

Emera Incorporated
2008 Renewal Annual Information Form
March 31, 2009



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Note: The information presented in this Annual Information Form is as of December 31, 2008 unless otherwise specified.

INTRODUCTION

Emera Incorporated ("Emera" or the "Company") is a Canadian energy holding company headquartered in Halifax, Nova Scotia. The Company invests in electricity generation, transmission and distribution as well as gas transmission and energy marketing.

For more information on the business operations of the Company, see "Narrative Description of the Business".

CORPORATE STRUCTURE

Name and Incorporation

Emera was incorporated as 3021211 Nova Scotia Limited on July 23, 1998 pursuant to the Companies Act (Nova Scotia). On September 11, 1998, its name was changed to NS Power Holdings Incorporated, and on July 10, 2000 its name was changed to Emera Incorporated. Emera's principal and head office is located at Scotia Square, 1894 Barrington Street, Halifax, Nova Scotia, B3J 2W5.

Intercorporate Relationships

Emera's two principal subsidiaries are Nova Scotia Power Incorporated ("NSPI") and Bangor Hydro-Electric Company ("Bangor Hydro").

NSPI is a wholly-owned subsidiary of Emera and was incorporated on July 13, 1984 pursuant to the Companies Act (Nova Scotia). The principal and head office of NSPI is located at Scotia Square, 1894 Barrington Street, Halifax, Nova Scotia, B3J 2W5.

Bangor Hydro is a wholly-owned subsidiary of Emera and was incorporated on June 9, 1924 pursuant to the laws of the State of Maine, United States of America. Bangor Hydro's principal and head office is located at 21 Telcom Drive, Bangor, Maine, 04401.

Emera's other subsidiaries account, in total, for less than twenty percent of total consolidated assets, sales, and operating revenues for the year ended December 31, 2008.

Emera Energy Incorporated ("Emera Energy") is another wholly-owned subsidiary of Emera and was incorporated on March 3, 2001 pursuant to the Companies Act (Nova Scotia). The principal and head office of Emera Energy is located at Scotia Square, 1894 Barrington Street, Halifax, Nova Scotia, B3J 2W5. Emera Energy Services, Inc. is an indirect wholly-owned subsidiary of Emera

Energy and together they engage in energy and gas trading, manage energy assets on behalf of third parties, and provide related services. For the purposes of this Annual Information Form, a reference to “Emera Energy Services” means both Emera Energy and its indirect subsidiary, Emera Energy Services, Inc.

Emera Brunswick Pipeline Company Ltd., a wholly-owned subsidiary of Emera, has completed a 145 kilometre natural gas pipeline (the “Brunswick Pipeline”) connecting the Canaport™ LNG LP (“Canaport™”) liquefied natural gas import terminal near Saint John, New Brunswick (the “Canaport™ Terminal”) to the northeastern United States.

Emera Utility Services Inc., a wholly-owned subsidiary of Emera, is a utility services contractor serving primarily power and telecommunications customers.

Emera’s other investments include a joint venture interest in Bear Swamp Power Company, LLC (“Bear Swamp”), a 600 megawatt pumped storage hydro-electric facility in northern Massachusetts; a 19% interest in St. Lucia Electricity Services Ltd. (“Lucelec”), a vertically integrated electric utility on the Caribbean island of St. Lucia; a 12.9% interest in the Maritimes & Northeast Pipeline (“M&NP”), and a 7.35% equity interest in OpenHydro Group Limited (“OpenHydro”), an Irish renewable tidal energy company. Lucelec is listed on the Eastern Caribbean Securities Exchange.

In September 2008, Emera acquired an indirect 25% interest in Grand Bahama Power Company Limited (“GBPC”) through its acquisition of 50% of the issued and outstanding shares of ICD Utilities Limited of the Bahamas (“ICDU”). ICDU is listed on the Bahamas International Securities Exchange.

NSPI is a reporting issuer under Canadian securities law and its renewal Annual Information Form dated March 31, 2009 (“NSPI’s AIF”) is hereby incorporated by reference.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Grand Bahama Power Company Limited

In September 2008, Emera acquired an indirect 25% interest in GBPC for US \$42 million (\$44.9 million Cdn.) through its acquisition of 50% of the shares of ICDU. ICDU owns 50% of the shares of GBPC. GBPC is a vertically integrated utility serving 19,000 customers on Grand Bahama Island in The Bahamas, and is the only electric utility operator on Grand Bahama Island. It has 137 MW of installed oil-fired capacity. The Grand Bahama Port Authority, Limited regulates GBPC

and has granted GBPC a licensed, regulated and exclusive franchise to produce, transmit and distribute electricity on Grand Bahama Island until 2054. There is a fuel pass-through mechanism, and flexible tariff adjustment policies ensure that costs are recovered and a reasonable return is earned.

Through its investment in ICDU, Emera elected 3 members to the 7 seat board of directors of GBPC.

Emera financed this acquisition with existing credit facilities.

OpenHydro Acquisition

In February 2008, Emera invested \$15 million to acquire a 7.35% equity interest in OpenHydro, an Irish renewable tidal energy company. OpenHydro designs and manufactures marine turbines for harnessing energy from tidal currents under the world's oceans.

Income tax recovery (2007 – 2008)

During 2008, NSPI accelerated the deduction of capitalized expenses pertaining to the 2007 tax year. As a result, in 2008 NSPI recorded an income tax recovery of \$6.5 million. NSPI will continue to use this methodology in future years.

During 2007, NSPI filed amended tax returns for 2000 to 2004 related to the deductibility of previously capitalized overhead expenses. Canada Revenue Agency (“CRA”) audited and approved the amended filings for these years. In 2008, NSPI amended its 2005 and 2006 tax returns on the same basis as was used for the 2000 to 2004 years. The amendments have since been processed by CRA. All material amounts relating to these prior year adjustments were recorded in the 2007 financial statements of NSPI. This resulted in an income tax recovery of \$25.4 million in Q3 2007, of which \$14.6 million was recorded as a reduction of other assets and the remaining \$10.8 million was recorded as a reduction of income tax expense. In addition, in Q4 2007, NSPI recorded refund interest of \$8.6 million, \$1.8 million of which was recorded as a reduction of other assets and the remaining \$6.8 million was recorded as a reduction of financing charges. NSPI used this methodology in filing its 2007 return and will continue to use this methodology when filing its 2008 and future income tax returns.

