

THOMSON REUTERS STREETEVENETS

# EDITED TRANSCRIPT

EMA.TO - Emera Inc Annual Shareholders Meeting

EVENT DATE/TIME: MAY 12, 2017 / 5:00PM GMT



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

## CORPORATE PARTICIPANTS

**Christopher G. H. Huskilson** *Emera Incorporated - CEO, President and Non-Independent Director*

**Gregory W. Blunden** *Emera Incorporated - CFO*

**Mary Jacqueline Sheppard** *Emera Incorporated - Chair of the Board*

**Scott Carlyle Balfour** *Emera Incorporated - COO*

**Stephen D. Aftanas** *Emera Incorporated - Corporate Secretary*

## CONFERENCE CALL PARTICIPANTS

**Allan Lynch**

**Andrew Ritcey**

**Bill Phillips**

**Drew Turner**

**John McNamara**

**Mary O'Reilly**

**Tina Whynot**

**Louis Comeau**

## PRESENTATION

### Unidentified Company Representative

At this time, please welcome to the podium the Chair of Emera's Board of Directors, Jackie Sheppard.

### Mary Jacqueline Sheppard - Emera Incorporated - Chair of the Board

Good afternoon, ladies and gentlemen, and welcome to Emera's 2017 Annual Meeting of Shareholders.

Before we begin, could I ask you to please turn your attention to the screen behind me? It contains a cautionary statement and explains that certain statements made in today's presentations and during the question-and-answer session afterwards may be forward-looking statements or may use non-GAAP financial measures and accordingly should be received with caution.

As part of Emera's commitment to a culture of safety, we like to begin every major meeting with a moment about safety. Safety is a core value at all Emera companies, and we are very proud of the level of commitment shown by all our employees. You may have noticed that we have a number of employees here with us today. They are easily identified in Emera blue T-shirts. You saw them on the way in. And they are here to help you should you need any assistance. In the event of an emergency, unless you are otherwise instructed, please proceed to the main entrance, and Emera volunteers will direct you to the closest exit. Please take a moment now to note the exits around you.

For today's meeting, we have the technology to allow people to join by webcast and telephone. Throughout the meeting, any participants joining us by telephone are in listen-only mode. Instructions for submitting comments over the conference bridge on the items to be voted on today will be provided when we get to the voting process. You may also submit comments by e-mail to [agm2017@emera.com](mailto:agm2017@emera.com).

On the stage with me today is Chris Huskilson, our President and Chief Executive Officer. Next to him is Scott Balfour, Emera's Chief Operating Officer; and Stephen Aftanas, Emera's Corporate Secretary.



## MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

As Emera grows, so does our leadership team. You may have noticed that the Emera executive team and their profiles displayed prior to the meeting again on the screen behind me. They are also listed in the annual report, and most of them are actually here with us today. And I'm sure they'd be very happy to speak to any of you should you wish after the meeting.

In addition to Chris and myself, I would like to introduce our other director nominees. Your management circular provides the career and background particulars of each nominee. I hope you've had the opportunity to review these materials. We have a highly experienced, skilled and diverse group.

Before I introduce the nominees, I would like to take a moment to acknowledge 2 recent board changes. Wayne Leonard, who is facing a serious medical condition, decided to retire from the board earlier this year. And we want to thank Wayne for his very, very valuable contribution during his too short tenure with us. And of course, we wish him all the very best. But we are pleased to welcome John Ramil, who joined the board in September 2016 following the closing of the TECO transaction, and John was the former CEO of TECO. So an official welcome to you, John.

At this time, I would like to introduce our other director nominees, and I would ask each of you to please stand and remain standing while all of the directors are introduced. The director nominees are: Sylvia Chrominska; Toronto, Ontario; Henry Demone, Lunenburg, Nova Scotia; Al Edgeworth, Calgary, Alberta; Jim Eisenhauer, Lunenburg, Nova Scotia; Lynn Loewen, Westmount, Quebec; John McLennan, Mahone Bay, Nova Scotia; Don Pether, Dundas, Ontario; John Ramil, Tampa, Florida; Andrea Rosen, Toronto, Ontario; and Rick Sergel, Boston, Massachusetts. Thank you.

We are very pleased to be back here in Halifax this year. And of course, we're very pleased to be at Dalhousie University this afternoon. Last year, Emera committed \$10 million to Dalhousie's IDEA Project, a program designed to inspire and spur innovation and entrepreneurship in Atlantic Canada. And I don't know if many of you noticed, but this site is already under construction just down the street, and it's going to be a very nice place.

While we have important annual meeting business to attend to today, this is also a very special day for another reason. As you may know, I'm sure you all know, that just over a month ago, Chris notified the board that he plans to retire in 2018. That means that this is his last annual meeting as our President and CEO. Even though Chris will be with us for many months, and this is really the front end of the transition year, I feel it's a really good occasion to recognize his incredible contribution to Emera, the province and the energy industry. Chris joined Nova Scotia Power in 1977, virtually a boy, 20 years old, I think, at that time. During his time with Nova Scotia Power, he held many roles, including Superintendent of Production at the Mercy hydro system. He was the Manager of the Lingan generation station. He was Vice President of Transmission and Distribution and Executive Vice President of Operations. And in 2004, he became President and CEO.

