranging for distributions to Unitholders, and providing reports to Unitholders. All such costs, other than the amounts of the distributions to the Unitholders, are the responsibility of the Administrator. Unitholders may terminate the Administration Agreement by Special Resolution.

Cash Distributions

The amount of cash to be distributed monthly per Unit shall be equal to a *pro rata* share of interest and principal repayments on the OESC Notes and Exchangeco II Notes and distributions, if any, on or in respect of the Common Shares of OESC and the common units of ESIF-CT owned by the Fund (including distributions received by ESIF-CT from the business carried on by B.C. Energy Savings, Alberta Energy Savings, Quebec Energy Savings through ESLP), received by the Fund less: (i) administrative expenses and other obligations of the Fund; (ii) amounts which may be paid by the Fund in connection with any cash redemptions of Units; and (iii) any other interest expense incurred by the Fund between distributions. Any income of the Fund which is applied to any such cash redemptions of Units or is otherwise unavailable for cash distribution will be distributed to Unitholders in the form of additional Units. Such additional Units will be used pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

The Fund receives proceeds from dividends on the Common Shares and may receive distributions on the common units of ESIF-CT owned by the Fund.

Redemption Right

Units are redeemable at any time on demand by the holders thereof. As the Units are issued in book entry form, a Trust Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from his or her investment dealer who will be required to deliver the completed redemption notice form to CDS. Upon receipt of the redemption notice by the Fund, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Unit (the "Redemption Price") equal to the lesser of: (i) 90% of the "market price" of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period commencing immediately subsequent to the date on which the Units were surrendered for redemption (the "Redemption Date"); and (ii) the "closing market price" on the principal market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, "market price" will be an amount equal to the simple average of the closing price of the Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the "market price" shall be an amount equal to the simple average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the "market price" shall be the simple average of the following prices established for each of the 10 trading days: the average of the last bid and last asking prices of the Units for each day there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the average of the highest and lowest prices of the Units for each day that there was trading if the market provides only the highest and lowest prices of Units traded on a particular day. The "closing market price" shall be an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Units if there was trading and the exchange as other market provides only the highest and lowest prices of Units traded on a particular day; the average of the last bid and last asking prices of the Units if there was no trading on that date.

The aggregate Redemption Price payable by the Fund in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on the last day of the month following the quarter in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Fund in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000.00; (ii) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Administrator considers, in its sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then each Unit tendered for redemption shall, subject to any applicable regulatory approvals, be redeemed by way of a distribution in specie of a *pro rata* number of securities of OESC and Exchangeco II held by the Fund. No fractional Common Shares or OESC Notes or Exchangeco II Notes in integral multiples of less than \$10 will be distributed and, where the number of securities of OESC to be received by a Unitholder includes a fraction or a multiple less than \$10, such number shall be rounded to the next lowest whole number or integral of \$10. The Fund shall be entitled to all interest paid on the OESC Notes and the Exchangeco II Notes and the distributions paid on the Common Shares on or before the date of the distribution in specie.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Securities of OESC and Exchangeco II which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in securities of OESC or Exchangeco II and they may be subject to resale restrictions under applicable securities laws.

Securities of OESC or Exchangeco II so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans and registered education savings plans, each as defined in the Tax Act, depending upon the circumstances at the time.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders must be called and held for the election or removal of nominees of the Fund to serve as directors of OESC (except filling casual vacancies), the removal of the Trustee, the appointment or removal of the auditors of the Fund, the appointment of an inspector to investigate the performance by the Trustee or Administrator in respect of their respective responsibilities and duties in respect of the Fund, the approval of amendments to the Declaration of Trust (except as described under "Amendments to the Declaration of Trust" below), the sale of all or substantially all of the assets of the Fund, the exercise of certain voting rights attached to securities of OESC and Exchangeco II held by the Fund (see "Exercise of Certain Voting Rights Attached to Securities of OESC and Exchangeco II" below) and the dissolution of the Fund prior to the end of its term. A resolution electing or removing nominees of the Fund to serve as directors of OESC and a resolution

appointing or removing the Trustee or the auditors of the Fund must be passed by a simple majority of the votes cast by Unitholders. The balance of the foregoing matters must be passed by a Special Resolution. Meetings of Unitholders will be called and held annually for the election of the nominees of the Fund to serve as directors of OESC and the appointment of auditors of the Fund.