2007 & 2009 Rate Decisions and Fuel Adjustment Mechanism for NSPI

In February 2007 the Nova Scotia Utility and Review Board (the “UARB”) approved an average increase in electricity rates for NSPI of 3.8% effective April 1, 2007. The rate increase was part of a rate settlement agreement between NSPI and key stakeholders. NSPI’s return on equity (“ROE”) range remained at

9.3% to 9.8%. A central provision of the settlement was the agreement in principle that the UARB should establish a fuel adjustment mechanism (the "FAM") for NSPI.

In December 2007, the UARB issued a decision that conditionally approved and established achievable conditions for the implementation of the FAM effective January 1, 2009, with the first rate adjustment under the FAM occurring on January 1, 2010. The UARB is to oversee the FAM, including review of all fuel costs, contracts and transactions. NSPI's allowed ROE reduced by 0.2%, reducing its allowed earnings band to between 9.1% and 9.6%, with rates set at 9.35%.

On May 27, 2008, NSPI filed an application with the UARB requesting an increase in electricity rates effective January 1, 2009.

On September 15, 2008, NSPI announced that a settlement agreement had been reached with customer group representatives concerning the 2009 electricity rates, subject to review and approval by the UARB as part of a hearings process that commenced on September 15, 2008.

On November 5, 2008, the UARB announced its decision to approve this settlement. The decision means most NSPI customers, including residential and commercial customers, experienced a rate increase of 9.4% on January 1, 2009. The overall average increase across all classes was 9.3%. Rates were set for 2009 using a 9.35% ROE, with a common equity component of 37.5%, with the ability of the Company to increase to, and earn on, a common equity component of 45% of total capitalization. NSPI's allowed earnings band for 2008 was between 9.3% and 9.8%, on a maximum allowed common equity component of 40% of total capitalization.

The UARB decision also includes acceptance of the FAM starting on January 1, 2009, including a formal regulatory process to make annual rate adjustments starting in 2010 that would reflect actual increases or decreases in the cost of fuel during the previous year.

Bear Swamp Project

As part of its long-term energy and capacity supply agreement with the Long Island Power Authority ("LIPA"), Bear Swamp has contracted with its parent companies to provide the power necessary to produce the requirements of the LIPA contract. A contract between Bear Swamp and Emera's joint venture partner is marked-to-market through earnings as it does not meet the stringent accounting requirements of hedge accounting. As at December 31, 2008, the fair value of the net derivative asset was US \$4.9 million (December 31, 2007 – US

\$10.5 million), which is subject to market volatility of power prices, and will reverse over the life of the agreement as it is realized. The agreement expires in 2021.

For the year ended December 31, 2008, the mark-to-market adjustment to earnings was a loss of US \$8.1 million (US \$4.8 million after-tax) and was a gain of US \$11.1 million (US \$6.6 million after-tax) for 2007.

Investment in St. Lucia Electric Utility

In January 2007 Emera acquired a 19% interest in Lucelec from the Caribbean Basin Power Fund for US \$22 million.

Lucelec is a vertically-integrated electric utility serving more than 50,000 customers, with exclusive license to generate, transmit and distribute electricity on the Caribbean island of St. Lucia until 2045. The utility has 77 MW of generating capacity, primarily oil fired, and 800 kilometres of electricity transmission and distribution assets.

Emera's investment in Lucelec was financed using existing credit facilities.

Investment in Brunswick Pipeline

Brunswick Pipeline is a natural gas pipeline that will deliver natural gas from the Canaport™ Terminal near Saint John, New Brunswick, to markets in Canada and the northeastern United States. The 145 kilometer Brunswick Pipeline travels through southwest New Brunswick and connects with the M&NP at the Canada/US border near Baileyville, Maine. Emera has been an investor in M&NP since its inception in 1999.

Canaport™ is a partnership of Repsol YPF, S.A. ("Repsol") and Irving Oil Limited. Emera has negotiated a 25 year send-or-pay toll agreement with Repsol to transport natural gas through the Brunswick Pipeline. Emera has also negotiated agreements with its M&NP partner, Spectra Energy Corp., an affiliate of which is assisting Emera in the Brunswick Pipeline permitting and construction process and will be operating the pipeline on Emera's behalf.

Emera financed the investment with internally generated cash flow and debt.

The project received National Energy Board approval in Q2, 2007. The pipeline has been mechanically complete since January 2009. This schedule accommodates the needs and schedule of the customer, Repsol, which is completing construction of the Canaport™ Terminal during Q2 of 2009.

Implementation of New Accounting Standards in 2008

The Canadian Institute of Chartered Accountants has issued new accounting standards which are applicable to Emera's 2008 fiscal year. For purposes of this section, "Implementation of New Accounting Standards in 2008," reference to the "Emera Group" means Emera Inc. and all of its consolidated subsidiaries and affiliates. The following provides more information on each new accounting standard:

Capital Disclosures

This new standard requires disclosure of Emera's objectives, policies, and processes for managing capital; quantitative data about what the Emera Group regards as capital; whether the Emera Group has complied with any externally imposed capital requirements; and, if the Emera Group has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and had no effect on the financial results of the Emera Group.

Financial Instruments – Disclosures, and Financial Instruments – Presentation

These new standards replace accounting standard 3861 Financial Instruments – Disclosure and Presentation. Presentation requirements have not changed. Enhanced disclosure is required to assist users of the financial statements in evaluating the significance of financial instruments on the Emera Group's financial position and performance, including qualitative and quantitative information about the Emera Group's exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and had no effect on the financial results of the Company.

Inventories

The new standard provides more guidance on the measurement and disclosure requirements for inventories than the previous standard, 3030 Inventories. Specifically, the new standard requires that inventories be measured at the lower of cost and net realizable value, and provides more guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. NSPI previously measured inventories at the lower of cost and market. The Emera Group uses the weighted average method to determine the cost of inventory.

The Emera Group has applied the new standard retrospectively without restatement, which resulted in a decrease to inventory and retained earnings of \$3.3 million as at January 1, 2008.

Financing Activity

Emera has a debt shelf prospectus and a prospectus supplement, which together allow for the issuance of up to \$400,000,000 aggregate of either debentures or medium term notes. The prospectus expires in February, 2010.

