

## **Just Energy Group Inc. 2014 U.S. Tax Information**

During 2014, the monthly dividend amount paid by JEGI from January to June was Cdn. \$0.07 per share. From July 2014 onwards, dividend payments were made on a quarterly basis and the quarterly dividend amount paid by JEGI on September 30, 2014 and December 31, 2014 was Cdn. \$0.125 per share

The following is intended to provide individual **U.S.** shareholders of JEGI additional information to assist in the preparation of their 2014 IRS Form 1040 – U.S. Individual income tax return:

### **JEGI Shares Held Within a Qualified Retirement Plan**

No amounts are required to be reported on an IRS Form 1040 – U.S. Individual Income Tax Return where JEGI shares are held within a qualified retirement plan.

### **JEGI Shares Held Outside of a Qualified Retirement Plan**

U.S. individual shareholders who hold their JEGI shares through a stockbroker or other intermediary should receive tax-reporting information from their stockbroker or intermediary. We expect that the stockbroker will issue a 2014 Form 1099–DIV “Dividends and Distributions” by February 2, 2015.

The amount included on Line 1b of the Form 1099–DIV represents dividends that could be eligible for the low dividend rate of tax. JEGI believes that its dividends are “Qualified Dividends” and therefore should be reported on Line 9b of the U.S. federal income tax return unless the fact situation of a particular U.S. individual shareholder determines otherwise. Refer to Page 22 of the IRS 2014 Form 1040 Instruction booklet for examples of individual situations where the dividends are not “Qualified Dividends”. In the case that the amount is not a “Qualified Dividend” due to individual situations, it should be reported on Line 9a of your U.S. federal income tax return as an Ordinary Dividend.

JEGI did not expect any portion of its dividend paid in 2014 to be non-taxable return of capital. However, for general information purposes, it should be noted that the amount included in Line 3 of the Form 1099–DIV is generally non-taxable. This amount is non-taxable if it is a return of your basis in the JEGI shares. You must reduce your basis by this amount for calculating capital gain or loss when you sell your JEGI shares. If this amount exceeds your basis, report the excess as a capital gain, even though the Form 1099–DIV shows the amount as non-taxable.

The amount included on Line 6 of the Form 1099–DIV representing the amount of foreign tax paid (Canadian withholding tax, see below) should be reported on Form 1116 “Foreign Tax Credit (Individual, Estate, or Trust)”. Information regarding the amount of Canadian tax withheld in 2014 should be available from your stockbroker or other intermediary and is not available from JEGI.

### **Canadian Withholding Tax**

Monthly dividends payable to non-residents of Canada are normally subject to a withholding tax of 25% as prescribed by the Income Tax Act of Canada. This withholding tax may be reduced in accordance with reciprocal tax treaties, and in the case of the Canada-U.S. Income Tax Convention (the "Treaty"), the withholding tax for U.S. residents is 15%. U.S. taxpayers may be eligible for a foreign tax credit with respect to the Canadian withholding taxes paid.

US shareholders who hold their JEGI shares in a Qualified Retirement Plan (e.g. IRA) should be exempted from Canadian withholding tax on their JEGI dividend income, based on the provisions of the Treaty. However, in order to have the exemption applied, the stockbroker or other intermediary of such shareholders should request a “letter of exemption” from the Canada Revenue Agency (“CRA”). For further details please refer to the CRA Tax Guide T4016 (available for review in the CRA website) or contact the International Tax Services Office of the CRA.

**This information is not exhaustive of all possible U.S. income tax considerations, but is a general guideline and is not intended to be legal or tax advice to any particular holder or potential holder of JEGI shares. Holders or potential holders of JEGI shares should consult their own legal and tax advisors as to their particular tax consequences of holding JEGI shares as well as to determine whether claiming a credit or deduction for foreign income taxes is more beneficial for you.**