A meeting of Unitholders may be convened at any time and for any purpose by the Administrator or the Trustee and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxy-holder need not be a Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 25% of the votes attached to all outstanding Units shall constitute a quorum for the transaction of business at all such meetings.

Pursuant to the Declaration of Trust, the holders of the Class A Preference Shares will be entitled to vote in all votes of Unitholders (including resolutions in writing) as if they are the holders of the number of Units which they would receive if they exercised their Shareholder Exchange Rights as of the record dates for such votes and shall be treated in all respects as Unitholders for the purposes of any such vote.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of a majority of the Units. The Trustee or the Administrator may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustee or the Administrator becomes aware as a result of requiring such that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar shall make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that he or she is not a non-resident. If, notwithstanding the foregoing, the Trustee or the Administrator determines that a majority of the Units are held by non-residents, the Trustee may send a notice to non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustee or the Administrator may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustee or the Administrator with satisfactory evidence that they are not non-residents within such period, the Trustee or the Administrator may, on behalf of such Unitholders, sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be holders of the Units and their rights shall be limited to receiving the net proceeds of such sale.

At May 15, 2009, non-residents of Canada held approximately 35% of the securities of the Fund on a fully diluted basis.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by Special Resolution of the Unitholders.

The Trustee may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustee or over the Fund;

- (b) which, in the opinion of counsel to the Fund, provide additional protection for Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which, in the opinion of the Trustee, are necessary or desirable and not prejudicial to the Unitholders; and,
- (d) which, in the opinion of the Trustee, are necessary or desirable as a result of changes in Canadian taxation laws.

On June 27, 2003, the Unitholders and holders of Preference Shares approved a Special Resolution amending the Declaration of Trust to permit the Fund to borrow money and guarantee the obligations of any subsidiary to provide security therefore. On June 29, 2004, the Unitholders and holders of Preference Shares approved a Special Resolution to further amend the Declaration of Trust to expand the investment powers of the Fund as set forth on pages 19 to 21 of the Fund's Management Proxy Circular for its meeting held on June 29, 2004 under the heading "Special Items of Business (a) Proposed Amendment to the Fund's Declaration of Trust" which is incorporated herein by reference (See Sedar reference and project # 794407 at Sedar at www.sedar.com). On December 20, 2007, the Unitholders and holders of Class A Preference Shares approved a Special Resolution amending Section 3.6(a) of the Declaration of Trust to provide that the Administrator may, in its sole discretion, determine that Units issued as part of a distribution not be immediately consolidated after the issue thereto. On May 14, 2009 the Declaration of Trust was amended to change the name of the Fund to Just Energy Income Fund effective June 1, 2009. The Fund is seeking approval at its Annual and Special Meeting on June 25, 2009 by way of a special resolution to amend the Fund's Declaration of Trust to create special voting rights for the holders of exchangeable securities to be issued in connection with the acquisition of Universal.

Term of the Fund

The Fund has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on February 14, 2001. On a date selected by a Trustee which is not more than two years prior to the expiry of the term of the Fund, the Trustee is obligated to commence to wind up the affairs of the Fund so that it will terminate on the expiration of the term. In addition, at any time prior to the expiry of the term of the Fund, the Unitholders may by Special Resolution require the Trustee to commence to wind up the affairs of the Fund.

The Declaration of Trust provides that, upon being required to commence to wind up the affairs of the Fund, the Trustee will give notice thereof to the Unitholders, which notice shall designate the time or times at which time Unitholders may surrender their Units for cancellation and the date at which the register of Units will be closed. After the date the register is closed, the Trustee shall proceed to wind up the affairs of the Fund as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Unitholders, sell and convert into money the Common Shares, the OESC Notes, the Exchangeco II Common Shares and the Exchangeco II Notes and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustee shall distribute the remaining part of the proceeds of the sale of the Common Shares, the OESC Notes, the Exchangeco II Common Shares and the Exchangeco II Notes and other assets together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their *pro rata* interests. If the Trustee is unable to sell all or any of the Common Shares, the OESC Notes, the Exchangeco II Common Shares or the Exchangeco II Notes or other assets which comprise part of the Fund by the date set for termination, the Trustee may distribute the remaining Common Shares, OESC Notes, the Exchangeco II Common Shares and the Exchangeco II Notes or other assets in specie directly to the Unitholders in accordance with their *pro rata* interests subject to obtaining all required regulatory approvals.