Emera has the following revolving \$600 million credit facility for operating and acquisition financing requirements. Emera also has the following \$200 million bridge facility for operating and acquisition financing requirements that is required to be reduced by the proceeds of any debt or equity issuance by Emera:

| | Matures | Maximum Amount <i>(millions of dollars)</i> |
|--|----------------|---|
| Short-term | | |
| 1 Year revolving operating and acquisition credit facility | June 2009 | \$600.0 |
| Non-revolving bridge credit facility | June 2009 | \$200.0 |

Bangor Hydro has established the following credit facilities:

| | Matures | Maximum Amount <i>(millions of US dollars)</i> |
|------------------------------|---|--|
| Short-term | | |
| Unsecured revolving facility | 2 year revolving – matures in June 2010 | \$60.0 |

NARRATIVE DESCRIPTION OF THE BUSINESS

General

Emera is a Canadian energy holding company headquartered in Halifax, Nova Scotia. The Company invests in electricity generation, transmission and distribution as well as gas transmission and energy marketing. The Company owns and operates two regulated electric utilities in northeastern North America. Both businesses operate as monopolies in their service territories, and together comprise approximately 90% of Emera's consolidated revenues:

- NSPI is an electricity generation, transmission and distribution company, providing service to the vast majority of the province of Nova Scotia. NSPI has \$3.5 billion in assets, and approximately 482,000 customers. NSPI is a cost-of-service utility, and as such, regulated electricity rates are set to enable the company to recover all prudently incurred costs, and provide a reasonable opportunity to earn a prescribed ROE. The company is regulated by the UARB.
- Bangor Hydro is an electricity transmission and distribution company with \$676 million Cdn. of assets serving approximately 117,000 customers in eastern Maine. Bangor Hydro's transmission operations are regulated by the Federal Energy Regulatory Commission (the "FERC"), and its distribution operations are regulated by the Maine Public Utilities Commission (the "MPUC"). Bangor Hydro is a cost-of-service utility and operated under an alternate rate plan (the "ARP") for distribution operations until December 31, 2007. In December 2007, the MPUC replaced rates set out in the ARP by issuing an order approving an increase of approximately 2% in distribution rates effective January 1, 2008, providing for a traditional cost-of-service regulatory structure.

The success of Emera's electric utilities is integral to the creation of shareholder value, providing substantial earnings and cash flow to fund dividends and reinvestment. The essential nature of the services provided, the monopoly positions, and the regulated market structures means that NSPI and Bangor Hydro can generally be expected to produce stable earnings streams within regulated ranges. Nova Scotia and Maine are mature electricity markets, with annual demand growth of approximately 1%. Organic growth in these markets will be created through capital investment in additional transmission and renewable generation. As well, Emera looks beyond its existing regulated electricity business to supplement organic growth.

Emera's goal is to deliver annual consolidated earnings growth of 4% - 6%, and build and diversify its earnings base. To accomplish this, Emera will continue to seek growth from its existing businesses and will leverage its core strength in the electricity business as it pursues both acquisitions and greenfield development opportunities in regulated electricity transmission and distribution and low risk generation. Emera's growth strategy also includes serving the United States' market through transmission development and capitalizing on opportunities in related energy infrastructure businesses appropriate to its risk profile, where its development, commercial and operational skills are needed.

Emera is growing its business through strategic investments and activities that include:

- Emera Energy Services, a physical energy business which purchases and sells natural gas and electricity on behalf of third parties and provides related energy asset management services. Emera Energy operates with minimal day-to-day commodity risk exposure;
- A 12.9% interest in the \$2 billion, 1,400 kilometer M&NP, referred to above, which transports Nova Scotia's offshore natural gas to markets in Maritime Canada and the northeastern United States;
- A 50% interest in Bear Swamp. Emera's joint venture partner in Bear Swamp is Brookfield Power. Bear Swamp is a 600MW pumped storage hydro-electric generating facility located in Northern Massachusetts. It includes a 10MW run-of-river hydro-electric facility known as Fife Brook;
- Emera's investment in the Brunswick Pipeline referred to above. This pipeline has been mechanically complete since January 2009. This schedule accommodates the needs and schedule of the customer, Repsol, which is completing construction of the Canaport™ Terminal during Q2 of 2009. Capital costs of Brunswick Pipeline are expected to be \$465 million plus additional allowance for funds used during construction (AFUDC) and operating expenses capitalized as a result of the delay in receiving gas from the Canaport™ Terminal;
- Emera's investment in Lucelec referred to above;
- Emera's investment in OpenHydro referred to above;
- Emera's indirect investment in GBPC referred to above;
- Emera Utility Services Inc., a utility services contractor serving primarily power and telecommunications customers; and
- Certain corporate-wide functions such as executive management, strategic planning, treasury services, tax planning, business development, and corporate governance; and financing for the corporation's business outside of its regulated electric utilities.

Nova Scotia Power Inc.

See NSPI's AIF which is incorporated herein by reference.

Bangor Hydro-Electric Company

General Information on Bangor Hydro

Bangor Hydro's core business is the transmission and distribution of electricity. Bangor Hydro is the second largest electric utility in Maine. Electricity generation is deregulated in Maine, and several suppliers compete to provide customers with the commodity that is delivered through the Bangor Hydro transmission and distribution network. Bangor Hydro owns and operates approximately 1,100 kilometres of transmission facilities, and 7,000 kilometres of distribution facilities. Bangor Hydro has recently invested approximately \$141 million in the Northeast Reliability Interconnect ("NRI"), an international electricity transmission line connecting New Brunswick to Maine which went in service in Q4 2007 and currently has approximately \$100 million of additional transmission development in progress. Bangor Hydro has a workforce of approximately 250 people.

In addition to transmission and distribution assets, Bangor Hydro has net "regulatory" assets (stranded costs), which arose through the restructuring of the electricity industry in the state in the late 1990s; and as a result of rate and accounting orders issued by its regulator. Bangor Hydro's net regulatory assets primarily include the costs associated with the restructuring of an above-market power purchase contract; and the unamortized portion on its loss on the sale of its investment in the Seabrook nuclear facility. Unlike transmission and distribution operational assets, which are generally sustained with new investment, the regulatory asset pool diminishes over time, as elements are amortized through charges to earnings, and recovered through rates. These regulatory assets total approximately \$55.2 million at December 31, 2008, or 8% of Bangor Hydro's net asset base.