As Chris' actual retirement date approaches, we will have many occasions to recognize his contributions. But for today, I thought I would give you a very brief snapshot, and it's very brief. When Chris began -- and what I mean by that is there's a lot to say about Chris. When Chris began as President and CEO, Emera's market capital was \$2.1 billion. And at the end of the month this year -- end of March this year, it reached \$10 billion. Revenues have gone from \$1.2 billion in 2004 to \$4.3 billion this year. Total assets have grown more than 7x from \$4 billion to just over \$29 billion this year. And with last year's investment in TECO Energy, the organization essentially doubled in size, becoming one of the top 20 regulated utilities in all of North America.

I have worked with many CEOs throughout my own career, and I can tell you firsthand that Chris is a standout. He embodies integrity, intelligence and incredible energy, and you can just ask the staff about that and his colleagues. He doesn't tire. He has always been hesitant to draw attention to his own accomplishments, but I think it is fair to say that when he first entered the doors of NSPI, it would have been inconceivable, even for Chris, that his journey at Emera would have gone so far and to such great heights.

And perhaps Chris's greatest legacy will be the incredibly talented and experienced team he has developed. The team, coupled with the vision and strategy that Chris has led and our new transformed asset base, means that Emera is poised with all the fundamentals in place for continued success into the future. So thank you, Chris.

And I would like to take this opportunity to congratulate Scott, who will become our CEO when Chris retires. Scott's strong leadership skills, financial acumen and experience at Emera as CFO and COO make him the right next leader. Congratulations, Scott. Scott doesn't get a hug for a long time.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Scott Carlyle Balfour** - *Emera Incorporated - COO*

Good to know.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Okay, I'll remember that.

Given we are back in Halifax for today's meeting and just up the street from our own headquarters, I thought I'd share a few facts and figures about Emera's growth and how it has impacted the province. Today, Emera has about 7,400 employees across all our businesses, and approximately 2,500 are based right here in Nova Scotia. Our annual operations in Nova Scotia directly boost the province's GDP by roughly \$605 million. That's a total of \$1.1 billion when supply chain spending and induced effects are included. Emera and its affiliated companies spend roughly \$620 million in the province with just over 3,400 vendors. This economic activity supported more than 6,600 full-time equivalent jobs here in Nova Scotia.

And finally, I would like to take a moment to acknowledge a few more accomplishments in 2016. Emera was ranked #1 for corporate governance among 231 companies in Canada by The Globe and Mail Board Games. We were added to the TSX 60, a list of the 60 largest publicly traded companies in Canada. And Forbes Magazine named Emera one of Canada's best employers.

It has often been said, and for good reason, that 2016 truly was a transformational year for the company. As the Chair of the Board, I want to thank my colleagues on the board, the leadership team and our employees across all our affiliates for a great year of significant accomplishments. And on that note, the meeting will now come to order.

In accordance with the company's articles, I will chair the meeting, and Stephen Aftanas will act as Secretary of the meeting. Representatives of CST Trust, the company's registrar and transfer agent, will act as scrutineers for this meeting. They will report on the shareholders in attendance and will count the votes. The scrutineers have reported that a quorum is present at this meeting. Confirmation has been received from the Secretary that proper notice of the meeting has been given and that the materials for the meeting were provided to common shareholders.

I now declare the meeting duly called and properly constituted for the transaction of business.

At this time, I'd like to welcome Greg Blunden, Emera's Chief Financial Officer, to give his financial report.

**Gregory W. Blunden** - *Emera Incorporated - CFO*

Thank you, Jackie, and thank you, our valued shareholders, for joining us today.

2016 was truly a transformational year for Emera. On July 1, we closed the TECO Energy acquisition after successfully completing the financing for the transaction. The financing was the third-largest utility debt financing ever in the U.S. market. We were in the market at the right time, and we were able to achieve interest rates that were better than our original expectations.

The integration of the TECO companies with Emera is essentially completed with no significant issues. The alignment of the values of the 2 organizations has made for a smooth combination. And with the addition of the regulated Florida and New Mexico operations, our earnings from regulated businesses are now well above our 75% to 85% target.

In 2016, we reported adjusted net earnings of \$475 million, and we realized another step change in our cash flow from operations which exceeded \$1 billion. We raised the dividends paid you by 20% last year, and our shareholders realized a total return -- that's dividends plus appreciation of the stock price -- of 9.6%. And we also extended our annual 8% dividend -- target dividend growth through the end of the decade.



## MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

We are proud of our ability to generate very strong returns for our shareholders. On an annualized basis, we have exceeded the total shareholder return for the TSX Index and the TSX Canadian Utilities Index for the 3-, 5- and 10-year periods. These returns have been driven by our steadily increasing dividend, disciplined approach to growth and our fiscal management. Our 10-year annualized total shareholder return has been almost 12%.

