

**EMERA INCORPORATED
COMMON SHAREHOLDERS DIVIDEND
REINVESTMENT AND SHARE PURCHASE PLAN**



Summary

If you are a holder of common shares (the “Shares”) of Emera Incorporated (“Emera”) and a Canadian resident, the Common Shareholder Dividend Reinvestment and Share Purchase Plan (the “Plan”) enables you to buy additional Shares. Participants of the Plan may buy Shares quarterly with cash dividends paid on Shares which are registered in their name and on Shares held for them in the Plan. Participants of the Plan may also buy Shares with optional cash payments of a maximum of \$5,000 per quarter.

The price of Shares purchased for a participant’s account within the Plan is 100% of the average market price as hereinafter described. There may be a discount of up to 5% from the average market price for Shares purchased in connection with the reinvestment of cash dividends. No discount will apply to the average market price for the purchase of Shares as described under “Optional Cash Payments” below.

Proceeds received by Emera upon the purchase of new Shares under the Plan will be used for general corporate purposes.

Advantages of Participation

Full investment of cash dividends is possible under the Plan because the Plan permits fractions of Shares as well as whole Shares to be purchased and held for Plan participants. In addition, dividends or cash payments in respect of whole and fractional Shares held in the Plan will also automatically be invested in further Shares.

Participants of the Plan pay no commissions, service charges or brokerage fees for Shares bought under the Plan.

Dividends and Investment Date

The declaration of dividends is subject to approval by the Board of Directors.

Dividend record dates are generally on or about the first day of February, May, August and November.

Dividend payment dates are generally the 15th day of February, May, August and November or, if such day is not a business day, the dividend payment dates will be the following business day.

The *investment date* referred to in the Plan is the same day as the dividend payment date.

The *cash payment cut-off* date is five (5) business days prior to the investment date.

Administration

AST Trust Company (Canada) (the “Agent”) will act as Agent for the participants in the Plan. On behalf of participants, Emera will pay to the Agent all cash dividends which are to be reinvested, the Agent will then use these funds to purchase additional Shares for participants directly from Emera. Shares purchased under the Plan will be registered in the name of the Agent or its nominee in trust for Plan participants. If the Agent ceases to act as Agent hereunder, another agent will be designated by Emera.

Eligible Participants

Any Canadian resident who is a registered holder of Shares is eligible to join the Plan at any time. Beneficial owners of Shares whose Shares are not registered in their own names may participate in the Plan only if they transfer such Shares into their own name or into a specific segregated registered account such as a numbered nominee account with a bank or trust company or broker. Beneficial owners of Shares whose Shares are held in a numbered nominee account may instruct the bank, trust company or broker to enroll Shares in the Plan. If a beneficial owner holds Shares in more than one such account, or in such an account or accounts as well as in such owner's own name, such Shares may be dealt with separately as regards the Plan. As an example, a shareholder can elect to participate in the Plan in respect of the Shares held in one account but not in respect of those held in another.

Enrollment

To join the Plan, a shareholder must complete an enrollment form and return it to the Agent. Such enrollment form must be received by the Plan Agent not less than two (2) business days prior to a dividend record date. All dividends/distributions payable on all eligible holdings now held and any future holdings in the registered account, including optional cash purchases, will be reinvested in Shares. If a beneficial owner holds Shares in more than one brokerage account and wishes to participate in the Plan in respect of Shares in all such accounts, a separate enrollment form must be completed and returned in respect of each such account.

Following receipt by the Agent of the properly completed enrollment form, participation in the Plan becomes effective on the next dividend record date for any dividend declared on the Shares.

An enrollment form may be obtained at any time by calling 1-877-982-8762, by e-mailing inquiries@astfinancial.com, by visiting the Agent's website at astfinancial.com/ca or by sending a written request addressed to the Agent.

Optional Cash Payments

A participant may also choose to make optional cash payments upon enrollment in the Plan and prior to a quarterly cash *payment cut-off date*.

In order to participate in the optional cash payment component of the Plan, the Agent requires completion of a certain form for optional cash payments.

Individual cash payments are limited to a minimum of \$25 per payment and a maximum aggregate of \$5,000 per quarter, per participant. Quarterly limits are non-cumulative. Total optional payments from all Plan participants in any calendar year are limited to two percent of the number of outstanding shares at the beginning of each calendar year. The Agent will restrict the receipt of any payments should this two percent limit be reached.