Approximately 60% of Bangor Hydro's electric rate represents distribution service, 20% relates to stranded cost recoveries, and 20% to transmission service. The rates for each element are established in distinct regulatory proceedings. Bangor Hydro's distribution operations and stranded costs are regulated by the Maine Public Utilities Commission ("MPUC"). The transmission operations are regulated by the Federal Energy Regulatory Commission ("FERC").

Bangor Hydro operates under a traditional cost-of-service regulatory structure. In December 2007, the MPUC approved an increase of approximately 2% in distribution rates effective January 1, 2008. The allowed ROE used in setting the new distribution rates is 10.2%, with a common equity component of 50%.

Until December 31, 2007, Bangor Hydro's distribution service operated under an Alternate Rate Plan ("ARP"), which provided for an ROE range of 5% to 17% on distribution operations, with rates set at the midpoint of 11%. There was a 50/50

sharing mechanism between the company and customers outside of the earnings band. The ARP also included performance standards and provided for average annual reductions in distribution rates of approximately 2.5% for five years, to 2007. Beginning January 1, 2008, the earnings band and associated sharing mechanism, performance standard, and annual distribution rate reductions were no longer applicable.

Bangor Hydro's stranded cost rates provide for an allowed ROE of 10% on the related asset base for the three-year period ending February 29, 2008. In December 2007 the MPUC issued an order approving an approximate 39% reduction in stranded cost rates for the three-year period beginning March 1, 2008. The allowed ROE used in setting the new stranded cost rates is 8.5%.

Transmission rates are set by the FERC annually on July 1, based on the prior year's revenue requirement. The allowed ROE for transmission operations ranges from 11.14% for low voltage transmission up to 12.64% for high voltage transmission developed as a result of the regional system plan, which includes the NRI transmission line.

Capital Expenditures

Capital expenditures for 2008 were approximately \$38.3 million US. The capital expenditure budget is approximately \$57 million US for 2009.

Environmental Considerations

Bangor Hydro is regulated by the United States Environmental Protection Agency as to compliance with the Federal Water Pollution Control Act, the Clean Air Act, and other U.S. federal statutes governing the treatment and disposal of hazardous wastes. Bangor Hydro is also regulated by the Maine Department of Environmental Protection.

Emera Employees

Emera and its subsidiaries had approximately 2,150 employees at December 31, 2008, approximately 50 percent of whom are unionized.

Emera Environmental Matters

See "Corporate Environmental Governance" and "Climate Change and Air Emissions" sections of Emera's Management Discussion and Analysis for the year ended December 31, 2008 (the "MD&A").

Emera Taxation

See the "Provincial Grants and Taxes" section of the MD&A and see the "Income Taxes" sections of the MD&A for each of NSPI and Emera.

Risk Factors

See the "Business Risks and Enterprise Risk Management" section of the MD&A.

Legal Proceedings

There are no legal proceedings that individually or collectively involve claims against Emera for damages totalling 10% or more of the current assets of Emera, exclusive of interest and costs.

No Interest of Management and Others in Material Transactions

None of the following persons or companies, namely (a) a Director or Officer of Emera, (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of Emera's outstanding voting securities, or (c) an associate or affiliate of any person or company named in (a) or (b), had a material interest in any transaction involving Emera within Emera's last three completed financial years or during the current financial year that has materially affected or will materially affect Emera.

Material Contracts

Emera has no material contracts other than those entered into in the ordinary course of its business.

MD&A for the Year Ended December 31, 2008

The MD&A is incorporated herein by reference.

Dividend Policy

Any payments will be at the Board of Directors' discretion based upon earnings and capital requirements and such other factors as the Board of Directors may consider relevant.

Emera's common dividend rate was \$0.90 (\$0.225 per quarter in Q1 and Q2; and \$0.2275 in Q3 and Q4) per common share in 2007. The Board of Directors approved two increases to the quarterly dividend in 2008. In January 2008, the Board of Directors approved a quarterly dividend increase to \$0.2375 per

common share, or \$0.95 per common share on an annualized basis. In October 2008, the Board of Directors approved a quarterly dividend increase to \$0.2525 per common share, reflecting an increase on an annualized basis to \$1.01 per common share.

CAPITAL STRUCTURE

The authorized capital of Emera consists of an unlimited number of common shares (in this section, "common shares"), and an unlimited number of first preferred shares and second preferred shares (in this section, collectively, "preferred shares"). Each class of preferred shares are issuable in series. As at December 31, 2008, 112.21 million common shares and no preferred shares were outstanding.

The common shares are entitled to one vote for each common share on all matters to be voted on by the shareholders. Shareholders are entitled to receive such dividends as may be declared by the Directors out of funds legally available to Emera for the payment of the dividends. The common shares rank junior to the rights of the holders of all outstanding preferred shares as to the payment of dividends, and as to repayment of capital in the event of liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of the assets of Emera among shareholders for the purpose of winding-up its affairs. Each common share is equal to every other common share and all common shares participate equally on liquidation or distribution of assets. There are no pre-emptive, redemption, purchase or conversion rights attaching to the common shares. The foregoing description is subject to the "Share Ownership Restrictions" section below.

Share Ownership Restrictions

There are certain restrictions on ownership and voting of Emera's common shares. Direct or indirect shares held by a shareholder may not exceed 15 percent of outstanding voting shares. Shareholders who are not residents of Canada may not hold, in aggregate, more than 25 percent of outstanding voting shares. Shares held by way of security only are exempt from these restrictions.

Emera's Articles of Association contain provisions for the enforcement of constraints on share ownership, including provisions for suspension of voting rights, forfeiture of dividends, prohibitions of share transfer, compulsory sale of shares, redemption and suspension of other shareholder rights.

Ratings

Emera has the following credit ratings:

| | DBRS | | S&P | | Moody's | |
|-------------------------------|----------|----------|------|------|---------|------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Corporate | N/A | N/A | BBB | BBB | N/A | N/A |
| Senior unsecured debt program | BBB high | BBB high | BBB- | BBB- | Baa2 | Baa2 |

Although Emera has no outstanding senior unsecured debt, its senior unsecured debt program under which such debt would be issued has been assigned ratings of BBB (high) by Dominion Bond Ratings Service Limited ("DBRS"), BBB- by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), and Baa2 by Moody's Investors Service ("Moody's") (each a "Rating Agency" and collectively the "Rating Agencies").