Our growth over the past decade has been remarkable. In 2007, Emera's net earnings were \$151 million, predominantly driven by Nova Scotia Power. Net earnings increased by more than 50% by 2012 to \$231 million, with the majority of the growth coming from new investments.

Our reported adjusted net income last year was \$475 million, an amount that included several items such as a gain on the sale of our ownership in Algonquin Power that were onetime in nature. Adjusting for these onetime items, our 2016 adjusted net income was \$409 million and came from a very different business mix. TECO delivered \$172 million in the second half of 2016. Net of the \$93 million of permanent financing costs, these operations delivered \$79 million of net income for the 6 months of ownership last year.

And this growth could be even more fully appreciated when looking at the cumulative growth rates. Using the fully adjusted, more conservative, \$409 million of net income and \$2.39 of earnings per share in 2016, our adjusted net income compound annual average growth rate from 2007 through to 2016 was 11.7%, and the growth in earnings per share was 6.8%. The same comparisons, when -- for the reported \$475 million of adjusted net income and \$2.77 in EPS would, as you would expect, be higher.

We recognize the importance of the dividend to our shareholders. Since 2010, we have delivered a compound average growth in our dividend of 8.8%. We are targeting 8% annual dividend growth through to the end of the decade, with the dividend being fully covered by the earnings and cash flows of our regulated businesses.

I mentioned earlier that cash flow from operations last year exceeded \$1 billion for the first time. We have grown cash from operations from \$351 million in 2007 to over \$1 billion last year, resulting in a compound average growth rate of 13%. These strong cash flows will allow us to fund the dividend, invest in new growth opportunities and further enhance our balance sheet.

To support our earnings and dividend growth through to 2020, we have identified \$6.5 billion of capital investment opportunities. These include normal growth capital; investments in projects such as hydroelectricity, facility refurbishments here in Nova Scotia, our investments in the Maritime Link and Labrador-Island Link; and technology improvements across all of our companies that will benefit customers. We fully expect that we will identify additional opportunities over this period as we anticipate there will be opportunities to invest in large-scale solar in Florida, the Atlantic Link project to bring clean renewable energy into Massachusetts and to expand the gas distribution system in New Mexico.

We have been active in the capital markets over the past year. In fact, in the 15-month period between the announcement of the TECO acquisition in September 2015 through to the end of 2016, we raised approximately \$10 billion of debt and equity capital. And that includes a sale of our investment in Algonquin Power, which raised almost \$700 million. For those investors that have supported us, either through our debt issuances, equity offerings or through our dividend reinvestment program, we want to thank you for your continued support in Emera and your interest.

Yesterday, we announced our strong first quarter results. Adjusted net income rose 27% to \$152 million from \$120 million in 2016, with improved results from virtually all of our regulated businesses. The Emera Florida and New Mexico companies added \$79 million to adjusted net income before taking into account the \$45 million of after-tax financing costs related to the transaction.

Earnings per share were \$0.72 compared with \$0.81 in 2016. Despite the higher adjusted net income, earnings per share were lower as a result of the additional shares issued in the second half of 2016.

When we announced the TECO transaction, we indicated that our expectation that this was -- the transaction would be accretive to our existing business by at least 5% in 2017. I am pleased to stand here today and tell you that we are on track to meet and likely exceed that projection over the course of the full 2017 year.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

Cash flow from operations was up almost 50% in Q1 from \$233 million to \$348 million, helped by the addition of the TECO operations and improved results at Nova Scotia Power and our other regulated operations.

In closing, let me summarize the areas that we are most focused on from a financial perspective. We are focused on growing our earnings and our cash flow to support the 8% dividend growth target. To finance the TECO acquisition, we took on a significant amount of additional debt. We maintained our existing credit ratings, but you can expect us to reduce our debt levels over time to further enhance our overall credit quality. And to grow earnings and dividends, we will be making significant capital investments. We will continue to do so with the same disciplined approach that we always have.

Thank you.

---

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Thank you, Greg. The scrutineers' report on the number of shares represented at this meeting has been received. Mr. Secretary, could you please read the report?

---

**Stephen D. Aftanas** - Emera Incorporated - Corporate Secretary

Madam Chair, the scrutineers have provided their preliminary report. There are present at the meeting in person or represented by proxy more than 95 million shares of the company. This represents over 45% of the outstanding shares. The final report will be kept on file for the record of this meeting.

---

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Thank you. We will now deal with items which require shareholder approval, and I will explain the voting procedure.

The mailing to shareholders provided notice that 4 items would be placed before this meeting for approval. Most shareholders decided to take advantage of Internet and telephone voting or mailed their proxy in advance of this meeting. Shareholders here in the room who have not already voted and who want to vote at this meeting were given a ballot at the registration desk by CST Trust. Any shareholder in the room who has not already voted and did not receive a ballot at the desk, please raise your hand now, and we will give you a ballot. There's a few. Yes.