Takeover Bids

The Declaration of Trust contains provisions to the effect that if a takeover bid is made for the Units and not less than 90% of the Units (other than Units held at the date of the takeover bid by or on behalf of the offeror or

associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the takeover bid on the terms offered by the offeror.

Exercise of Certain Voting Rights Attached to Securities of OESC and Exchangeco II

The Declaration of Trust provides that the Fund shall not vote its Common Shares, OESC Notes, Exchangeco II Common Shares or Exchangeco II Notes to authorize, among other things:

- (a) any sale, lease or other disposition of all or substantially all of the assets of OESC or Exchangeco II, except in conjunction with an internal reorganization;
- (b) any amalgamation (other than the Amalgamation or the amalgamation of OESC and Exchangeco II as may be contemplated by the OESC Shareholders' Agreement), arrangement or other merger of OESC with any other company, except in conjunction with an internal reorganization;
- (c) any material amendment to the Note Indenture;
- (d) any material amendment to the Exchangeco II Note Indenture;
- (e) any material amendment to the articles of OESC to change the authorized share capital in a manner which may be prejudicial to the Fund or amend the rights, privileges and conditions attached to the Common Shares or the Preference Shares;
- (f) any material amendment to the articles of Exchangeco II to change the authorize share capital in a manner which may be prejudicial to the Fund or amend the rights, privileges and conditions attached to the Exchangeco II Common Shares; or
- (g) the removal of the Administrator,

without the authorization of the Unitholders by Special Resolution.

Information and Reports

The Fund furnishes to Unitholders such consolidated financial statements of the Fund (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Unitholders, the Trustee will provide the Unitholders (along with notice of such meeting) all such information as is required by applicable law to be provided to such holders.

OESC has undertaken to provide the Fund with (i) a report of any material change that occurs in the affairs of OESC in form and content that it would file with applicable regulatory authorities as if it were a reporting issuer; and (ii) all financial statements that it would be required to file with applicable regulatory authorities as if it were a reporting issuer under applicable securities laws. All such reports and statements will be provided to the Fund in a timely manner so as to permit the Fund to comply with the continuous disclosure requirements relating to reports of material changes in its affairs and the delivery of financial statements as required under applicable securities laws.

Book-Entry Only System

Registration of interests in and transfers of the Units will be made only through a book-based system administered by The Canadian Depository for Securities Limited ("CDS") (the "Book-Entry Only System"). On April 30, 2001 the Trustee delivered to CDS certificates evidencing the aggregate number of Units subscribed for pursuant to a final prospectus for the Fund dated April 20, 2001. Similar deliveries were made with respect to exercise of the over allotment option on May 16, 2001 and upon the exchange of the subscription receipts for Units on May 8, 2002 and were and will continue to be made in connection with the issue by the Fund of Units pursuant to: (a) the exercise of

Exchangeco II Exchange Rights, (b) the exercise of options granted pursuant to the Fund's Unit Option Plan, (iii) the exchange of unit appreciation rights granted pursuant to the Fund's 2004 Unit Appreciation Rights Plan and (iv) the exchange of deferred unit grants granted pursuant to the Fund's Director Deferred Compensation Plan. Units must be purchased, transferred and surrendered for redemption through a participant in the CDS depository service (a "CDS Participant"). All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholder is entitled will be made or delivered by, CDS or the CDS Participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the Book-Entry Only System in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