The rating of BBB (high) from DBRS is characterized as "adequate credit quality" and is the fourth highest of ten available rating categories. The rating of BBB- from S&P is characterized as "exhibiting adequate protection parameters" and is the fourth highest of ten available rating categories. The rating of Baa2 from Moody's is characterized as "moderate credit risk" and is the fourth highest of nine available rating categories.

In Q2, 2006, S&P lowered Emera's corporate credit rating from BBB+ to BBB and the credit rating for Emera's senior unsecured debt from BBB to BBB-, citing concerns related to: the recovery of fuel-related expenses under the current regulatory framework in Nova Scotia; an evolving fuel procurement strategy; and upcoming challenges related to the approval, financing, and execution of several proposed capital projects as reasons for the change.

In Q4 2008, S&P revised its outlook on Emera and NSPI upward to positive from stable reflecting recent regulatory approval of the FAM for NSPI, and the near-completion in November 2008 of the Brunswick Pipeline (mechanically complete since January 2009).

In Q3 2008, Moody's confirmed the credit ratings of Emera and NSPI and revised the rating outlook upward from negative to stable for both companies. The revision reflects Moody's view that NSPI has been successful in improving its relationships with key stakeholders and the UARB. Moody's also expects that

NSPI's exposure to regulatory risk will be reduced and that there is less likelihood of variability in NSPI's financial results following implementation of the FAM.

There were no changes in DBRS ratings for Emera or NSPI in 2008.

The credit ratings assigned by the Rating Agencies are not recommendations to buy, sell or hold securities inasmuch as such ratings do not comment as to relevant price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if in its judgment circumstances so warrant.

MARKET FOR SECURITIES

Trading Price and Volume

Emera's common shares are listed and posted for trading on The Toronto Stock Exchange under the symbol "EMA". The trading volume and high and low price for Emera's common share prices for each month of 2008 are set out below:

| 2008 | High(\$) | Low(\$) | Volume |
|--------------|----------|---------|-------------------|
| January | 22.25 | 20.03 | 3,072,900 |
| February | 22.20 | 20.27 | 3,988,200 |
| March | 21.04 | 19.80 | 3,796,439 |
| April | 21.92 | 20.74 | 4,202,600 |
| May | 22.84 | 21.49 | 4,523,721 |
| June | 23.49 | 22.05 | 3,914,678 |
| July | 23.37 | 21.06 | 5,949,961 |
| August | 23.78 | 22.06 | 4,306,677 |
| September | 23.63 | 21.17 | 5,845,816 |
| October | 22.28 | 18.06 | 6,153,702 |
| November | 22.44 | 19.37 | 6,641,692 |
| December | 22.60 | 21.07 | 4,623,684 |
| Total | | | 57,020,070 |

Transfer Agent and Registrar

Computershare Trust Company of Canada ("Computershare") acts as Emera's transfer agent and registrar. The registers of transfers of securities of Emera are located at Computershare's principal offices in Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax.

DIRECTORS AND OFFICERS

Directors

The following sets out, as of December 31, 2008, for each Director the name, principal occupation for the past five (5) years, municipality of residence and the date of appointment. In addition to the individuals listed below, Mr. Paul Sobey resigned as a Director on April 30, 2008. Directors are elected annually and hold office until the next annual shareholders' meeting.

As of December 31, 2008, the Directors in total beneficially owned or controlled 29,541 common shares of Emera.

In December 1998, all of the then-issued and outstanding common shares of NSPI were acquired by Emera as a result of a corporate reorganization. Any appointment date for a Director identified below which is prior to the 1998 reorganization is the date of appointment to NSPI's Board, following which the Director continued as a Director of Emera.

The individuals listed below are the Directors as of December 31, 2008:

Robert S. Briggs: Mr. Briggs became a Director of the Company in October 2001 and has been a member of the Audit Committee since April 2002. Prior to August 2001, Mr. Briggs was the President and Chief Executive Officer of Bangor Hydro. Mr. Briggs became a Director of Bangor Hydro in 1985 and in January 1991, became the President and Chief Executive Officer. Mr. Briggs lives in Carrabassett Valley, Maine.

Gail Cook-Bennett, C.M.: Dr. Cook-Bennett became a Director of the Company on November 5, 2004. Since November 2004 she has been a member of the Nominating and Corporate Governance Committee and has been Committee Chair since May 2006. She was a member of the Audit Committee from May 2005 to May 2007. Since October 2008 Dr. Cook-Bennett has been Chair of Manulife Financial Corporation, an insurance company which provides life insurance, group life and health insurance, long-term care services, pension products, annuities, and mutual funds in international markets. Prior to October 2008 she was Chair of the Canada Pension Plan Investment Board which has responsibility for investing Canada Pension Plan contributions. Dr. Cook-Bennett is a Director of Petro-Canada, and is a Fellow of the Institute of Corporate Directors. Dr. Cook-Bennett lives in Toronto, Ontario.

Allan L. Edgeworth: Mr. Edgeworth became a Director of the Company in November 2005. He has been a member of the Management Resources

and Compensation Committee since February 2006 and a member of the Audit Committee since April 2008. He was a member of the Nominating and Corporate Governance Committee from May 2007 to April 2008. Mr. Edgeworth is President of ALE Energy Inc. and is the former President and Chief Executive Officer of Alliance Pipeline. He is a Director of AltaGas Ltd. and Pembina Pipeline Corporation, and is a Commission Member and Director of the Alberta Securities Commission. Mr. Edgeworth lives in Calgary, Alberta.

Christopher G. Huskison: Mr. Huskison has been a Director and the President and Chief Executive Officer of Emera since November 2004. He is also Chairman of Bangor Hydro, a Director of NSPI and serves as the Chair or as a Director of a number of other Emera affiliated companies. Mr. Huskison has held a number of positions within NSPI and its predecessor, Nova Scotia Power Corporation, since June 1980. Mr. Huskison lives in Wellington, Nova Scotia.

John T. McLennan: Mr. McLennan has been a Director of the Company since April 2005, and has been Chairman of the Board of NSPI since May 2006. Mr. McLennan has been a member of the Management Resources and Compensation Committee and the Nominating and Corporate Governance Committee since April 2005. Mr. McLennan is the former Vice-Chair and Chief Executive Officer of Allstream Inc. and currently sits on the Board of Jazz Air Holding GP Inc. and Amdocs Ltd. Mr. McLennan lives in Mahone Bay, Nova Scotia.