In order for your ballot to count, please print your name on the ballot and mark whether you are a resident or a nonresident of Canada. Your ballot must be legible and must indicate your voting intention on each item. If a box is not marked with your voting intention, your vote cannot be counted on that item. The ballots will be collected after the items for approval have been presented to the meeting.

There are 4 items for approval at today's meeting. Employee shareholders or proxy holders will move and second a motion to approve all 4 items, following which, shareholders will have an opportunity to make comments about any of the items. Shareholders in the room who wish to comment on these items may do so by coming to one of the microphones in the room. For those of you on the conference call, our conference operator will provide direction on how to participate. For those of you on our webcast, please send your comment via e-mail to [agm2017@emera.com](mailto:agm2017@emera.com).

If you have a question that does not relate to one of the 4 items, I would ask you to please save your question for the question-and-answer session which will follow the formal business. After the items have been discussed, we will conduct a ballot vote on each of the 4 items. After the close of voting and the conclusion of the meeting, we will then have a general question-and-answer session.

As set out in the information circular, there are 4 items for approval at today's meeting. And they are: the election of directors, the appointment of auditors, the authorization of the auditors to establish the auditors' fees -- of directors' fee -- authorization for the directors to establish the auditors' fees and an advisory vote on executive compensation.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

May I now have a motion regarding these 4 items?

---

**Tina Whynot**

Madam Chair, my name is Tina Whynot, and I am a shareholder of the company. I move that, one, the nominees, as set out on the ballot and on Pages 7 to 18 of the management information circular, be elected as directors of the company until the next annual meeting or until their successors are elected or appointed; two, Ernst & Young LLP Chartered Accountants, be appointed auditors of the company to hold office until the close of the next annual meeting of the shareholders or until their successors are appointed; three, the directors of the company be authorized to establish the auditors' fee for the current year in such amounts as they may, in their discretion, determine; four, the resolution as set out on the ballot and on Page 4 of the management information circular regarding the company's approach to executive compensation is approved.

---

**Mary Jacqueline Sheppard - Emera Incorporated - Chair of the Board**

Thank you, Tina. Is there a seconder regarding the 4 motions, please?

---

**John McNamara**

Madam Chair, my name is John McNamara. I'm a shareholder of the company, and I second all 4 motions.

---

**Mary Jacqueline Sheppard - Emera Incorporated - Chair of the Board**

Thank you, John. Tina is an executive assistant with Emera, and John is the business systems analyst supporting Emera Energy.

Is there any discussion from our shareholders here in the room on any of the 4 items? Is there any discussion from shareholders on the conference call on any of these items?

---

**Operator**

(Operator Instructions)

---

**Mary Jacqueline Sheppard - Emera Incorporated - Chair of the Board**

And finally, have we received any e-mail comments on any of the items?

---

**Unidentified Company Representative**

Madam Chair, we have not received any questions or comments via e-mail on this motion.

---

**Mary Jacqueline Sheppard - Emera Incorporated - Chair of the Board**

Thank you. Please take a moment to mark your ballot for the 4 items.

(Voting)

---



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Please pass your completed ballots to the end of the row, and they will be collected and counted by CST Trust, along with the votes submitted by proxy prior to the meeting.

We will now wait a moment to allow the ballots to be collected. A little hard to see. While the scrutineers are tabulating the votes, Emera's President and Chief Executive Officer, Chris Huskilson, will say a few words, followed by Scott Balfour, Emera's Chief Operating Officer.

**Christopher G. H. Huskilson** - *Emera Incorporated - CEO, President and Non-Independent Director*

Well, thank you, Jackie, and good afternoon, everyone. Welcome to Emera's 2017 Annual General Meeting.

I want to acknowledge today that there are a number of employees and also retirees in the audience. They have been very supportive of us over the years, and I just wanted to thank them for coming. But there's also one person in the audience I wanted to especially acknowledge, and that's a former CEO -- President and CEO of Nova Scotia Power, Louis Comeau. And I am told by Louis that this is -- yes, he's probably not happy I did that, but I'm told by Louis that this is the first meeting he's been to since he stepped down. So anyway, thank you for coming, Louis.

We're very pleased to be here at Dalhousie University. In fact, the university is the center of a rebirth of the Nova Scotia economy and especially the start-up ecosystem. We're very proud to also be participating in that rebirth.

As Jackie shared earlier, I walked through the doors of Nova Scotia Power back in 1977. I was excited to join NSP because it meant I could build my career here in Nova Scotia. And that was something, at that early age, that was very important to me, as it is today and has been. I've been fortunate to spend nearly 40 years -- boy, oh boy, 40 years, a long time -- 40 years doing something that I love in this very special place. And the transformation that this company has seen over those years has been very significant.

Today, more than 70% of our business is located outside of Canada, but our roots run deep here in Nova Scotia. When our strategy began in 2005, we had assets valued at almost \$4 billion, and today, we have close to \$30 billion in assets.

Last year's USD 10.5 billion transaction for TECO Energy essentially doubled our size and added 3 new, very important businesses: Tampa Electric, Peoples Gas and New Mexico Gas. They position us well for continued growth, providing new platforms as we focus on transitioning from high to low carbon in the diverse markets that we're privileged to serve.