SCHEDULE "D" - FORM 52-110F1**AUDIT COMMITTEE INFORMATION REQUIRED IN AN AIF**

1. **The Audit Committee's Charter.** The text of OESC's audit committee's charter as amended on October 3, 2008 is attached hereto as Schedule "E".
2. **Composition of the Audit Committee and Relevant Education and Experience.** At March 31, 2009, OESC's audit committee consisted of Michael J.L. Kirby (Chair), Hugh D. Segal and Brian R.D. Smith. All members of the audit committee are independent and financially literate (as those terms are defined in Multilateral Instrument 52-110 – Audit Committees). **Mr. Kirby**, Chair of the Committee, has a PhD in applied mathematics and has been Chair of the Audit Committee for over seven years. He has been a member of the faculty of several business schools, including the University of Chicago. For several years in the 1990's he was Chair of the Standing Senate Committee on Banking, Trade and Commerce, the Senate Committee which is responsible for all legislation and regulations affecting business. Until recently, Mr. Kirby was Vice-Chair of the Accounting Standards Oversight Board. Currently, he serves as a director of five TSX listed companies and is chair of the Audit Committee of two of them: The Bank of Nova Scotia and Indigo Books and Music Inc. Mr. Smith became a director of OESC on August 21, 2001 and a member of the Audit Committee on August 13th, 2003. **Mr. Smith** has had significant business experience including serving as Chair of BC Hydro from February 1996 to June 2001 and Chair of Canadian National Railways from 1989 to 1994 where, in both positions he was inextricably involved in strategic financial planning and reporting. In his role as Minister of Education, Minister of Energy and Mines and Attorney General in the government of the Province of British Columbia between 1979 to 1994, Mr. Smith developed an acute understanding of public and private finance matters. Mr. Smith serves on the board as a member of the audit committee of four Canadian publicly listed companies and serves as a member of the audit committee of one of such companies. **Mr. Segal** was President of the Institute for Research on Public Policy until May 31, 2006 and has been a member of the OESC Audit Committee since 2003. Mr. Segal serves as a director of two TSX listed companies including SNC Lavalin Inc. He has served as a member of the audit committee of two publicly listed companies. He is a senior fellow at the Queen's School of Policy Studies and an Adjunct Professor at the Queen's School of Business. Mr. Segal developed the ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and reserves as President, between 1982 and 1991 of a company with \$100 million in sales. Beyond his undergraduate degree and business experience, Mr. Segal studied trade economics at the graduate level and between 1982 and 1991, advised clients on takeovers and merger activity. Between 1996 and 1998 he also served on the staff of a major Bay Street investment firm.
3. **Pre-Approval Policies and Procedures.** Recommendations are made from time to time from management to the Audit Committee for the engagement of all non-audit services. The Audit Committee considers such recommendations for pre-approval at its quarterly meetings or sooner, if necessary providing that where necessary, this function may be delegated to the Chair of the Audit Committee for approval on the basis that the Chair reports all such approvals to the Audit Committee at its next regularly scheduled meeting.
4. **External Auditor Service Fees (By Category).** For fiscal 2009, fees charged by KPMG LLP for the audit and related services to the Fund and its affiliates were \$565,066 (2008 - \$490,100). Fees for tax related services amounted to \$445,644 (2008 - \$97,418) and other fees were \$27,272 (2008 - nil). Total fees for fiscal 2009 were \$1,037,982 (2008 - \$587,518). No other services were provided to the Corporation and its subsidiaries by KPMG LLP.

SCHEDULE "E" - AUDIT COMMITTEE MANDATE**ONTARIO ENERGY SAVINGS CORP. (the "Company")******(as attorney and administrator for Just Energy Income Fund (the "Fund"))****1. COMPOSITION**

- (a) Applicable Canadian corporate and provincial securities legislation, regulation and policies and the Toronto Stock Exchange by-laws rules, regulation and policies ("Applicable Legislation") require that an audit committee (the "Committee") be comprised of a minimum of three directors, all of whom will be independent as defined by Applicable Legislation and each of whom shall not have any material relationship with the Fund or any affiliate thereof, i.e., a relationship that could, in the view of the Company's board of directors (the "Board") reasonably interfere with the exercise of a member's independent judgment.
- (b) The Board of Directors of the Company (the "Board") will appoint the members of the Committee annually at the first meeting of the Board after the annual meeting of unitholders of the Fund and shall ensure that the members of the Committee meet the qualifications and other requirements outlined in (a) above.
- (c) Committee members will be appointed for a one year term and may be reappointed subject to the discretion of the Board having regard: (i) to Applicable Legislation and, (ii) the desire for continuity and for periodic rotation of Committee members.
- (d) One of the members of the Committee who is otherwise qualified under Applicable Legislation shall be appointed Committee Chair by the Board. The Committee shall appoint a Secretary. Any Committee member, who for any reason, is no longer independent, ceases to be a member of the Committee.

