Nova Scotia POWER An Emera Company

2016

Management Information Circular

Nova Scotia Power Inc.

2016 Annual Meeting of

Common Shareholders

5/17/2016

MANAGEMENT INFORMATION CIRCULAR

(as at March 17, 2016, unless otherwise specified)

SOLICITATION OF PROXIES

This Management Information Circular (the Circular) is furnished in connection with the solicitation of proxies by the management of Nova Scotia Power Incorporated (the Company or NSPI) for use at the Annual Meeting of shareholders of the Company (and any adjournment thereof) (the Meeting) to be held on May 17, 2016 at the time and place and for the purposes set forth in the Notice of Meeting delivered to shareholders. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost, or by outside parties. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Circular have been approved by the Directors of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy (the Proxy) are officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of Proxy is received by Stephen Aftanas, the Corporate Secretary of the Company, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to Stephen Aftanas, the Corporate Secretary of the Company, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The persons named in the Proxy will vote or withhold from voting the common shares (Common Shares) represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

(i) each matter or group of matters identified therein for which a choice is not specified;
(ii) any amendment to or variation of any matter identified therein; and
(iii) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matter that could come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital:
1. an unlimited number of Common Shares without nominal or par value;
2. an unlimited number of first preferred shares, issuable in series; and
3. an unlimited number of second preferred shares, issuable in series.

Issued and Outstanding: 121,136,849 million Common Shares without par value

The date for determining which shareholders are entitled to receive the accompanying Notice of Meeting is March 28, 2016. This is called the "Record Date". Only shareholders of record who hold Common Shares at the close of business on the Record Date will be entitled to vote. Each Common Share owned as of the Record Date entitles the holder to one vote.

On a show of hands, every individual who is present as a shareholder or as a representative of one or more corporate shareholders, or who is holding a Proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in his or her name or the name of the corporate shareholder(s) represented by him or her on the list of shareholders, which is available for inspection during normal business hours at the office of the Corporate Secretary of the Company and will be available at the Meeting.

To the best knowledge of the Directors and Executive Officers of the Company, the persons or companies who beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10 per cent of the voting rights attached to all outstanding Common Shares of the Company are as follows:

Name	Number of Common Shares	Percentage
Emera Incorporated 5151 Terminal Road Halifax, Nova Scotia B3J 1A1	102,977,223	85.009%
3081922 Nova Scotia Limited	18,159,626	14.989%

Common shares are the only voting shares at this time. Under Nova Scotia legislation that applies to the Company, no shareholder may own or control, directly or indirectly, more than 15 per cent of the outstanding voting shares to elect Directors other than Emera Incorporated (Emera). Shareholders who are not residents of Canada may not hold, in the aggregate, more than 25 per cent of outstanding voting shares that may ordinarily be cast to elect Directors. These restrictions may be enforced by limiting non-complying shareholders' voting rights, dividend rights and transfer rights. Shareholders may be required, at any time, to furnish a statutory declaration to verify the number of shares held and/or residency in order to ensure compliance with these restrictions. For more information, see *Capital Structure* in NSPI's Annual Information Form which is available under the Company's profile on www.sedar.com.

BUSINESS OF THE MEETING

All resolutions placed before the Meeting must be approved by a majority of the votes cast.

1. **Financial Statements:** The audited financial statements of the Company for the fiscal year ended December 31, 2015 and the auditors' report thereon will be placed before the Meeting. These financial statements are available at www.sedar.com under NSPI's profile.

2. **Election of the Board of Directors**: The nine nominees proposed for election as Directors at the 2016 Meeting are identified under *Director Nominees* in this Circular. All nominees, except Scott Balfour, are currently Directors of the Company and have served as Directors from the dates set out under *Director Nominees* below. Each nominee has indicated his or her willingness to serve as a Director. Each Director elected at the Meeting will hold office until the next Annual Meeting of shareholders.

   The persons named on the accompanying Proxy intend to vote "for" the nine nominees unless instructed otherwise by shareholders in their Proxy.

3. **Appointment of Auditors**: The Audit and Corporate Responsibility Committee pre-approves all services to be supplied by auditors and has reviewed the performance of Ernst & Young LLP, Chartered Accountants, including its independence, relating to the audit.

   The persons named on the accompanying Proxy intend to vote "for" the re-appointment of Ernst & Young LLP as auditors of the Company to hold office until the close of the next Annual Meeting of shareholders, unless a shareholder specifies their shares be withheld from voting.

   Ernst & Young LLP have been auditors of the Company since August 24, 2012.

4. **Auditors' Fee**: The Company is incorporated under the Nova Scotia *Companies Act*. Shareholder approval of the authorization of Directors to establish the auditors' fee is required pursuant to the *Act*.

   The aggregate fees billed by Ernst & Young LLP for the fiscal years ended December 31, 2015 and 2014, were as follows:

Service Fee	2015	2014
Audit Fees	$229,900	$229,900
Audit-related Fees	$26,400	$23,600
Tax Fees	$1,318	$1,659
All Other Fees	$397,738	Nil
Total	$655,356	$255,159

Audit-related fees for the Company related to services associated with French translation and tax fees related to tax compliance on corporation income tax returns.

The persons named on the accompanying Proxy intend to vote "for" the authorization of Directors to establish the auditors' fee for 2016, unless a shareholder specifies their shares be voted "against" such matter.

DIRECTOR NOMINEES

The Board of Directors of the Company (the Board of Directors or the Board) presently consists of eight Directors and it is intended to elect nine Directors for the ensuing year.

Directors are elected for a one-year term and the term of the office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each Director elected will hold office until the next Annual Meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the provisions of the *Companies Act* or the Articles of Association of the Company.

The following table states the name of each nominee for election as a director, the jurisdiction in which he or she is ordinarily resident, all offices of the Company now held by such nominee, his or her principal occupation, the period of time for which he or she has been a Director of the Company, and the number of Common Shares of the Company beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the Record Date.

Name & Municipality of Residence	Director Since	Principal Occupations During Past Five Years	Securities Held[1]
Scott Balfour Halifax, Nova Scotia Canada	N/A	Chief Operating Officer, Northeast and Caribbean since March 1, 2016. Prior to that Executive Vice President and Chief Financial Officer since April 16, 2012. From May 2011 to April 2012, President of Ensimian Capital Corporation. From September 2005 to January 2011, President and Chief Financial Officer of Aecon Group Inc. , a Canadian publicly traded construction and infrastructure development company.	Mr. Balfour is subject to the Emera Executive Share Ownership Requirements which require that he own shares and/or Deferred Share Units ("DSUs") valued at two times his salary. He exceeds this requirement.
Robert Hanf Halifax, Nova Scotia Canada	2013	President and CEO since January 2013. From September 2011 to January 2013, Executive Chairman of Emera (Carribean) Inc. (formerly Light & Power Holdings Limited). From January 2011 to September 2011, Chief Legal Officer of Emera Inc. Prior to 2011, Mr. Hanf was CEO of Bangor Hydro Electric Company effective January 1, 2010, and prior to that he was President and Chief Operating Officer of Bangor Hydro effective September 2007.	Mr. Hanf is subject to Executive Share Ownership Requirements which require that he own shares and/or DSUs valued at two times his salary. He exceeds this requirement.
Lee Bragg [2][3][8] Fall River, Nova Scotia Canada	2010	CEO of Eastlink, a cable and communication company, and its associated communications companies since 1999. Prior to 1999, held various management positions with the Bragg Group of Companies.	Voting Shares - Nil Emera Shares – 3,100 DSUs – 9,513 Share Ownership Guidelines - 265%
James Eisenhauer [2][4][8][9] Lunenburg, Nova Scotia Canada	2008	President and CEO of ABCO Group Limited, which has holdings in manufacturing and distribution activities.	Voting Shares - Nil Emera Shares – Nil DSUs – 31,742 Share Ownership Guidelines - 668%