As you know, I notified the board in March that I intend to retire in 2018. It was not an easy decision, but it's one that I made with tremendous confidence. And that's because the company is ready, I think the team is ready, and it's the right time. Over the past 5 years, Emera has delivered an annualized total shareholder return of 11%, far outpacing both the S&P Capped Utilities Index and the TSX Composite Index. What that means is, if you invested \$100 in Emera in 2011, at the end of the year, you had \$169. Our commitment to growing our dividend resulted in our shareholders receiving 20% more cash in 2016 with our dividend set at \$2.09 per share. I'm extremely proud of the growth that Emera has had, and I'd like to share with you a video that captures what our growth has allowed us to do in the communities we serve.

(presentation)

**Christopher G. H. Huskilson** - *Emera Incorporated - CEO, President and Non-Independent Director*

Well, as you can see, we're very proud of some of the things we've been able to do for shareholders, for our customers and for our communities. And it's something that our whole team is very proud of.

One thing I should say, another -- the project that we're working on right now in the Cabot Strait is within a few kilometers of bringing the cable to shore. So we're very, very happy to see that happen.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

As you saw in the video, we're investing millions to support research, innovation and economic development across our businesses. Here in Nova Scotia, our growth has also allowed us to invest \$10 million in the Dalhousie IDEA Project. Our commitment will help fund an advanced engineering incubator that will equip students with the creative and entrepreneurial skills that they need for the future.

When our communities prosper, our business will prosper. And it's partnerships like these that are so important to Emera as we bring our business and our communities together for mutual growth.

The strength of the company is the result of the incredible team at Emera. Thank you to each and every team member. The company is in great shape and has a bright future. I want to congratulate Scott for having been selected by the board to be our next CEO. Having had the opportunity to work closely with him during his time at Emera, I know the strong leadership skills and the perspective he brings will continue to serve Emera and the team very well. Congratulations, Scott.

I want to thank our Board of Directors for their advice and ongoing support. It's been my pleasure to serve with you all. Thank you.

I'm confident in Emera's future. We have the right strategy, the right team and unwavering commitment to delivering for our customers, our shareholders and our communities.

And now I'd like to invite Scott to come up and say a few words.

---

**Scott Carlyle Balfour** - Emera Incorporated - COO

Thank you, Chris. I really appreciate your kind words and your confidence.

Now I remember the first time I met Chris back in 2011. It was technically a first interview to discuss the prospect of me joining Emera as Chief Financial Officer. Ahead of that meeting, I wondered about all the things you wonder about when you're considering a new opportunity. Was this the right place for me? Would it be a good fit? I also remember that I decided to wear a suit that day but skipped the tie. Now perhaps a little unconventional and risky given the context of an interview, but not wearing a tie is a pretty common thing for me, as some of my colleagues would attest. Clearly, an AGM is an exception.

Any doubts I had about the tie and about whether Emera would be a good fit faded very quickly. As those of you who know Chris well, you might have guessed that Chris wasn't wearing a tie that day either. In fact, he was in jeans. I remember Chris spoke about the business with a bold confidence that was compelling, and he spoke with pride about Emera and about Nova Scotia. Needless to say, I was sold, and I'm so glad that I was and my wife Stella and I and our 3 boys have made Nova Scotia our home. Over the past 5 years, as Chief Financial Officer and Chief Operating Officer, I've had the opportunity to witness firsthand what the Emera team is capable of accomplishing. And it is nothing short of impressive.

Let me walk you through a quick update of what the team has been up to over the past year. Here in Nova Scotia, Nova Scotia Power has undergone the most rapid transition to renewable energy of any in Canada, tripling its renewable generation in just 10 years. Just 2 weeks ago, NSP announced that 28% of the electricity used by Nova Scotians in 2016 came from renewable resources, exceeding the legislative requirement of 25%. Nova Scotia Power has also integrated proportionately more wind on the system than in any other place in Canada. And of course, we'll be harnessing the benefits of tidal and hydro energy through the Cape Sharp Tidal and Maritime Link Project.

The Maritime Link is an incredible engineering project that will enable more than 40% renewable energy generation in Nova Scotia by 2020. This \$1.6 billion project is on budget and on track to be complete by the end of the year. Two submarine cables, each of them 170 kilometers long, are now being installed in the depths of the Cabot Strait between Newfoundland and Nova Scotia. As Chris referenced, the first cable is now about 10 kilometers away from completing that first stretch. With Cape Sharp Tidal, we're now testing new technology right here in Nova Scotia. We're gathering important environmental and tidal energy data, driving innovation and helping to build a tidal industry in our region that will generate future economic growth.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

Our proposed Atlantic Link Project could deliver 900 megawatts of clean energy from Northern Maine and Atlantic Canada directly to Southern Massachusetts and open an immense market for emissions-free energy through a 560-kilometer subsea cable.