2. AUTHORITY

- (a) The Board may authorize the Committee to investigate any activity of the Fund or the Company and any affiliate thereof for which the Committee has responsibility or with respect to those responsibilities imposed on audit committees herein and by Applicable Legislation. All employees are to co-operate as requested by the Committee.
- (b) The Committee may, without the approval of management, retain persons having special expertise to assist the Committee in fulfilling its responsibilities, including outside counsel or financial experts and provide for their remuneration.
- (c) The external auditor shall report to the Committee.

3. MEETINGS

- (a) The Committee is to meet at least four times per year. The meetings will be scheduled to permit the review of the scope of the audit as presented by the Fund's auditor before commencement of the audit and the timely review of the quarterly and annual financial statements and such other annual filings required to be made by the Fund and any affiliate thereof containing financial information about the Fund and any affiliate thereof including the AIF, MD&A (quarterly and annual), quarterly press releases, reports to Unitholders the management proxy circular and such other disclosure documents applicable to the Fund and any affiliate thereof which contain financial data based upon, derived from or to form part of the financial statements of the Fund and contemplated by Applicable Legislation.

- (b) Meetings of the Committee shall be validly constituted if a majority of members of the Committee are present in person or by telephone conference. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member or the external auditors or any director of the Company not a member of the Committee.
- (c) Any member of the external auditors of the Fund is entitled to receive notice of every meeting of the Committee and at the Company's expense, to attend and be heard thereat and, if requested by a member of the Committee, to attend any meeting of the Committee.
- (d) The Committee should require the attendance of the Fund's auditors at least once each year, and at such other times as the Committee deems appropriate in the context of Applicable Legislation and its responsibilities as outlined below. The Fund's external auditor shall be requested to review and comment on all disclosure documents issued by the Fund or the Company containing financial statements or information derived therefrom.
- (e) The Committee shall meet privately with the external auditor at least quarterly excluding members of management other than the Secretary to the Committee.

4. REPORTING

- (a) The minutes of all meetings of the Committee are to be provided to the Board and to the Fund's auditor. Oral reports by the Chair on recent matters not yet minuted will be provided to the Board at its next meeting. Minutes of all Committee meetings will be subsequently reviewed and approved by the Committee.
- (b) Supporting schedules and information reviewed by the Committee will be available for examination by any director or the Fund's auditor upon request to the Secretary of the Committee.

5. RESPONSIBILITIES

The general responsibility of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to unitholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that management has established; (v) performance of the internal and external audit process and of the independent auditor; and, (vi) to the extent not addressed by the Risk Committee, the implementation and effectiveness of the policies of the Fund relating to Risk Management Policy and Procedures, the Policy on Distributions and such other policies of the Fund approved from time to time by the Board or the Committee.

The specific responsibilities of the Committee shall be as follows:

- (a) to review the Fund's quarterly and annual financial statements and any other financial statements of the Fund and its affiliates required to be prepared by Applicable Legislation or otherwise for dissemination to the public, so as to be satisfied they are fairly presented in accordance with generally accepted accounting principles and in accordance with Applicable Legislation and to recommend to the Board whether the quarterly and the annual financial statements and any such other financial statements should be approved by the Board;
- (b) prior to the dissemination to the public, to review the financial information and financial data contained in the Fund's quarterly financial statements, Annual Report to Unitholders and other financial publications of the Fund or any affiliate thereof (including the Fund's interim and year end management discussions and analysis of financial condition and results of operation, annual information form, proxy information circular, quarterly press releases and material and timely disclosure reports containing any financial data) and the financial information contained in a prospectus of the Fund or any affiliate thereof or other document filed with any regulatory authority so as to be satisfied that the financial information and financial data is not significantly erroneous, misleading or incomplete and contains full, true and plain disclosure of all material

facts or as otherwise required by Applicable Legislation and to make recommendations to the Board with respect to all such disclosure documents;