Name & Municipality of Residence	Director Since	Principal Occupations During Past Five Years	Securities Held[1]
Sandra Greer [2][3] Hammonds Plains, Nova Scotia Canada	2014	Former President and CEO of AMIRIX Systems Inc./Vemco (2002-2012), a company engaged in the design, manufacturing and worldwide export of underwater acoustic marine tracking devices. Prior to AMIRIX held various management positions with Bristol Communications and MTT/Aliant now Bell Aliant	Voting Shares – Nil Emera Shares – Nil DSUs – 3,575 Share Ownership Guidelines – 75%[7]
Christopher Huskilson[3][8] Wellington, Nova Scotia Canada	2004	President and CEO of Emera since November 2004. Former Chair of Emera Maine, a Director of NSPI and Chair or Director of a number of other Emera associated companies. Since 1980 held a number of positions within NSPI and its predecessor, Nova Scotia Power Corporation.	Mr. Huskilson is subject to the Emera Executive Share Ownership Requirements which require that he own shares and/or DSUs valued at four times his salary. He exceeds this requirement.
Raymond Ivany [2][3][9] Wolfville, Nova Scotia Canada	2011	President and Vice Chancellor of Acadia University since April 2009. From 2007 to 2009 Chair of the Workers' Compensation Board of Nova Scotia.	Voting Shares - Nil Emera Shares - Nil DSUs – 12,555 Share Ownership Guidelines - 264%
Marie Rounding [2][5][10][11] Toronto, Ontario Canada	2007	Counsel to Gowling WLG (Canada) LLP, and member of the National Energy, Infrastructure and Mining Industry Group. Former President and CEO of the Canadian Gas Association from 1998 to 2003. Former Chair of the Ontario Energy Board from 1992 to 1998.	Voting Shares - Nil Emera Shares - 575 DSUs – 17,037 Share Ownership Guidelines - 370%
Elaine Sibson [3][6][8][9] Halifax, Nova Scotia Canada	2010	Former Chair of the Workers' Compensation Board of Nova Scotia. Fellow of the Institute of Chartered Accountants and a Tax Partner in PricewaterhouseCoopers LLP and its predecessor Coopers & Lybrand until 2007. Served on the Board of PricewaterhouseCoopers LLP from 2004 through 2006.	Voting Shares - Nil Emera Shares – 8,050 DSUs – Nil Share Ownership Guidelines – 169%

(1) All voting shares of the Company are beneficially owned by Emera, 3081922 Nova Scotia Limited and 3240384 Nova Scotia Limited.
(2) Member of the Audit and Corporate Responsibility Committee.
(3) Member of the Human Resources and Governance Committee.
(4) Chairman of the Board since May 2, 2011.
(5) Chair of the Human Resources and Governance Committee.
(6) Chair of the Audit and Corporate Responsibility Committee.
(7) For information about the Share Ownership Guidelines, see the *Director Share Ownership Guidelines* in the Statement of Corporate Governance Practices, below. Ms. Greer has until February, 2019 to meet the Guidelines.
(8) Member of the Labour Relations Subcommittee.
(9) Member of the Balanced Scorecard Subcommittee.
(10) Chair of the Labour Relations Subcommittee.
(11) Chair of the Balanced Scorecard Subcommittee.

Meeting Attendance

The Directors attended Board of Directors and Committee meetings as shown in the following table.

	Board		Audit and Corporate Responsibility Committee		Human Resources and Governance Committee meetings		Balanced Scorecard Subcommittee		Labour Relations Subcommittee	
	#	%	#	%	#	%	#	%	#	%
James Eisenhauer	5/5	100	4/4	100	6/6	100	1/1	100	3/3	100
Robert Hanf	5/5	100	4/4	100	6/6	100	1/1	100	3/3	100
Wesley Armour	3/3	100	2/2	100	2/2	100	N/A	N/A	N/A	N/A
Lee Bragg	4/5	80	3/4	75	5/6	83	N/A	N/A	3/3	100
Sandra Greer	5/5	100	4/4	100	6/6	100	N/A	N/A	N/A	N/A
Christopher Huskilson	5/5	100	2/4	50	3/6	50	N/A	N/A	2/3	66
Raymond Ivany	5/5	100	4/4	100	6/6	100	0/1	0	N/A	N/A
Marie Rounding	5/5	100	4/4	100	6/6	100	1/1	100	3/3	100
Elaine Sibson	5/5	100	4/4	100	6/6	100	1/1	100	3/3	100

Notes: Mr. Hanf and Mr. Huskilson were not members of the Audit and Corporate Responsibility Committee, and Mr. Hanf was not a member of the Human Resources and Governance Committee; however, they did attend meetings as shown. Mr. Eisenhauer is not a member of the Human Resources and Governance Committee; however, he did attend meetings as shown. Mr. Armour retired from the Board of Directors in May 2015.

Inter-locking Directorships

Except for the membership of Mr. Huskilson and Mr. Eisenhauer on the Board of the Company's parent, Emera, there are currently no common memberships on boards of public companies among NSPI's Directors.

Corporate Cease Trade Orders or Bankruptcies

No Director of the Company is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, CEO or CFO of any company that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No Director of the Company:

(a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or CEO of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
(b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No Director of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Compensation of Directors

Directors who are not full-time employees of NSPI receive compensation for their services as Directors.

Listed below are the annual compensation rates for independent Directors during 2015. These rates are not applicable to the NSPI President and CEO, Mr. Hanf, who was an employee of NSPI, nor to Mr. Eisenhauer, who received an annual all-inclusive retainer as Chair of NSPI's Board, nor to Mr. Huskilson, who was President and CEO of NSPI's parent company, Emera.

The Chair's annual retainer is an all-inclusive fee, meaning the Chair of the Board of NSPI receives no meeting fees or any other retainer. In 2015, the all-inclusive retainer of the Chair of the NSPI Board was $166,500, of which at least $25,000 was payable in DSUs.

Annual retainers and meeting fees for directors in 2015	Cash amount ($)	DSUs ($)	Total ($)
Chair Retainer	141,500	25,000	166,500
Directors' Retainer			68,500
In-person Meeting Fee			1,750
Telephone Attendance Meeting Fee			1,250
Travel Fee (if one-way travel is longer than 5 hours)			1,750
Travel Fee (if one-way travel is between 3 to 5 hours)			875
Audit and Corporate Responsibility Committee Member Retainer			5,000
Chair of Audit and Corporate Responsibility Committee Retainer			15,000
Human Resources and Governance Committee Member Retainer			3,000
Chair of Human Resources and Governance Committee Retainer			15,000

NSPI does not offer option-based awards, non-equity incentive plan participation, or participation in any pension plan to its Directors. Directors have the ability to elect to receive some or all of their cash compensation in the form of DSUs.

Total Director Compensation in 2015

Director compensation details are disclosed in *Table of Compensation Excluding Compensation Securities* and the *Table of Compensation Securities* on pages 22-25. The NSPI President and CEO, Mr. Hanf, did not receive any additional compensation for his services as a Director of NSPI. Further, Mr. Huskilson, Emera President and CEO, is compensated by Emera and does not receive any additional compensation as a Director of NSPI.