In Barbados, we built the first large-scale solar operation in the Caribbean. The St. Lucy solar facility produces enough electricity to displace 70,000 barrels of oil, which saves enough money for customers to pay for the project in only 4.5 years. This is a perfect example of the fuel-to-assets element of our strategy. Our vision is for the island of Barbados to be fully electrified before 2045. That means Barbados will run entirely on electricity generated from clean sources of energy.

In Florida, we recently had the ribbon-cutting of our Big Bend solar array, a 23-megawatt facility that is one of the most advanced solar installations in Florida. The array has more than 200,000 solar panels that track the sun, giving them the ability to produce about 30% more energy than from fixed panels.

In New Mexico and Florida, we're investing in natural gas as a transition fuel to a more cleaner energy.

Tampa Electric has also recently completed an expansion of its Polk Power Station. This USD 656 million project expanded the plant to now power up to 250,000 homes. New Mexico Gas has completed a USD 26 million expansion in the gas transmission system. As well, in Maine, Nova Scotia and Barbados, we're integrating electric vehicles and working with world-class leaders like Tesla to test the use of battery storage that will make intermittent renewable energy an even more reliable source of generation.

While our geography and operations may be different, there are some things that are the same right across the business. We have a goal at Emera to attain world-class safety, and the team is fiercely committed to working and living safety every single day. This is a company filled with people who are passionate about what they do. They are creative and bold and delivering on our strategy. And all of this is balanced with a deep understanding of our business and the risks inherent in what we do every day. Our approach between balancing -- our approach to balancing between aggressive goals and managing risk is what I think really sets Emera apart.

We also share a commitment to our strategy. In many ways, our strategy was ahead of its time. We've been focusing on delivering clean affordable energy to our customers for over a decade. And here we are today, and we still believe in this strategy. We're growing because our team is delivering every day. And I know I speak for all of the leadership team and our employees when I say that Chris has been a driving force, pushing us to think big and execute with discipline.

My vision for the company is to continue to capitalize on our strengths, our people, our strategy, our great platform for growth, to continue to attract and retain the best and the brightest people in the industry, to keep thinking big, staying relentlessly focused on delivering value to our customers and disciplined in our execution. And in doing this, we'll continue to deliver strong returns to shareholders, returns that outpace our peers. Emera has been doing this for the better part of its existence. And from where we are positioned today, I am confident that we will continue to deliver, prosper and grow.

I'd like to thank Jackie and the board for trusting me to help guide Emera forward. I am honored and proud to have been chosen to succeed Chris when he retires. I'm excited about the opportunity ahead. The energy sector is changing rapidly, and so, too, are customer expectations. It's exciting. It's exciting to me because I know that we're ready for it.

Thank you.

---

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Come to think of it, I think Chris was wearing jeans when he first met me, too. And the good thing is, next year, he can wear jeans all the time. Thank you, Scott, and again, congratulations.

The Secretary advises me that the voting results have now been received. Mr. Secretary?



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Stephen D. Aftanas** - *Emera Incorporated - Corporate Secretary*

Madam Chair, the scrutineers report that all items voted upon at the meeting have received more than the number of votes required, and therefore, all items are passed. The final voting results will also be posted online at [sedar.com](http://sedar.com).

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Thank you, Stephen. In light of the results of the voting, I now declare each of the 12 nominees for director are duly elected. Ernst & Young LLP is appointed as auditors of the company. The directors are authorized to establish the auditors' fee for the current year. And the resolution regarding the company's approach to executive compensation is approved.

Ladies and gentlemen, there being no further business to put before the meeting, I will entertain a motion to terminate the meeting.

**Mary O'Reilly**

Madam Chair, my name is Mary O'Reilly, and I am a shareholder of the company. I move that the meeting be terminated.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Thank you, Mary. Is there a seconder, please?

**Drew Turner**

Madam Chair, my name is Drew Turner. I'm a shareholder of the company, and I second the motion.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Thank you, Drew. Mary is Emera's Accounts Payable Team Lead, and Drew is Director of Commercial Power Operations at Emera Energy.

We will now vote by show of hands. All those in favor of the motion, please raise your hand.

(Voting)

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

I think that's conclusive. Against the motion?

(Voting)

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

The motion is carried. We will now proceed to the question-and-answer session. First, we will take comments and questions from shareholders here in the room and then from shareholders on the conference call and finally from shareholders who have sent questions in by e-mail. If you would like to pose a question in French, we do have a translator with us today. We ask that all shareholders with questions, please give your full



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

name and affirm that you are a shareholder or proxy holder of the company. And I will ask Chris, who's really anxious to get to the podium, to answer questions or direct them to any of the team members in the audience. Are there any questions at this time?

## QUESTIONS AND ANSWERS

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

So microphone #1 first.