Derek Oland, O.C.: Mr. Oland has been a Director and Chairman of the Board of the Company since September 1998. He has also been a Director of NSPI since April 1992 and was Chairman of NSPI from April 1995 to May 2006. Mr. Oland is Executive Chairman of Moosehead Breweries Limited. Mr. Oland is Chair of the Wallace McCain Institute for Business Leadership. He lives in New River Beach, New Brunswick.

Elizabeth Parr-Johnston, C.M.: Dr. Parr-Johnston has been a Director of the Company and Member of the Management Resources and Compensation Committee since September 1998. She has been Committee Chair since November 2004. Since September 2006 she has been a member of the Nominating and Corporate Governance Committee. From April 1992 to October 2006 Dr. Parr-Johnston was a Director of NSPI. Dr. Parr-Johnston is the President of Parr Johnston Economic and Policy Consultants. She is the former President and Vice-Chancellor of the University of New Brunswick. Dr. Parr-Johnston is a Director of The Bank of Nova Scotia. She lives in Chester Basin, Nova Scotia.

Donald A. Pether: Mr. Pether has been a Director of the Company since November 2008. He is the former Chair of the Board and Chief Executive Officer of Dofasco Inc. a Canadian steel producer. Mr. Pether is Chair of the Board of the Hamilton Health Sciences Foundation, Vice-Chair of the Board of Governors for McMaster University, and a Director of Samuel Manu-Tech Inc. He lives in Dundas, Ontario.

Andrea S. Rosen: Ms. Rosen was appointed a Director of the Company in January 2007 and has been a member of Emera's Audit Committee since May 2007. She was appointed Committee Chair in April 2008. Ms. Rosen is the former Vice-Chair, TD Bank Financial Group and President, TD Canada Trust. Ms. Rosen is also a Director of Alberta Investment Management Corporation and Hiscox Ltd. She lives in Toronto, Ontario.

M. Jacqueline Sheppard: Ms. Sheppard was appointed a Director of the Company on February 13, 2009. She is a Director of NWest Energy Inc., a Canadian junior oil and gas company and is the former Executive Vice-President, Corporate and Legal and Corporate Secretary for Talisman Energy Inc., an international oil and gas company based in Calgary, Alberta. Ms. Sheppard lives in Calgary, Alberta.

Emera has an Audit Committee; a Management Resources and Compensation Committee; and a Nominating and Corporate Governance Committee. The membership of each of these Committees is indicated above.

Audit Committee

The Audit Committee of the Company is composed of the following three members, all of whom are independent Directors: Andrea Rosen (Chair), Robert S. Briggs and Allan L. Edgeworth. The responsibilities and duties of the Committee are set out in the Committee's Charter, a copy of which is attached as Appendix "A" to this Annual Information Form.

The Board of Directors believes that the composition of the Audit Committee reflects a high level of financial literacy and experience. Each member of the Audit Committee has been determined by the Board to be "independent" and "financially literate" as such terms are defined under Canadian securities laws. The Board has made these determinations based on the education and breadth and depth of experience of each member of the Committee. The following is a description of the education and experience of each member of the Committee that is relevant to the performance of her or his responsibilities as a member of the Audit Committee.

Andrea Rosen is the former Vice Chair, TD Bank Financial Group and President, TD Canada Trust. In 2001 and 2002 she was Executive Vice President of TD Commercial Banking. Before that she held several investment banking roles, beginning in 1981 with CIBC-Wood Gundy Securities, Inc., becoming Vice President and Director in 1986, and from 1994 through 2001 with TD Securities. She received her joint LL.B and M.B.A. in 1981 from Osgoode Hall Law School, York University.

Mr. Briggs is a lawyer by profession. He graduated from the University of New Hampshire with a BA and from University of Maine School of Law with a JD. He is the former President and Chief Executive Officer of Bangor Hydro. During his career at Bangor Hydro Mr. Briggs gained substantial experience in the preparation and review of financial statements, and the related analysis and notes in compliance with U.S. federal securities laws. Prior to 2001 Bangor Hydro's common shares traded on the New York Stock Exchange and were registered under the Securities Exchange Act of 1934 (U.S.). Most recently, Mr. Briggs has attended a continuing legal education session on accounting and finance for lawyers, including a segment on identification of financial statement fraud.

Allan L. Edgeworth is President of ALE Energy Inc. and is the former President and Chief Executive Officer of Alliance Pipeline. He is a Director of AltaGas Ltd. and Pembina Pipeline Corporation, and is a Commission Member and Director of the Alberta Securities Commission. Mr. Edgeworth has been a member of the Audit Committee since April, 2008. He holds a Bachelor of Applied Science in Geological Engineering and is a graduate of the Queen's Executive Program.

Audit and Non-Audit Services Pre-Approval Process

The Audit Committee is responsible for the oversight of the work of the external auditors. As part of this responsibility, the Committee is required to pre-approve the audit and non-audit services performed by the external auditors in order to assure that they do not impair the external auditors' independence from the Company. Accordingly, the Committee has adopted an Audit and Non-Audit Pre-Approval Policy, which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the external auditors may be pre-approved.

Unless a type of service has received the pre-approval of the Committee it will require specific pre-approval by the Committee if it is to be provided by the external auditors. Any proposed services exceeding the pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Committee.

The Committee considers whether the provision of any service raises an issue regarding the independence of the external auditors.

Auditors' Fees

The aggregate fees paid to Ernst & Young LLP, the Company's auditors, during the fiscal years ended December 31, 2008 and 2007 were as follows:

| Service Fee | 2008 | 2007 |
|--------------------|--------------------|--------------------|
| Audit Fees | \$506,820 | \$456,277 |
| Audit-related Fees | \$231,520 | 74,743 |
| Tax Fees | \$417,108 | 504,252 |
| All Other Fees | Nil | 109,384 |
| Total | \$1,155,448 | \$1,144,656 |

Audit-related Fees for Emera relate to accounting and disclosure consultations, services associated with securities offerings, and pension audits.

Tax Fees for Emera relate to the structuring of cross-border financing of Emera's subsidiaries and affiliates as well as tax compliance services and general tax consulting advice on various matters.