All independent Directors are reimbursed for expenses incurred for attendance at Directors' and committee meetings, and when on NSPI's business.

Directors' DSU Plan

Under the Directors' Deferred Share Unit Plan (the "Directors' DSU Plan"), independent Directors may elect to receive all or any portion of their compensation in DSUs in lieu of cash compensation. For more information about the Directors' DSU Plan, see *Directors' DSU Plan* in Emera's Management Information Circular dated March 17, 2016, and which is available under Emera's profile on SEDAR at www.sedar.com.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NSPI's Board of Directors annually reviews its approach to corporate governance practices. It monitors best practices in order to enhance governance to provide stewardship to NSPI and to oversee management of the business. Set out below is a description of corporate governance practices of the Company.

Board of Directors

All Directors are independent from management, except Mr. Hanf, who is NSPI President and CEO, and Mr. Huskilson, President and CEO of Emera. To be considered independent, a Director must be independent as defined under applicable Canadian securities laws and, in particular, must be free of any direct or indirect material relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the Director's independent judgment. Use of the term "independent" in relation to a Director in this Circular shall refer to the foregoing meaning of that term. None of the independent Directors receive remuneration from the Company other than Directors' retainers, fees or retainers for service as Committee members, or as Chair of the Board or Chair of a Committee.

There were five Board and fourteen Committee meetings during 2015. At each Board and Committee meeting as a matter of course, an opportunity is provided for an in-camera session at which management is not present.

Board Mandate

The Board of Directors is responsible for overseeing the management of the business of the Company. The Board is also responsible for overseeing matters of integrity, strategic planning, risk responsibility, leadership and succession, financial reporting, corporate communications and public disclosure, and corporate governance.

Position Descriptions

Chair of the Board

The Chair of the Board, Mr. Eisenhauer, is an independent Director. The Articles of Association of the Company mandate that the Chair of the Board and the CEO must be separate individuals. The Chair is responsible to lead the Board to fulfill its duties effectively, efficiently and independent of management. The Chair ensures Board meetings function effectively, provides leadership of the Board and its Committees and provides advice and counsel to Directors and the CEO. The Chair participates in the recruitment of Directors and the assessment of their performance.

Committees

The Board is committed to effective and efficient operation in carrying out its oversight responsibilities. As such, it strongly supports the work of its two standing Committees, to which certain functions are delegated as set forth in written charters.

The Board standing Committees are:

- the Audit and Corporate Responsibility Committee (ACRC);
- the Human Resources and Governance Committee (HRGC).

The membership of each of these Committees is indicated above in the biographical information about each of the Director nominees.

The mandate of the ACRC is to undertake the responsibilities set forth under (a) the Audit Committee charter, and (b) the Corporate Responsibility charter. The mandate of the HRGC is to undertake the responsibilities set forth under (a) the Management Resources and Compensation Committee charter, and (b) the Nominating and Corporate Governance Committee Charter.
The various Committees review their Charters on an annual basis.

Committee Chairs

The Board has adopted position descriptions for each Committee Chair which detail the duties of the Committee Chairs. Each Committee Chair is required to provide leadership to the Committee members and support the Committee's effective operation in order to fulfill its mandate.

Chief Executive Officer

The roles and responsibilities of the President and CEO are contained in his employment contract and in the Articles of Association which provide that he is chief executive for the Company.

Orientation and Continuing Education

The Board and management believe that for new Directors to be effective in their roles they must be knowledgeable about the Company, its strategy, strengths and challenges. As well, effectiveness is enhanced as the new Directors form a collegial working relationship with other members of the Board in order to best bring their skills and knowledge to the operation of the Board.

New Directors receive an orientation to the Company that familiarizes them with the business, investments and key personnel of the Company and allows them to effectively integrate with other Board members.

Opportunities for tours of our plants and facilities occur for new and existing Directors. Orientation sessions are attended by the Board Chair, the President and CEO and other executive officers. A reference manual is provided in advance of the session that includes the following:

(a) recent annual and interim MD&A and financials, Management Information Circular and Annual Information Form;
(b) Board and Committee Charters;
(c) Strategic Plan and Business Plan;
(d) guide to the Company's management structure;
(e) insider trading guidelines;
(f) Emera Group of Companies Standards for Business Conduct; and
(g) minutes of Board meetings.

Continuing Education for Directors

The oversight function of Directors is enhanced when they are well informed about the Company's business and its industry. Management continually seeks opportunities to update, educate and inform the Directors in areas they request or that management determines are relevant to issues facing the Company.

The Board and Committees receive regular presentations from senior management updating Directors about market and industry conditions and trends that may impact the Company's existing business and influence its strategy.

Periodically the Board receives specialized presentations on various matters of significance to the Company. Directors participated in education sessions and received education materials about specific topics in 2015 as follows:

Education Presentations	Date	Participants
Review of NSPI's executive compensation practices	January 2015	Human Resources and Governance Committee members
Regulatory Accounting education session	February 2015	Board of Directors
History of Electric Demand Side Management in Nova Scotia presentation	February 2015	Board of Directors
NSPI Employee Pension Plan design education presented by a third party consultant	May 2015	Human Resources and Governance Committee members
Review of NSPI's governance practices in relation to corporate governance best practices	June 2015	Human Resources and Governance Committee members
Cyber Security Risk presentation	June 2015	Board of Directors (Dinner Presentation)
Economic development in the Province of Nova Scotia presentation by the Chief Executive Officer, Nova Scotia Business Inc.	June 2015	Board of Directors (Dinner Presentation)
Fuel Hedging Program education session	September 2015	Board of Directors
Presentation of Nova Scotia Pension Benefits Act Amendments by a third party consultant	November 2015	Human Resources and Governance Committee members
Philosophy, Dynamics and Opportunities in Global Fixed Income and Currencies Presentation - Brandywine Global	November 2015	Audit and Corporate Responsibility Committee members
Key Performance Indicators presentation	November 2015	Board of Directors

The Board encourages and pays for Directors to pursue education sessions provided by third parties that are directly related to the business of the Company and the performance of their duties as a Director of the Company. As such, Directors individually attended a variety of relevant educational or training sessions to enhance their effectiveness as members of the NSPI Board.

Board Dinner Sessions

Board dinner sessions are scheduled the evening prior to regularly-scheduled Board meetings. Board dinners are a critical opportunity to accomplish a number of important governance objectives, including:

- Meeting as independent directors in an atmosphere that is not a board meeting. The Board's practice is to have one dinner each year at which only the independent directors attend;
- Meeting in a less formal atmosphere with the CEO and other senior officers;
- Holding educational sessions on important topics for the Company's business and strategic direction;
- Meeting high-potential employees in order to advance the succession planning for the Company; and
- Strengthen Directors' collegial working relationship.

Ethical Business Conduct

The Board recognizes the importance of establishing and promoting integrity and ethical business practices throughout the Company. The Board encourages and promotes a culture of ethical business conduct.

Emera has adopted a written code entitled *The Emera Group of Companies Standards for Business Conduct* (the *Standards for Business Conduct*) for all Directors, Officers, and employees of the Emera group of companies and a protocol entitled *Procedures for the Reporting of Irregularities and Dishonesty* (otherwise commonly referred to as a "whistleblowers policy") which applies to the Emera group of companies.