**Allan Lynch**

My name is Allan Lynch. I've been a shareholder since privatization of Nova Scotia Power. My name will probably cause some people's blood to run cold. I am an annoyed shareholder. I've had an issue with the company since 2010. When the company was privatized, my mother and I bought shares together, and the coding was that one, we had survivors' rights. When my mother died, the company wanted \$474 to remove her name from the shares. This wasn't right. I refused. We went back and forth. Then the amount changed, and it kept going up. Then I -- there was bonding. I offered to come and pick up the shares. No, that couldn't happen. It had to be done by -- it's a long, complicated story, which I have put into many letters. I wrote Computershare several times and got no satisfaction. We spoke. The people were nasty on a good day. Snotty is the way I would describe some of the attitude that we were -- that I encountered. And so I adapted the golden rule as -- where it says, "Do unto others as you'd have them do unto you." I did unto you as you did to me. And I became a pain in the a\*\* for people. I did purposely. And I wrote. I continued correspondence. I stopped having verbal conversations with people because of the way they were going. There was a lot of e-mails, and I believe in creating a paper trail. I first wrote Mr. Huskison in August 2011 to talk about the problem. Now I understand, when somebody small like me contacts somebody who's running a multibillion-dollar company, you hand it off to somebody to do -- to handle. It wasn't handled. I wrote again in February 2012, March, May, June, July, on and on. In total, I have -- my last correspondence to you was last week, and my shares were returned to me this week. And I'm missing dividend payments. I have been trying to find out why dividend checks were not paid for 5 quarters. Now I was dealing with a medical emergency. I didn't pay attention to what was coming in. Nobody ever explained to me why these checks were not paid. And in fact, they turned the quarter on us and said that we were bad shareholders, we were negligent shareholders, for them not paying us. And those were the nicer things that they said. To this day, I've never had an explanation for that. And it went on. I also complained to Mr. Bennett. I copied to Mr. McLennan. Then I started writing Mr. Hanf. And in total, I have written the executives of this company 33 times. That doesn't include leaving correspondence with the shareholder people. And we had -- I would get a regular-form letter from them offering to deal with any questions I had and if I would follow up, phone the toll-free number. Since they sent me sort of a form answer every year, I replied with my own form letter to them.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

So thank you. I think we -- I do think we understand, and certainly understand your...

**Allan Lynch**

Okay. But I was just asked what would make me happy.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Yes.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Allan Lynch**

I think that there should be some contrition. And one of the things that I think should happen is that the people that I became correspondents with should take the \$489.30 that I was asked to pay unfairly and which I haven't asked and for each of them to make a donation to Feed Nova Scotia as a good example and use it from their funds and not our money. Thank you.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Well, I'm really sorry about that, and I actually don't understand because there are processes for handling these things. And perhaps, Stephen, we can take this off-line. And hopefully, you'll be happy next annual meeting, okay? We'll take it off-line for sure. Microphone #2.

**Andrew Ritcey**

Andrew Ritcey, shareholder. Myself and my spouse back a few months ago purchased a plug-in vehicle, plug-in hybrid vehicle because we can't rely necessarily on electricity to travel the distances we want to. And so -- and we live in Lunenburg County, so we're somewhat challenged in terms of plugging into various commercial and private areas outside of our own home. I'm wondering if Emera's various utilities are working strategically or have strategic plans in place with both public or government organizations with those of the private sector or the private entities that might have common interests to develop specifically, for my own purposes, Nova Scotia and New Brunswick, PEI, and then I worry more about beyond that. But in terms of developing a good network of charging stations for my vehicle and obviously for the public as we see that trend moves. And as you see, your company is committed to that trend as well.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Thank you. Chris, I think that's -- Scott?

**Christopher G. H. Huskison** - Emera Incorporated - CEO, President and Non-Independent Director

I think he's got something.

**Scott Carlyle Balfour** - Emera Incorporated - COO

Yes. In fact, yes, I can tell you we are working with both federal and provincial governments to look to establish a charging system within the province. So that's still a work in process for us. Nothing yet ready to announce, but it is a very active file for us today.

**Andrew Ritcey**

My only other comment is the ones that do exist -- and I quite frequently come to town and stay at The Westin as my preference, and they do have a charging station there. There's varying amounts around what they charge. And some of them are way more than if you were just purchasing gas, which is ludicrous. I mean, certainly, we believe in a fair return to everybody that's involved in these things. So I would hope that we -- somehow if we get involved in partnerships and we standardize what is the charge for those individuals that choose to use those charge stations.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Good point. Thank you.



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Christopher G. H. Huskison** - Emera Incorporated - CEO, President and Non-Independent Director

Just would say, one other thing, I mean, more generally, we think electric vehicles are a very important part of the future as we try to reduce the carbon intensity of the economy as a whole. And we're doing a fair bit of work right now on looking at integrating vehicles into the electrical network, looking at things like vehicle to grid and those kinds of activities that will allow you ultimately to get more value out of your electric vehicle. If it's integrated into the electricity system, then you will actually get some value back from the electricity system, too. So it's early days, but it will evolve that way.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Are there other questions? I'd have given him a hard time in his last annual meeting. Spoke too soon.

**Christopher G. H. Huskison** - Emera Incorporated - CEO, President and Non-Independent Director

Thanks, Jackie.