Executive Officers

The appointed Officers of Emera as of December 31, 2008 were as follows:

Mr. Christopher G. Huskison was President and Chief Executive Officer and has served as an Officer since 2003. Mr. Huskison became President and Chief Executive Officer of Emera on November 1, 2004. Prior to his appointment as President and CEO, Mr. Huskison had been Chief Operating Officer of Emera since July 4, 2003. Mr. Huskison concurrently held the office of Chief Operating Officer of NSPI until January 9, 2004. Prior to 2003, Mr. Huskison had been actively engaged for more than five years in the affairs of NSPI in various managerial and executive capacities. He resides in Wellington, Nova Scotia.

Ms. Nancy G. Tower was Chief Financial Officer and has served as an Officer since November, 2005. Ms. Tower was Vice-President Customer Operations for NSPI from February, 2005 to November, 2005. Prior to February, 2005, Ms. Tower was General Manager, Customer Operations, NSPI. She resides in Halifax, Nova Scotia.

Ms. Sarah R. MacDonald was Vice-President Human Resources and has served as an Officer since February 2005. Ms. MacDonald was General

Manager Human Resources for NSPI prior to February 2005. She resides in Halifax, Nova Scotia.

Mr. Wayne Crawley was Vice-President Corporate Strategy and Development and has held this position since 2004. Mr. Crawley resides in Halifax, Nova Scotia.

Mr. Raymond R. Robinson was Vice President Integrated Operations since 2005. Prior to 2005, he was the President and Chief Operating Officer of Bangor Hydro-Electric Company. Mr. Robinson resides in Glen Haven, Nova Scotia.

Mr. Mark Savory was Vice President Engineering and Construction since February, 2008. From July, 2006 to February, 2008 he was Director, Asset Management with Emera. From December, 2003 to July, 2006 he was Director, Control Centre, NSPI. Mr. Savory resides in Halifax, Nova Scotia.

Mr. Richard J. Smith was Vice President Corporate Insurance and Asset Protection since September, 2008. Before that Mr. Smith was Corporate Secretary and has been an Officer of the Company since 1998. Mr. Smith resides in Halifax, Nova Scotia.

Mr. James Spurr was General Counsel since April, 2008. From September, 2007 to April, 2008, he served as Assistant General Counsel and Vice President Government Relations. Prior to September, 2007, he was Associate General Counsel at Encana Corporation. Mr. Spurr resides in Halifax, Nova Scotia.

Mr. Stephen Aftanas was appointed Corporate Secretary in September, 2008. From June, 2007 to September, 2008 he held the position of Associate Corporate Secretary. From March, 2006 to June 2007 he held the position of Associate General Counsel, NSPI. Previous to that he served as Senior Solicitor. Mr. Aftanas resides in Halifax, Nova Scotia.

As a group, the Directors and Officers of Emera own beneficially, directly or indirectly, or exercise control or direction over approximately **51,760** common shares of Emera (or less than one percent).

EXPERTS

Interest of Experts

Ernst & Young LLP are auditors of Emera. None of the partners or staff of Ernst & Young LLP beneficially own, directly or indirectly, any securities issued by Emera.

ADDITIONAL INFORMATION

Additional Information relating to Emera may be found on SEDAR at www.sedar.com. Additional Information, including Directors and Officers, remuneration and indebtedness, principal holders of Emera's securities and securities authorized for issuance under equity compensation plans is contained in Emera's information circular for the most recent annual meeting of Emera's common shareholders. Additional financial information is provided in Emera's financial statements and MD&A for the year ended December 31, 2008.

Emera will provide to any person upon request to the Corporate Secretary, Emera Incorporated, P.O. Box 910, Halifax, N.S., B3J 2W5, telephone (902) 428-6096 or fax (902) 428-6171:

- (a) when the securities of Emera are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus filed in respect of a distribution of its securities the following information:
 - (i) a copy of this Annual Information Form together with any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form;
 - (ii) a copy of the comparative consolidated financial statements of Emera for the most recently completed financial year for which financial statements have been filed, together with the auditors' report thereon, and a copy of any interim financial statements of Emera for any period after its most recently completed financial year;
 - (iii) a copy of the information circular of Emera in respect of its most recent annual meeting of common shareholders that involved the election of Directors; and
 - (iv) a copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or
- (b) at any other time, one copy of any of the documents referred to in (a)(i) to (iv) above.

FORWARD LOOKING INFORMATION

Certain information in this Annual Information Form is forward-looking information and relates to, among other things, anticipated financial performance, business prospects, strategies, new services and investments, market forces, commitments and regulatory change. Much of this information appears in the MD&A incorporated by reference herein. This forward-looking information is subject to various risks and uncertainties, including those discussed below, which could cause actual results and experience to differ materially from the anticipated results or other expectations expressed. Readers are cautioned not to place undue reliance on this forward-looking information, which speaks only as of the date of this Annual Information Form. Emera undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Forward-looking information typically contains statements with words such as "anticipate", "outlook", "expect", "plan" or similar words suggesting future outcomes. The following discussion is intended to identify certain factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in forward-looking information provided by Emera.

The risks and uncertainties that may affect the operations, performance, development and results of Emera's business include, but are not limited to, the following factors: availability and price of fuel; regulatory decisions; competitive developments; shifts in market demands; changes in laws and regulations, including environmental and regulatory laws; potential increases in maintenance and operating costs; supplier fulfilment of contractual agreements and obligations; Emera's ability to generate adequate cash flow or to finance its future business requirements through outside sources; compliance with debt covenants; the availability of adequate levels of insurance; various events which could disrupt operations (including explosions, fires and severe weather conditions); and management retention and development.

APPENDIX "A" – AUDIT COMMITTEE CHARTER

EMERA INCORPORATED AUDIT COMMITTEE CHARTER

1. Purpose

There shall be a committee of the Board of Directors (the "Board") of Emera Inc. ("Emera") which shall be known as the Audit Committee (the "Committee"). The Committee shall assist the Board in discharging its oversight responsibilities concerning:

- the integrity of Emera's financial statements;
- Emera's internal control systems;
- the internal audit and assurance process;
- the external audit process;
- Emera's compliance with legal and regulatory requirements; and
- any other duties set out in this Charter or delegated to the Committee by the Board.