Under the Company's Articles of Association, Directors are required to declare any interest which they may have in a matter before the Board. In any matter requiring approval of the Board, a Director is prohibited by the Articles from voting in respect of the matter in which the Director is interested.

Nomination of Directors

The Company's Human Resources and Governance Committee (HRGC) is responsible for providing the Company with a list of nominees for election as Directors prior to each annual meeting of shareholders of the Company. The Committee creates and reviews the criteria for selecting Directors by assessing the personal qualities, business experience, and qualifications of current Directors.

Age Limit

Director nominees must be under 70 years of age at the time of the Company's annual meeting in order to qualify for nomination by the NCGC. In certain exceptional circumstances, the Committee may determine and recommend that an individual be permitted to serve as a member of the Board beyond age 70 because of the individual's contribution and skills. Such determination is made annually. All Director nominees for the Company's 2016 Shareholders' meeting are under 70 years of age.

Term Limits

The Board does not have term limits for Directors at this time.

Board Diversity

To ensure that there are a significant number of women on the Company's Board of Directors, the Company recruits Board members under a long-standing corporate governance practice, which requires that no fewer than 25 per cent of the members of the Board of Directors are women. NSPI has achieved this requirement; its Board of Directors has three women, or 37.5 per cent of the total members of the Board. The list of Director nominees for the annual shareholders' meeting on May 17, 2016, includes three women out of nine Director nominees, or 33.3 per cent.

This governance practice reflects the Board's view that gender diversity is an important part of fostering diversity of perspective and experience around the Board table, leading to improved overall performance of the Board and its Committees.

Representation of Women in Executive Officer Appointments

The Company does not have targets regarding women in executive officer appointments, and the Company's management does not believe that targets are the right approach. Among the executive officers of the Company, currently three are women, representing 30 per cent. Management is of the view, however, that gender diversity among the senior management serves the best interests of the Company in the following ways:

- It is important that NSPI's senior management reflect our diverse customer base;
- Gender diversity will help the Company better understand the needs of its customer base;
- The available workforce is increasingly made up of women. As baby boomers retire and as a competitive labour market is anticipated, NSPI needs to access talent from the broadest recruitment pool;
- Leadership in diversity will make the Company an employer of choice and help us to recruit, retain, and engage high-performing employees; and
- It is demonstrable that business performance improves with greater gender diversity; it is good for business.

Compensation

Remuneration of the Company's independent Directors is determined by the shareholders in consultation with the Board of Directors of the Company.

For more information on the compensation of the Company's Named Executive Officers, see the *Statement of Executive Compensation.*

Director Share Ownership Guidelines

Under guidelines established by the Board of Directors, each Director must own Emera shares or DSUs, or a combination of the two, equal in value to three times the annual Board retainer (this amount Is $205,500), within five years of joining the Board. Details of each Director's share and DSU ownership, and status under the share ownership guidelines, is shown in the director nominee biographical information earlier in this Circular.

Other Board Committees

From time to time the Board may also establish ad hoc committees or subcommittees. An example of a subcommittee is the Balanced Scorecard Subcommittee, which was established to assist the HRGC and the Board in developing a balanced scorecard incentive plan for employees of the Company. In another example, the Board created an ad hoc Labour Relations Subcommittee to provide assistance to the Board in the area of labour relations.

For information regarding the Company's ACRC, including the Audit Committee Charter, composition, relevant education and experience of its members, oversight, policies and procedures for the approval of non-audit services and auditors' service fees, please see *Directors and Officers* in the Company's Annual Information Form available on SEDAR under NSPI's profile at www.sedar.com.

Board and Director Performance Assessments

The Board regularly assesses its effectiveness in order to find ways to improve its performance. The HRGC annually determines the process by which Director performance assessments will be conducted. The assessment process has included the use of questionnaires and one-on-one interviews with Directors by the Board Chair. A report on the assessment is provided to the Board of Directors. Issues arising from the assessment are identified, an action plan is developed and progress is monitored by the HRGC.

2015 Board and Director Performance Assessment

For the 2015 Board and Director Performance Assessment, the Chair spoke to each independent Director of NSPI in order to receive feedback about the effectiveness of the Board's and Committees' operation; the priorities of the Board; the interaction between the Board and management; the integrity-based culture throughout the Company; and to receive a self-assessment of each Director's performance and an assessment of their peer Directors on the Board.

The assessment of the Board Chair was conducted in a meeting of all Directors excluding the Board Chair, led by the Chair of the HRGC. Directors were also provided the opportunity to discuss the assessment of the Chair of the Board in a one-in-one format with the Chair of the HRGC.

2015 Assessment Findings

The HRGC reviewed the findings and the results of the 2015 Board and Director Performance Assessment. The Board Chair will work with the Committee to develop an action plan that responds to the findings, which will focus on: (a) the development of high potential employees and the related succession planning; (b) enhancing the Company's connection with the community; (c) oversight of management, including streamlining operational reporting; and (d) corporate governance, including continuous improvement in Board effectiveness.

STATEMENT OF EXECUTIVE COMPENSATION

The Boards of Directors of Emera and NSPI make decisions on the compensation for NSPI's Executive Officers, based on the recommendations of the NSPI's Human Resources and Governance Committee (HRGC) and Emera's Management Resources and Compensation Committee (MRCC). The HRGC and MRCC oversee the administration of all NSPI executive compensation plans and programs. The current members of the HRGC are Marie Rounding (Chair), Lee Bragg, Raymond Ivany, Elaine Sibson and Sandra Greer. All members of the HRGC are independent Directors. For purposes of this *Statement of Executive Compensation*, the term "Company" may refer to NSPI, Emera or both, as applicable.

Compensation Philosophy

The purpose of the Company's executive compensation program is to:

- reward executives for sustained increases in shareholder value;
- attract, retain and motivate highly qualified and high-performing executives; and
- align the interests of executives with the interests of the Company's shareholders and customers.

Programs are designed to reflect a blend of short- and long-term incentive plans to reflect our pay-for-performance philosophy and to provide for a significant portion of an executive's compensation to be at risk, while aligning the structure of programs and payouts with sound risk management and good governance principles.

Market Competitiveness

The Company's executive compensation program is designed to generally provide total target compensation at the median or 50th percentile of compensation paid by similarly sized companies in similar industries. Pay positioning, in some specific cases, can be above or below the median based on experience, uniqueness of responsibilities, and performance. "Total target compensation" for senior management, including the named executive officers (NEOs), is comprised of base salary, target short-term incentive, and target long-term incentives linked to total shareholder value.

Pay-for-Performance

A central tenet of the Company's executive compensation philosophy is that a significant portion of executive compensation must be at risk and linked to the achievement of objectives that measure whether shareholders are experiencing strong value for their investment. The at-risk components include both short- and long-term incentives, which establish measurable financial, customer, asset, employee and/or safety objectives that, if achieved, add value to the Company.

The incentive compensation plans are designed to pay larger amounts for superior performance and smaller amounts if target performance is not achieved. In addition, the Company must achieve a threshold level of performance for any payment against a particular objective, failing which there is no payment against that objective. Executives' performance against those objectives are measured and rated by the President and CEO and the HRGC, which, in turn, recommends to the MRCC for approval.