Payments must be received by the Agent by the payment cut-off date which is at least five (5) business days before the *investment date*.

Price and Valuation of New Common Shares

The price at which the Agent will purchase new Shares from Emera will be 100% of the average of the closing market prices on The Toronto Stock Exchange, for the last five (5) trading days on which at least one hundred Shares traded immediately preceding a *dividend payment date* (the "average market price").

There may be a discount of up to 5% from the average market price for Shares purchased in connection with the reinvestment of cash dividends. No discount will apply to the average market price for the purchase of Shares as described under “Optional Cash Payments” above.

Emera will announce by way of press release any applicable discount from the average market price for Shares purchased in connection with the reinvestment of cash dividends.

Statements

On a quarterly basis, the Agent will send a statement of account to each participant, setting out the number of whole and fractional Shares acquired by reinvestment of cash dividends (“Plan Shares”) or cash invested under the Plan. **These statements are a participant’s only record of the cost of each purchase of Plan Shares. All statements should be retained by a participant for income tax purposes.** The reverse of a participant’s statement provides forms which can be completed if a participant wishes to sell or withdraw shares from the Plan, or terminate participation in the Plan. In addition, each participant will receive annually from the Agent, the appropriate tax information for reporting dividend income.

Shares Reserved

Emera shall at all times reserve unissued Shares sufficient to satisfy the requirements of the Plan.

Share Certificates

Certificates for Shares issued or purchased under the Plan will not initially be issued to participants, however, a participant’s Shares will be credited in a Plan account established for that participant. Upon written request by a participant, the Agent will issue share certificates registered in the participant’s name for any number of Shares held in such participant’s account under the Plan. Participants must state in their written request whether they intend that their certificated Shares continue to participate in the Plan.

Normally, such certificates will be issued to the participant within seven (7) days following receipt by the Agent of such participant’s written request. Any remaining whole Shares or fraction of a share, and certificated Shares, if applicable, will continue to be credited to such participant’s account under the Plan and the participant will remain enrolled in the Plan. Certificates for whole Shares will be registered in the same name as that recorded for the participant under the Plan.

Shares held by the Agent under the Plan may not be pledged, sold or otherwise disposed of by a participant. A participant who wishes to pledge, sell or otherwise dispose of such Shares must request that certificates for such Shares be issued.

A certificate will not be issued for a fraction of a Share.

Voting of Plan Shares

Whole Plan Shares held for a participant’s account under the Plan, on the record date for a vote of shareholders, will be voted in the same manner as the participant’s Shares of record are voted, either by proxy or by the participant in person.

Termination of Participation

A participant may terminate participation in the Plan at any time by written notice to the Agent. Where notice of termination is received at least five (5) business days prior to a dividend record date for shares, the termination will be effective for the applicable record date. Any termination received less than five (5) business days before a dividend record date for shares will become effective after the next following dividend payment date. The Agent will then settle the participant's account by issuing a share certificate for the number of whole Plan Shares standing to the credit of the participant and cash representing the purchase price for any fraction of a Plan Share. The amount of the payment for any such fraction will be based on the last price paid by the Agent for new Shares purchased out of cash dividends to be reinvested.

Participation in the Plan will also be terminated upon receipt by the Agent of a written notice of the death of a participant. Certificates for Plan Shares will be issued in the name of the deceased participant and the Agent will send such certificates and cash payment for any fraction of a Plan Share to the representative of the deceased participant.

Upon termination of participation, a participant may request that all Plan Shares held for the participant's account be sold. Such sale will be made by the Agent, through a stockbroker designated by the Agent, as soon as is practicable following receipt by the Agent of instructions to do so. The proceeds of such sale, less brokerage commissions and applicable sales fees, will be paid to the participant by the Agent. Plan Shares that are to be sold may be co-mingled with Plan Shares of other participants, in which case the proceeds to each participant will be based upon the average sale price of all Plan Shares so co-mingled. With respect to any fraction of a Plan Share, the Agent will purchase such fraction for cash at a price determined in the same manner as in the case of whole Plan Shares sold for the participant.