- (c) to be satisfied that management of the Fund and any affiliate thereof have implemented appropriate systems of capture of financial information and internal control over financial reporting and that these are operating effectively;
- (d) to be satisfied that management of the Fund and the Company have implemented appropriate systems of internal control to ensure compliance with Applicable Legislation and ethical requirements and particularly to be satisfied that internal controls over financial reporting and disclosure controls and procedures are in place and that internal controls have been designed and implemented to provide reasonable assurance that the Fund's financial statements and other documents required to be mailed to unitholders or filed with regulatory authorities are fairly presented so as to enable the Chief Financial Officer and the Chief Executive Officer (and any other officer or director of the Company as may be required by Applicable Legislation) to personally certify the Fund's financial statements as required by Applicable Legislation;
- (e) to the extent not addressed by the Risk Committee, to be satisfied that management of the Fund, the Company and each affiliate thereof have implemented effective systems to identify significant financial and other risks of the business and changes to these risks. The Committee will review reports from management related to these risks and to make recommendations to the Board with respect to a Risk Management Policy;
- (f) to recommend to Board the appointment of external auditors nominated at each annual meeting of unitholders and provide oversight with respect to the external audit engagement. The Committee will also recommend to the Board the re-appointment or appointment of the external auditors and the compensation payable to them. The Committee will pre-approve all non-audit services to be provided to the Fund and its affiliates by the Fund's external auditors providing that where necessary, this function may be delegated to the Chair of the Committee for approval on the basis that the Chair reports all such approvals to the Committee at its next regularly scheduled meeting;
- (g) to be satisfied that any significant or material matter brought to the attention of the Committee by the Fund's external auditors or matters where there is significant disagreement between the Fund's external auditors and Company officers (including the resolution or proposed resolution thereof) are communicated to the Board;
- (h) to be satisfied that all significant matters raised in any report to management by the external auditors are being addressed and dealt with by management in a satisfactory manner and, to the extent they are not, to make a report to the Board;
- (i) to be satisfied that the declaration and payment of dividends and/or distributions by any affiliate of the Fund to the Fund or to any affiliate thereof and the declaration and payment of distributions by the Fund to its unitholders, meet applicable legal requirements and Applicable Legislation and to make recommendations to the Board with respect thereto;
- (j) as and when required by Applicable Legislation or as otherwise required including the laws and regulations in all jurisdictions in which it operates to establish independent procedures (A) for the receipt, retention and treatment of complaints received by the Fund or any affiliate thereof regarding accounting, internal accounting controls or auditing matters, and (B) for the confidential communication of anonymous submissions to the Fund or any affiliate thereof and a member of the Committee of concerns regarding questionable accounting or auditing matters from employees including the submission of those complaints and concerns by logging into www.whistleblowerir.com, selecting the Energy Savings Group or ESG as the company and following the prompts which are available. This service is interactive and anonymous;
- (k) as and when required by Applicable Legislation, to be satisfied that disclosure controls and procedures are in place to ensure that material information required to be disclosed by Applicable

Legislation is recorded, processed and summarized and reported within the time periods specified in Applicable Legislation;

- (l) to ensure that the external auditors report annually on matters of independence;
- (m) to ensure that the external auditors prepare an external audit plan which, with any changes thereto, is reviewed by and acceptable to the Committee;
- (n) to review and approve the hiring policies of the Fund and any affiliate thereof regarding partners, employees (past or current) of the present and former external auditors of the Fund;
- (o) to review semi-annually all expenses relating to consulting and professional services including legal and audit;
- (p) to review semi-annually executive business expenses;
- (q) to review, analyse and implement all necessary procedures, controls and other similar requirements relating to financial matters arising from proposals to amend or introduce Applicable Legislation and the implementation or promulgation thereof;
- (r) once or more annually, as the Nominating and Corporate Governance Committee (NCG Committee) decides, to receive for consideration that Committee's evaluation of this Mandate and any recommended changes. Review and assess the NCG Committee's recommended changes and make recommendations to the Board for consideration;
- (s) to carry out any other appropriate duties and responsibilities assigned to the Committee by the Board; and
- (t) to honor the spirit and intent of Applicable Legislation as it evolves, authority to make minor technical amendments to this Mandate is delegated to the Corporate Secretary, who will report any amendments to the NCG Committee at its next meeting.

The Chair of the NCG Committee, in consultation with the Chair of the Committee, will periodically review the effectiveness of the Committee and the performance of each Committee member and report to the Board on their conclusions.

(Approved as amended by the Board of Directors on October 3, 2008)