Generally, the at-risk compensation component of total compensation increases based on the individual executive's level of responsibility. Management considers many factors when developing the incentive plans, including current compensation trends, plan costs at payout including maximum payout values, expected value to be delivered to participants and analysis of threshold, target and stretch payouts. Both short- and long-term incentive plan designs are modelled using historical and prospective performance scenarios. This stress testing provides the MRCC and HRGC with reasonable assurance that the plan payouts will be appropriate and aligned with shareholder and Company objectives. Analysis is done every year to determine how actual payouts compare to expected payouts and whether the plan components require any changes.

The MRCC and HRGC reserve the right to exercise discretion in recommending that the Board adjust compensation payouts to align with Company results.

Best Practices

The MRCC and HRGC consider best practices in determining and monitoring Executive Compensation as discussed in this Circular:

The Company's compensation programs are aligned with corporate strategy through the use of performance metrics that support both our short- and long-term strategic goals.
The MRCC and HRGC have the discretion to reduce or withhold payouts under the short-term and equity-based incentive plans for results below expectations.
Compensation awards are tested for appropriate alignment between pay and performance under a number of scenarios.
Detailed information is provided on those companies used in our comparator group for benchmarking purposes.
Executive pay is aligned with shareholders' interests by having a significant component at risk and tied to both short- and long-term performance.
A substantial portion of long-term incentives for the majority of the senior executives and other employees whose actions may have a material impact on our risk profile is deferred to discourage leaders from taking short-term or excessive risks.
A pension oversight governance framework is in place for pension benefits.
The Company monitors the ratio of its NEOs' total compensation to the average employee's total compensation.
The Company has a clawback policy that allows the Company to recoup short- and long-term incentive payments made to senior executives.

Risk Management and Compensation

As part of the oversight responsibilities for the design and administration of the Company's executive compensation programs, the MRCC and HRGC identify and discuss design features or processes that may potentially represent conflicts of interest and/or inducements for unnecessary or excessive risk-taking by senior executives.

The MRCC and HRGC also regularly monitor industry trends with respect to risk management and conduct an annual risk assessment. NSPI's compensation programs and policies are designed to incorporate the Company's view on appropriate risk, as demonstrated by the elements shown below, which are discussed in greater detail in the sections that follow:

The Company regularly reviews its executive compensation programs with third party compensation advisors to confirm the programs continue to support shareholder interests and regulatory compliance, and are aligned with sound principles of risk management and governance. The MRCC retains an independent compensation advisor that does not provide any services directly to management.
The Company has a pay-for-performance philosophy and the mix of short- and long-term programs assist in mitigating excessive risk taking.
Caps on payouts, vesting requirements, stress-testing potential payouts, clawback provisions and share ownership requirements are part of the Company's overall plan design.
The Company's compensation governance structure involves the Board of Directors of NSPI and Emera, the MRCC, the HRGC, the MRCC's external compensation advisor, management and management's external compensation advisors.
All members of the MRCC and HRGC are knowledgeable individuals who have the necessary background and expertise in human resources issues and compensation matters to fulfil their obligations to the Board and to the Company's shareholders.

Risk Assessment

In 2015, the MRCC conducted its annual compensation risk review of its executive compensation programs and policies. Mercer (Canada) Ltd. ("Mercer") was engaged to review the previous year's comprehensive risk assessment that it conducted for any material changes over the course of the year. Mercer once again concluded that Emera has risk mitigation policies in place that are aligned with market best practices and did not identify any material risks arising from Emera's compensation policies and practices. Based on this assessment, the MRCC and HRGC determined that:

- Total compensation is appropriately balanced between short-term and long-term horizons and the mix of base salary and short- and long-term incentives does not create an inducement to take inappropriate risk to the detriment of the Company's shareholders;

- The existence of multiple performance measures in the incentive plans (including non-financial measures) helps to avoid undue focus on any one particular metric;

- The short-term incentive plan focuses on growth of annual earnings and cash flow, but caps incentive payouts in a manner consistent with market practice, thereby reducing risk;

- Risks associated with the Long-Term Incentive Plan are mitigated by annual grants (versus front-loading grants) of PSUs and stock options, and also by caps on payouts in the case of grants under the PSU Plan;

- The MRCC's and HRGC's discretion to reduce or withhold payment under the short-term and equity-based incentive plans for results below expectations decreases any risks associated with those plans;

- The vesting conditions on retirement are an important retention tool for designated executives of the Company;

- The clawback policy also contributes to the Company's risk mitigation efforts (the clawback policy allows the Company to recoup short- and long-term incentive payments made to senior executives in cases where: (a) such payments were based upon reported financial results that were subsequently corrected or restated as a result (or partial result) of the executive's gross negligence, misconduct, or fraud and the reward received would have been lower had the financial results been properly reported; or (b) where the executive commits a serious breach of the Company's Standards for Business Conduct; and

- The inclusion in employment contracts for senior officers of double trigger provisions and the absence of enhanced benefits for change of control mitigates the risk arising from termination.

Accordingly, based on the governance practices in place and the results of the risk assessment, the MRCC and HRGC concluded that Emera's compensation programs did not create inordinate risk to shareholders because an appropriate system of checks and balances is in place to mitigate the level of risk undertaken by management. The MRCC satisfies itself as to the adequacy of the information it receives regarding risk, the independence of the risk assessment and reviews, and the reporting of financial results on which certain important compensation decisions (e.g., the amount of short-term incentive to be paid) are based.

The MRCC and HRGC will continue to review the relationship between enterprise risk and the Company's executive compensation plans and policies to confirm they continue to be optimally aligned with shareholder interests while maintaining an acceptable level of risk exposure.

Compensation Advisors

The MRCC and HRGC retain the services of independent compensation advisors to assist in discharging their duties, including determining the compensation payable to the President and CEO and other senior officers.

Since 2007, the MRCC has engaged Hugessen Consulting Inc. ("Hugessen") as its principal advisor to provide independent advice, compensation analysis and other information for compensation recommendations. Hugessen provides advice on the competitiveness and appropriateness of compensation practices and comparator groups for the Company and provides advice to the MRCC on policy recommendations made by management. As independent advisors to the MRCC, Hugessen does not provide any professional services to management.

In addition to the MRCC's compensation advisor, in 2015 the Company engaged the services of Mercer and Morneau Shepell to assist in executive compensation matters.

It making its decisions on the compensation program, the HRGC and MRCC reviews information and recommendations provided by Hugessen, Mercer, and Morneau Shepell, but all decisions remain the responsibility of the MRCC, the HRGC and the Boards of Directors of Emera and NSPI.

The table below summarizes the fees Emera and/or NSPI paid to all external compensation advisors in 2015 and 2014.

	2015		2014	
Advisor	**MRCC work ($)**	**Other work ($)**	**MRCC work ($)**	**Other work ($)**
Hugessen Consulting Inc.	$188,177	Nil	90,025	Nil
Morneau Shepell	Nil	56,654	Nil	67,628
Mercer (Canada) Limited	Nil	60,761	Nil	38,501

Compensation Discussion and Analysis

For the purposes of compensation disclosure, the individuals disclosed in this Compensation Discussion and Analysis are the President and CEO, the CFO, and the next most highly compensated executive officer of the Company, or its subsidiaries, as defined by Canadian securities legislation (the "Named Executive Officers" or "NEOs"):

- **Robert Hanf**, President and Chief Executive Officer, Nova Scotia Power Inc. ("President and CEO").
- **Scott Balfour**, Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean, Emera Inc. ("CFO");
- **Wayne O'Connor,** Executive Vice President, Operations, Nova Scotia Power Inc. ("EVP Operations").