2. Composition

- (i) Emera's Articles of Association require that the Committee shall be comprised of no less than three Directors none of whom may be Officers or employees of Emera nor may they be an Officer or employee of any affiliate of Emera. In addition, all members of the Committee shall be independent as required by applicable legislation.
- (ii) The Board shall appoint members to the Committee who are financially literate, as required by applicable legislation, which at a minimum requires that Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Emera's financial statements.
- (iii) Committee members shall be appointed at the Board meeting following the election of Directors at Emera's annual shareholders' meeting and membership may be based upon the recommendation of the Nominating and Corporate Governance Committee.

- (iv) Pursuant to Emera's Articles of Association, the Board may appoint, remove, or replace any member of the Committee at any time, and a member of the Committee shall cease to be a member of the Committee upon ceasing to be a Director. Subject to the foregoing, each member of the Committee shall hold office as such until the next annual meeting of shareholders after the member's appointment to the Committee.
- (v) The Secretary of the Committee shall advise Emera's internal and external auditors of the names of the members of the Committee promptly following their election.

3. **Responsibilities**

Financial Reporting

- (a) The Committee shall be responsible for reviewing and recommending to the Board for approval:
 - (i) the audited annual financial statements of Emera, all related Management Discussion and Analysis, and earnings press releases;
 - (ii) any documents containing Emera's audited financial statements including Emera's Annual Report; and,
 - (iii) the quarterly financial statements, all related Management Discussion and Analysis, and earnings press releases.
- (b) The Committee shall satisfy itself that adequate procedures are in place for the review of public disclosure of financial information and the Committee shall assess the adequacy of these procedures.

External Auditors

- (i) The Committee shall evaluate and recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing the auditor's report or performing other audit, review, or attest services for Emera, as well as the compensation of such external auditors. The Committee shall not recommend the same external auditor as is being recommended for Nova Scotia Power Inc.

- (ii) Once appointed, the external auditor shall report directly to the Committee, and the Committee shall oversee the work of the external auditor concerning the preparation or issuance of the auditor's report or the performance of other audit, review or attest services for Emera.
- (iii) The Committee shall be responsible for resolving disagreements between management and the external auditor concerning financial reporting.

Non-Audit Services

- (i) The Committee shall be responsible for reviewing and pre-approving all non-audit services to be provided to Emera, or any of its subsidiaries, by the external auditor.
- (ii) The Committee shall be permitted to establish specific policies and procedures concerning the performance of non-audit services so long as the requirements of applicable legislation are satisfied.
- (iii) In accordance with policies and procedures established by the Committee, and applicable legislation, the Committee may delegate the pre-approval of non-audit services to a member of the Committee or a sub-committee thereof.

Hiring Policies

The Committee shall be responsible for reviewing and approving Emera's hiring policy concerning partners or employees, as well as former partners and employees, of the present or former external auditors of Emera.

Pension Plans

The Committee shall review management controls and processes concerning the administration of investment activities, financial reporting, and funding of the plans.

Other Responsibilities

The Committee shall:

- (i) review any investment issues or policies which may arise from time to time until a committee is established by the Board to specifically deal with such issues; and

- (ii) pursuant to Emera's Articles of Association, perform such other duties and exercise such powers as may be directed or delegated to the Committee by the Board.

4. **Internal Controls**

Pursuant to Emera's Articles of Association, the Committee shall:

- (i) ensure that appropriate internal control procedures are in place and the Committee may examine and consider such other matters, and meet with such persons, in connection with the internal or external audit of Emera's accounts, which the Committee in its discretion determines to be advisable;
- (ii) have the authority to communicate directly with the internal and external auditors;
- (iii) have the right to inspect all records of Emera or its affiliates and may elect to discuss such records, or any matters relating to the financial affairs of Emera with the Officers or auditors of Emera and its affiliates; and
- (iv) review any investments or transactions that could adversely affect the well being of Emera which the internal or external auditor, or any Officer of Emera, may bring to the attention of the Committee.

5. **Complaints**

The Committee shall ensure that procedures exist relating to the receipt, retention, and treatment of complaints which may be received concerning accounting, internal accounting controls, or auditing matters, and in particular, the Committee shall be responsible for the establishment of procedures concerning the confidential, anonymous submission of concerns by Emera's employees relating to questionable accounting or auditing matters.

6. **Experts and Advisors**

The Committee may, in consultation with the Chairman of the Board, engage and compensate any outside adviser that it determines necessary in order to carry out its duties.

7. **Internal Auditor**

The chief internal auditor shall report directly to the Committee. The Committee shall oversee the appointment, replacement, or termination of the chief internal auditor.

8. **Chair**

Pursuant to Emera's Articles of Association, the Committee shall choose one of its members to act as Chair of the Committee, which person shall not be the Chair of Nova Scotia Power Inc.'s Audit Committee. In selecting a Committee Chair, the Committee may consider any recommendation made by the Nominating and Corporate Governance Committee.

9. **Secretary and Minutes**

Pursuant to Emera's Articles of Association, the Corporate Secretary of Emera shall act as the Secretary of the Committee. Emera's Articles of Association require that the Minutes of the Committee be in writing and duly entered into Emera's records, and the Minutes shall be circulated to all members of the Committee. The Secretary shall maintain all Committee records.

10. **Meetings**

- (i) Meetings of the Committee may be called by the Chair or at the request of any member.
- (ii) The timing and location of meetings of the Committee, and the calling of and procedure at any such meeting, shall be determined from time to time by the Committee.
- (iii) Emera's internal and external auditors shall be notified of all meetings of the Committee and shall have the right to appear before and be heard by the Committee.
- (iv) Emera's internal or external auditors may request the Chair of the Committee to consider any matters which the internal or external auditors believe should be brought to the attention of the Committee or the Board.

11. **Quorum**

Two members of the Committee present in person, by teleconferencing, or by videoconferencing, or by a combination thereof, will constitute a quorum.

12. **Board Relationships and Reporting**

The Committee shall:

- (i) oversee the appropriate disclosure of the Committee's Charter as well as other information concerning the Committee which is required to be disclosed by applicable legislation in Emera's Annual Information Form and any other applicable disclosure documents; and
- (ii) as required, regularly report to the Board on Committee activities, issues, and related recommendations.

13. **Limitation on Authority**

Nothing articulated herein is intended to assign to the Committee the Board's responsibility to oversee Emera's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or the members of the Committee.