Rights, Offerings, Stock Splits and Stock Dividends

In the event that Emera makes available to its Shareholders rights to subscribe for additional Shares or other securities, rights certificates will be issued to participants for their whole Plan Shares. No such rights will be made available in respect of fractions of Plan Shares. Instead, the Agent will sell any rights relating to such fractions at a time and price determined by the Agent and participants will be paid their proportionate interests in the proceeds for such sale. Any Shares distributed pursuant to a stock dividend or a stock split on Plan Shares will be retained by the Agent and credited proportionately to the accounts of the participants.

In the event of a change, reclassification or conversion of the Shares into other shares or securities or of any further change, reclassification or conversion of such other shares or securities into other shares or securities, the Plan shall continue to apply to the shares or securities resulting from the event and references herein to the Shares and to Plan Shares shall be deemed to be references to the shares or securities resulting from that event.

Responsibilities of Emera and the Agent

Neither Emera nor the Agent shall be liable for any act done in good faith, or for any good faith omission to act. In particular, without limiting the generality of the foregoing, neither Emera nor the Agent shall be liable in respect of any claim arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death or with respect to the prices at which Shares are purchased for the participant's account and the times at which such purchases are made.

Participants should recognize that neither Emera nor the Agent can assure a gain or protect against loss as a result of their holding Plan Shares.

Rules

Emera may make rules and regulations to facilitate the administration of the Plan and reserves the right to regulate and interpret the Plan text as Emera deems necessary or desirable. Emera may adopt rules and regulations concerning the establishment of Internet-based or other electronic mechanisms with respect to the enrollment in the Plan, the communication of information concerning the Plan to participants and any other aspects of the Plan.

Amendment, Suspension or Termination of the Plan

Emera reserves the right to amend, suspend or terminate the Plan at any time, in which case all participants will be sent written notice thereof. If the Plan is terminated, the Agent will remit to all participants, certificates registered in their name for whole Plan Shares together with the proceeds from the sale of any fractions of Plan Shares. If the Plan is suspended, subsequent dividends on Plan Shares will be paid in cash.

Governing Law

The Plan will be governed by and construed in accordance with the laws of Nova Scotia and the laws of Canada applicable therein.

Effective Date

The Plan is effective for dividends payable after January 1, 1998.

Notices

All notices required to be given to participants under the Plan will be mailed to participants at the address shown on the records of the Agent.

Written communications to the Agent should be addressed to:

AST Trust Company (Canada)
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

Or to such other address as the Agent or Emera may advise.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a participant under the Plan who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) (the "Tax Act") and the *Income Tax Regulations* (the "Regulations"), is resident in Canada, deals at arm's length with and is not affiliated with Emera, holds shares acquired under the Plan as capital property, and has cash dividends paid on Shares of Emera reinvested under the Plan.

This summary is based upon the current provisions of the Tax Act and the Regulations, and all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance

(Canada) prior to the date hereof (the “Proposed Amendments”), and the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account Canadian provincial or territorial income tax laws, or foreign tax considerations. This summary does not apply to: (i) a participant who is subject to the “mark-to-market” rules under the Tax Act applicable to certain “financial institutions”; (ii) a participant an interest in which is a “tax shelter investment”; or (iii) a participant to whom the “functional currency” reporting rules apply (all as defined in the Tax Act).

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular participant under the Plan. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective participants should consult their own tax advisers having regard to their own particular circumstances.

All cash dividends paid on Shares of Emera that are reinvested on behalf of a participant will generally be subject to the tax treatment normally applicable to taxable dividends (including eligible dividends) from taxable Canadian corporations. For example, in the case of a participant who is an individual, such dividends will be subject to the normal gross-up and credit rules or, in the case of a participant who is a private corporation or one of certain other corporations, a refundable tax will apply to the amount of the dividend. Other taxes could apply depending on the circumstances of the participant.

The right granted under the terms of the Plan to reinvest cash dividends paid on Shares in Shares newly-issued from treasury at the average market price, less a discount of up to 5% of the average market price, and the exercise of such right, should not give rise to a taxable benefit under the Tax Act.

A participant will not realize any taxable income when the participant receives certificates for whole Shares credited to the participant’s account, either upon the participant’s request, upon termination of participation or upon termination of the Plan.

The cost to a participant of Shares acquired under the Plan will be the price paid for the Shares by the participant. For the purpose of computing the adjusted cost base of such Shares to the participant, the cost of the Shares will be averaged with the adjusted cost base of all Shares of Emera held by the participant as capital property.

A participant may realize a capital gain or loss on the disposition of Shares acquired through the Plan, including in the case of a fraction of a Share.