COMPENSATION PROCESS

Benchmarking Data

The MRCC and HRGC are responsible for annually reviewing the composition and use of comparator groups and to assist in determining the compensation recommendation for the Company's senior officers, which are then brought to the Emera Board for approval. The MRCC and HRGC undertake periodic reviews of compensation design and total compensation opportunities for the senior management team, including the NEOs. This practice ensures the programs are current and that they fairly compare for particular roles, recognizing varying responsibility and scope of executive positions within Emera and its affiliates.

Management engages the services of Mercer, an independent compensation advisor, to compile market information on senior management compensation relating to base salary, short-term and long-term incentives. A complete benchmarking review takes place every two years and the scope of services includes: competitive market reviews of senior executive compensation levels; review and observations of current executive compensation philosophy; policies and practices; and a review of pay and performance comparators. Mercer conducted a compensation benchmarking review of the executive team for 2015 and, with the assistance of Hugessen, the MRCC undertook a review of the competitiveness and appropriateness of compensation programs specifically for the Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean.

The MRCC and HRGC review compensation data based on a comparator group of companies, primarily regulated utilities and other energy industry enterprises that are of a similar size and scope as the Company. The rationale for incorporating the energy industry is that senior talent can migrate between similar organizations (i.e. industry, scale, complexity) and the fact that Emera's strategic objectives include expansion into various energy-related sectors.

In 2015, with the assistance of both Mercer and Hugessen, the MRCC also conducted a thorough review of Emera's comparator companies to confirm they continued to be appropriate in terms of size and scope. The review focused on companies in the Canadian utility and energy sectors that are of comparable size to Emera, which was generally viewed as being within the range of half to twice the size of Emera in terms of total enterprise value and total asset size. Based on that review, the Committee updated the comparator group to the following 13 organizations:

Pay Benchmarking Comparator Group (Applicable to CFO)

Utilities Industry Comparables	
ATCO Ltd.	Fortis Inc.
Capital Power Corporation	TransAlta Corporation
EPCOR Utilities Inc.	Hydro One

Energy Industry Comparables	
AltaGas Ltd.	Inter Pipeline Ltd.
ARC Resources Ltd.	Pembina Pipeline Corporation
Canadian Oil Sands Ltd.	Tourmaline Oil Corp.
Crescent Point Energy Corp.	

A different comparator group is used to benchmark the President and CEO and EVP Operations, which reflects the size, scope and nature of Nova Scotia Power Inc.'s operations. Concurrent with the Emera comparator group review, the MRCC and HRGC conducted a review of the comparator group for NSPI. The review focused on companies in the Canadian utility sector that are of comparable size to NSPI, which was generally viewed as being within the range of half to twice NSPI's revenue and total asset size. Based on that review, the NSPI comparator was updated to the following group:

Pay Benchmarking Comparator Group (Applicable to President and CEO and EVP Operations)

Utilities Industry Comparables – Publicly Available Disclosure	
Alberta Electric System Operator	FortisBC
ENMAX Corporation	Northland Power Inc.
EPCOR Utilities	Toronto Hydro
Fortis Alberta	

The MRCC and HRGC will continue to regularly review the composition of NSPI's comparator group to ensure it continues to reflect NSPI's characteristics.

In addition to using publicly disclosed compensation data referenced above, the MRCC and HRGC also use Mercer's Total Compensation Survey for the Energy Sector to benchmark executive compensation using data from energy and services companies with similar revenues to Emera. To provide sufficient data in some cases, the Mercer Benchmark Database Survey (which is a general industry database) is also used to expand the survey scope to include Canadian general industry companies of similar size.

Annual Compensation Review Process

For each executive position, a range for base salary, target short-term incentive, and target long-term incentive is established annually, using the benchmarking data referenced above along with other information on industry trends for positions of similar scope and responsibility.

Annual performance assessments are conducted on members of the senior management team, including each of the NEOs, which shape the annual salary adjustment recommendations. Based on the performance assessments and the benchmarking data, the MRCC and HRGC make total target compensation recommendations for each NEO to the Emera Board of Directors for approval. As part of the annual compensation review process, the MRCC and HRGC review emerging best practices and risk considerations.

At the end of 2014, the Company's external compensation advisors, Mercer and Hugessen provided the results of their benchmarking reviews, which indicated that the compensation of the NEOs was below the targeted percentiles when compared against companies in the Company's comparator group, particularly with respect to long-term incentive levels. In light of the comparative compensation positioning to market, and to recognize the significant achievements of the named executive officers, the MRCC recommended adjustments to the target compensation levels of the NEOs in 2015 to bring them closer to the prevailing market rates, which were approved by the Board of Directors.

The changes made to the compensation of the respective NEOs in 2015 are reflected in the *NEO Summary Compensation Table*.

ELEMENTS OF COMPENSATION

Base Salary

As noted in *Benchmarking Data*, the MRCC and HRGC are responsible for annually reviewing the composition of the compensation the Company pays its executives, including base salary. While the MRCC and HRGC focus on total compensation as a whole (which consists of base salary, short-term incentive and long-term incentives), base salary remains an important part of the overall compensation package the Company offers its executives.

Short–Term Incentive Program

The compensation awarded under the Short-Term Incentive Program is intended to link a portion of an executive's compensation to the achievement of predetermined levels of performance in support of corporate and business unit objectives. These objectives are designed to focus on short-term goals (typically on an annual basis) that are intended to deliver value to customers and contribute to increased shareholder value in the longer term. Emera and NSPI have adopted the scorecard approach to translate corporate strategies into measurable incentive plan goals. Target payouts under the scorecards are generally set as a percentage of salary and are benchmarked against the median for positions with similar responsibilities in comparator companies.

On the recommendation of the MRCC and HRGC, the Board of Directors of Emera approve scorecards that set forth corporate objectives and related threshold, target and stretch performance levels to be achieved each year. For NEOs who participate in the NSPI Scorecard instead of the Emera Scorecard, the Board of Directors of NSPI approves the respective corporate objectives and performance levels. Short-term incentive payouts for the majority of senior management, including the NEOs, are based on scorecard results with potential payouts ranging from 0 to 200 per cent of target.

All NEOs have their short-term incentive payout calculated based on results achieved through scorecard results.

2015 Short-Term Incentive Results

2015 Nova Scotia Power Incorporated (NSPI) Corporate Scorecard

The 2015 NSPI Scorecard set out corporate objectives and related threshold, target and stretch performance levels for 2015. It was used to determine the short-term incentive payout for the President and CEO and EVP Operations.

The NSPI Scorecard is developed and recommended by NSPI management for approval by the NSPI Human Resources and Governance Committee and Board, which in turn recommends the NSPI Scorecard for final approval at the beginning of each year by the Emera MRCC.

The following table shows the objectives elements and results of the NSPI Scorecard for 2015.

The following table shows the objectives of the NSPI Scorecard for 2015.