**Bill Phillips**

Bill Phillips is my name. I'm a shareholder. I have a comment I want to make. But first, I want to say that I was a little disappointed with the comments that were made by the previous shareholder at this microphone, disappointed in the way that he has a problem, the resolution of which seems to be rather questionable. And I as another shareholder would hope -- as a matter of fact, I'm surprised that this story that he has told us about here has even arisen, at least some aspects of it. So I'm hoping that this question that he has raised will be resolved in the interest of both the company, Emera, but particularly the shareholder with some of the background comments that he made about his experience in dealing with the problem. Now my question is -- and I mentioned this to Chris that I would ask it, is related to history. Back a few years ago, not too many years ago, 7, 8 or 9, I think it was Emera Energy that consummated a purchase with Nalcor, Newfoundland Crown corporation, to take 150 megawatts of their 300-megawatt supply they have from Churchill Falls. And we, Emera, that is, we took that 150 megawatts and I think used it very profitably by selling it into, I believe, New York area. What I am wondering about is, is that agreement still in effect? And are we still taking that 150 megawatts from Nalcor's 300 supply?

**Christopher G. H. Huskison** - Emera Incorporated - CEO, President and Non-Independent Director

So that particular agreement is -- has expired, and Nalcor is actually working pretty hard to actually do some of that work themselves. But we are working right now, as we speak, with Nalcor to try to move some of their energy from the new projects and some of the activity that they're doing right now, trying to move that into the New England market. And we actually believe that the Atlantic Link will be a very, very important connection for the -- for Newfoundland and Labrador as they look at building more in the future. And so that's really the way that we're working with them today. But I would say, though, Bill, your point about that particular project, is that it was really the first and the foundational relationship between Emera and Nalcor and allowed us to advance that relationship and ultimately get to where we did with the Lower Churchill and Maritime Link. And so some of that kind of early-stage activity is very important to growing our business over time.

**Bill Phillips**

Oh, thanks for that, Chris. One thing that I would comment on, in the Maritime Link, it's my understanding that the link through Nova Scotia will eventually -- whatever the time frame is, I don't know offhand but I think I've seen it, but I can't recall what it was. But eventually, that transmission circuit in our province will become the property of the Crown corporation of Newfoundland. Am I right in that?



MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Christopher G. H. Huskilson** - Emera Incorporated - CEO, President and Non-Independent Director

The Maritime Link itself will revert to Nalcor in the 36th year, and so they'll be able to use that connection for that -- from that period forward. And we would expect that, that particular connection probably has a 50-or-so year life. And so there's probably about 15 years of its life that will actually revert to Nalcor, yes.

**Bill Phillips**

Yes. That bothers me a bit as a Nova Scotian. And I think if Newfoundlanders were in the same position, they wouldn't -- they'd have the same feelings that I have. But it is unusual for a Crown corporation, particularly an electric energy corporation, to be owning transmission circuits like this one will be in Nova Scotia. Anyhow, thanks very much.

**Christopher G. H. Huskilson** - Emera Incorporated - CEO, President and Non-Independent Director

Thank you. Well, you do have to remember that we're owning transmission circuits in Newfoundland as a result of this project. And at the end of the day, the ownership isn't going to be as important as being able to use the circuit. And so Nova Scotia Power customers will still benefit from being able to use the equipment. Thank you.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

So could we now move to questions from our conference call? Conference operator, do we have any questions on the telephone? Oh -- do we have a question here?

**Louis Comeau**

Yes.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

It's microphone #2.

**Louis Comeau**

Louis Comeau. I remember I was CEO in '83 to '96, and the privatization took place in '93. And it started -- well, I started discussing that stuff way back in '86, '87. But I remember, in the late '80s, Madam Chair, resources came in and with another Vice President, and we were looking at succession and things like that. And they said there's this crazy guy from Shelburne, Chris, there's this crazy guy from Shelburne, and he might be bright, so maybe we should do something with him. So we moved him around a bit. Chris, you've done a fantastic, fantastic job. Thank you.

**Mary Jacqueline Sheppard** - Emera Incorporated - Chair of the Board

Well said.

**Christopher G. H. Huskilson** - Emera Incorporated - CEO, President and Non-Independent Director

So Louis is a bit modest. He actually started the development processes that -- both the leadership development and also the values development in the company, and that really was foundational from all the various things that happened. Thank you.

MAY 12, 2017 / 5:00PM, EMA.TO - Emera Inc Annual Shareholders Meeting

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Okay. Thank you, Louis. Good to see you. Do we have any calls from the conference line or questions?

**Operator**

(Operator Instructions) And I currently do not see any questions over the phone.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Thank you. Have we received any e-mail questions?

**Unidentified Company Representative**

Madam Chair, we have not received any e-mail questions.

**Mary Jacqueline Sheppard** - *Emera Incorporated - Chair of the Board*

Great. Well, thank you, ladies and gentlemen, for coming out this afternoon. And I hope you'll join us, I think it's upstairs, for refreshments and to speak to your fellow shareholders and the management team. So have a good afternoon. Thank you.

#### DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2017, Thomson Reuters. All Rights Reserved.