NSPI Corporate Objective	Target	Weighting (%)	Actual Result	Percentage Payout (%)
Safety Build and sustain continual improvement toward World Class Safety performance	95% of senior management team complete two critical task reviews; PLUS 80% of employees complete Safe Start education session; PLUS 10% increase in Proactive Incident reporting over 2014 actuals; PLUS 10% reduction in Controllable vehicle Incidents in 2015	7.5	Below Threshold	0
People Enhance Employee Engagement	95% of senior management team develop and implement leadership action plans from the 2014 Annual Employee Survey; PLUS 75% of senior management team execute one team building activity focusing on engaging employees and connecting with the community; PLUS achieve 3% points improvement on the Employee Engagement Index, PLUS 3% points improvement on employee survey follow-up	12.5	Target	12.50
Customer Build reputation for service and reliability	Continue to improve system reliability, as represented by System Average Interruption Frequency Index (SAIFI) x System Average Interruption Duration Index (SAIDI) (including extreme events) < 26%; PLUS Customer Satisfaction Score > 71%	25	Between Target and Stretch	27.50
Asset Management Transition the generation resources in a cost effective and sustainable manner for our customers	Projects >$1.5M are executed in 2015 with total spending within plus 2.5% or minus 10% of total project budget; PLUS adoption of a Generation Unit Utilization & Investment Plan and T&D Asset Management strategy; PLUS achieve an average DAFOR =<3% on generating units with capacity factors over 70%	15	Between Target and Stretch	22.50
Financial — Earnings and Cost Structure [1]	$130M of earnings or regulated ROE of 9.25% AND an incremental $5M reduction of the current non-fuel deferrals AND OM&G spend (excluding pension and storms) of $202.5M	20	Stretch	30.00
Financial – Cash Flow	$370M and average working capital as a % of revenue of 22.2%	20	Between Target and Stretch	22.86
		100		**Total: 115.36**

(1) The financial measures are prorated on a scale between each level of performance. Percentage payouts in between threshold and target, and in between target and stretch, are prorated on a scale between each level of performance (50 per cent for threshold, 100 per cent for target and 150 per cent to 200 per cent for stretch). The threshold level for Earnings was $129 million and an OM&G spend (excluding pension and storms) of $212.5 million, while the stretch level was $130 million or regulated ROE of 9.25 per cent, an incremental $5 million reduction of the non-fuel deferrals, and an OM&G spend (excluding pension and storms) of $202.5 million. The cash flow objective at threshold was $355 million and average working capital of 24.3 per cent of revenue; the stretch level was cash flow from operations of $385 million and average working capital of 20.4 per cent of revenue.

As a result of a safety incident at Nova Scotia Power Inc. in 2015, management made a recommendation to the HRGC and the MRCC to reduce the 'Safety' metric result to zero. The HRGC, MRCC and the Emera Board agreed with the recommendation and adjusted the overall Scorecard accordingly, leading to an overall result of 115.36 per cent, which was used as the basis for calculating the payout for the NSPI President and CEO and EVP Operations.

2015 Emera Corporate Scorecard

The Scorecard for Emera ("Emera Corporate Scorecard") was developed by management and approved by the MRCC and the Emera Board of Directors at the beginning of 2015. It was used to determine the short-term incentive payout for the CFO.

The Emera Corporate Scorecard objectives were based on the Company's Business Plan for the year and established threshold, target, and stretch performance standards for each objective.

The following table shows the elements and results of the Emera Corporate Scorecard for 2015.

Emera Corporate Objective	Weighting (%)	Threshold ($)	Target ($)	Stretch ($)	Actual Result ($)	Percentage Payout (%) (1)
Cash From Operations (2)	50	539.4M	674.2M	809.0M	725.9M	69.18
Earnings Per Share (3)	30	2.07	2.27	2.47	2.63	60.00
Continued Development of Leader	10	90% of Emera's senior leadership team participate in a training session on two of the following areas of focus: strategy, communication and/or goal alignment PLUS improvement in results of the Future Vision Index on the Employee Survey over 2014 results.			Target Achieved	10.00
Safety & Environment	10	Increase number of proactive incident reports to total recordable injuries across Emera to a ratio of 40:1 AND Environmental Audit Program completed with no findings of major risk PLUS All Injury Frequency Rate of 1.30 or less AND all Environmental critical targets are 100% complete PLUS Move safety culture forward with results of 86% or greater in the safety section of the Employee Engagement Survey.			Threshold Achieved	5.00
	100					**Total: 144.18**

(1) Percentage payouts, below or above target for financial measures, are prorated on a scale between each level of performance (50 per cent for threshold, 100 per cent for target and capped at 200 per cent for stretch).

(2) Cash from operations for compensation purposes in 2015 reflected net cash provided by operating activities adjusted for the cash flow effect of acquisition costs including legal, advisory, and financing costs related to the pending TECO Energy, Inc. acquisition. Cash from operations for compensation purposes is a non-GAAP measure and is disclosed more fully in Emera's 2015 Annual Report.

(3) EPS for compensation purposes in 2015 reflected EPS-basic adjusted for the income effect of Emera's held-for-trading derivative instruments and the mark-to-market adjustments included in Emera's equity income related to the business activities of Bear Swamp Power Company LLC and Northeast Wind Partners II, LLC ("NWP"), until NWP's sale on January 29, 2015, the amortization of transportation capacity recognized as a result of certain trading and market transactions, the mark-to-market adjustment related to an interest rate swap in Brunswick Pipeline as well as the mark-to-market adjustments included in Emera's other income related to the effect of USD denominated currency and forward contracts put in place to economically hedge the anticipated proceeds from Emera's Debenture Offering and acquisition costs including legal, advisory, and financing costs related to Emera's pending acquisition of TECO Energy, Inc. EPS for compensation purposes is a non-GAAP measure and is disclosed more fully in Emera's 2015 Annual Report.

As a result of two safety incidents at Emera's affiliate companies in 2015, management made a recommendation to the MRCC to reduce the 'Safety & Environment' metric result to the threshold level. The MRCC and the Emera Board agreed with the recommendation and adjusted the Scorecard accordingly, leading to an overall result of 144.18 per cent.

Long-Term Incentive Program

There are two primary components of long-term incentive compensation for senior management, including the NEOs: the Performance Share Unit Plan (the "PSU Plan") and the Senior Management Stock Option Plan (the "Stock Option Plan"). The MRCC is responsible for granting PSUs and stock options.

The number of PSUs and stock options granted to senior management is determined after considering competitive benchmarking data and the individual's level of responsibility within the Company. Grants are calculated each year based on each executive's long-term incentive target percentage and base salary and, generally, the grant amount increases with the level of responsibility. The value of PSUs and stock options increase or decrease over the term of a particular grant based on increases or decreases in Emera's common share price.

The MRCC takes into account previous grants and looks at a three-year history of total compensation each year before approving any new stock option and PSU grants for senior management (including the NEOs). This helps to ensure grants remain reasonable in light of market data and the performance of both the Company and the individual. In 2015, 75 per cent of the target long-term incentive compensatory value for the NEOs consisted of PSUs and 25 per cent consisted of stock options. More details about the PSU Plan and the Stock Option Plan are set forth below.

Performance Share Unit Plan

The PSU Plan is designed to retain and incent employee participants by allowing senior management and key employees in specific roles to participate in the long-term success of the Company. A PSU is a notional share unit that is based on the value of an Emera common share—the value of a PSU changes directly in correlation to the value of an Emera share. PSUs also attract dividends similar to Emera shares; when a dividend is paid on Emera's common shares, each participant is allocated additional PSUs based on the dividend paid on an equivalent number of Emera common shares.

Each year, designated senior leaders are awarded PSUs based on a pre-determined target of their base salary and the average 50 trading-day Emera common share price immediately preceding the effective grant date (the average is used to smooth out any short-term fluctuations in the share price). Each PSU grant has a three-year performance period. In addition to being affected by fluctuations in the Emera share price, the value of a PSU is also dependent on the achievement of financial objectives that help measure the increase in shareholder value. The MRCC establishes these financial objectives at the beginning of the performance period. By linking the value of the PSUs to Emera's financial performance, the plan aligns the interests of senior leaders with the interests of Emera's shareholders and helps ensure that both shareholders and plan participants benefit when the Company achieves strong results. All PSU grants and payouts must be approved by the MRCC.

At the end of the performance period, a performance factor is applied to the PSU grant based on the achievement of the financial objectives. If the Company fails to meet the performance objectives for a particular PSU grant, the Plan may pay out at less than target, or may not pay out any amounts at all. If targets are exceeded, payouts may be as much as, but not more than, two times the initial grant value.

Accordingly, the amount payable to participants, including NEOs, at the end of the three-year performance period is determined by:

PSU Payout	=	**Original Grant + Notional Dividends**	x	**Performance Factor**	x	**Closing Share price**

Similar to the methodology on grant, the payout is based on the average 50-day closing price for Emera common shares at the end of the three-year performance period to smooth out short-term price fluctuations.

The 2012 PSU Grant had a performance period of January 1, 2012 to December 31, 2014 and was paid out in 2015, as reported in the *Exercise of Compensation Securities by Directors and NEOs* table. The 2013 PSU grant had a performance period of January 1, 2013 to December 31, 2015 and will be paid out in 2016 – the payouts for the 2013 grant will be reported in next year's Management Information Circular.

The metrics for both the 2012 and 2013 PSU grants are shown below.

Performance Factor 1

The first performance factor was based on Emera's average three-year total shareholder return (TSR) relative to the average three-year TSR of the S&P/TSX Capped Utilities Index as illustrated in the table below.

Relative annual return to S&P/TSX Capped Utilities Index	Performance factor
Less than -5%	0
-5%	0.5
0%	1.0
5% or more	1.5

Performance Factor 2

The second performance factor was based on Emera's average annual growth in EPS:

Emera average three-year Earnings Per Share growth	Performance factor
Less than 4%	0
4%	0.5
6%	1.0
8% or more	1.5

In addition, dividends had to be maintained at or higher than the December 31, 2011 levels (for the 2012 grant) and December 31, 2012 levels (for the 2013 grant); if dividends were reduced, the second performance factor would be deemed to be zero regardless of the EPS growth.

Each performance factor was weighted equally at 50 per cent and the value of each performance factor was interpolated on the basis of the actual relative returns. All annual average returns or percentages over the three-year performance period were determined on a compounded basis.

2012 PSU Grant Results

The following are the actual performance factor results for the three-year period from January 1, 2012 to December 31, 2014:

	Factor 1: Relative Total Shareholder Return (TSR)		Factor 2: Earnings per Share Growth	Overall Performance Factor
	Emera TSR	*S&P/TSX Capped Utilities Index TSR*		
Year – 2012	9.4	4.0	4.5	-
Year – 2013	-8.3	-4.4	5.9	
Year – 2014	31.9	16.1	13.8	
Average Annual Compounded Return	9.8	4.9	8.0	
Emera's Relative TSR	4.9		-	
Resulting Performance Factor	**1.4928** *(Weighted at 50%)*		**1.5000** *(Weighted at 50%)*	**1.4964**

The overall performance factor applied to the 2012 PSU Grant was 1.4964, based on the Company achieving very close to stretch on the relative TSR measure and achieving stretch on the EPS growth measures.

2013 PSU Grant Results

The following table shows the performance factor results for the three-year period from January 1, 2013 to December 31, 2015:

	Factor 1: Relative Total Shareholder Return (TSR)		Factor 2: Earnings per Share Growth	Overall Performance Factor
	Emera TSR	*S&P/TSX Capped Utilities Index TSR*		
Year – 2013	-8.3%	-4.4%	5.9%	
Year – 2014	31.9%	16.1%	13.8%	
Year – 2015	16.4%	-3.5%	17.5%	
Average Annual Compounded Return	12.1%	2.3%	12.3%	
Emera's Relative TSR	9.8%			
Resulting Performance Factor	**1.5** *(Weighted at 50%)*		**1.5** *(Weighted at 50%)*	**1.5**

The overall performance factor applied to the 2013 PSU Grant was 1.5 (the maximum performance factor), based on Emera's TSR exceeding the TSR of the S&P/TSX Capped Utilities Index by 9.8 per cent and average annual EPS growth being 12.3 per cent.

To ensure that PSU payouts are not excessive, the PSU Plan caps the maximum payout to participants at twice the participant's grant value. The cap factors in share price appreciation, notional dividend reinvestment, and the performance factor. Based on the average share price (during the last 50 trading days of 2015) of $42.95, the performance factor of 1.50, and the dividend reinvestment over the performance period, the payout for the 2013 PSU grant would have been 212 per cent of the grant value for each participant. Accordingly, the cap was triggered and the payouts were reduced to 200 per cent of the grant value for each participant. The MRCC and HRGC consider the PSU Plan payout cap to be an important element of the Company's risk mitigation practices (as noted in Mercer's compensation risk assessment) and maintains the important balance between linking pay to performance while ensuring incentive plan payouts are reasonable.

2015 PSU Grant Performance Metrics

The performance period for PSUs granted in 2015 is from January 1, 2015 to December 31, 2017 and the performance metrics are the same as the 2013 grant noted above, with the exception that dividends must be maintained at or higher than the December 31, 2014 and the levels for the EPS metric have been adjusted to the following:

Emera average three-year Earnings Per Share growth	Performance factor
Less than 2%	0
2%	0.5
6%	1.0
10% or more	1.5

The performance targets for the PSU awards are used for compensation purposes only and are not suitable for any other purpose. There is no assurance that any performance level will be met. The targets may also constitute forward-looking information. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, any of which are beyond Emera's control, which could cause actual results to differ materially from the performance targets. Please see the cautionary statement in Emera's 2015 Annual Report respecting risks and assumptions relevant to Emera's determination of performance targets for compensation purposes.

Senior Management Stock Option Plan

The Emera Board of Directors has delegated the administration of the Senior Management Stock Option Plan (the "Stock Option Plan") to the MRCC. The MRCC is responsible for designating, based on management's recommendation, which employees of the Company and its affiliates will be eligible to participate in the Stock Option Plan.

Stock options are designed to deliver a percentage of the long-term incentive opportunity for senior management, including the NEOs, and have been retained to recognize their importance as a component of competitive executive compensation in preserving a long-term focus. Grants are calculated each year based on each executive's long-term incentive target percentage and base salary and, generally, the grant amount increases with the level of responsibility. The Company considers stock options to be in alignment with long-term shareholder interests and the MRCC continues to review the use of options annually. All NEOs participate in the Stock Option Plan and have received stock options in 2015 as a part of their long-term incentive.

Stock options are valued based on the Black-Scholes valuation methodology. The value of the stock options granted to the NEOs in 2015 was determined to be equal to 8.6 per cent of the February 11, 2015 closing share price of $42.71, or $3.67 per option (the value of each stock option is determined by multiplying the share price by the option value ratio). The value ratio of 8.6 per cent was calculated using the three-year average of Emera's value ratio for the 2012, 2013, and 2014 grants (9.2 per cent, 8.2 per cent and 8.4 per cent, respectively), which were also calculated using the Black-Scholes methodology. The initial valuation of the 2015 stock options resulted in a value ratio of 5.5 per cent. Because the initial Black-Scholes valuation would have led to a significant increase in the number of options granted in 2015 compared to 2014, the MRCC instead opted to use the average of the previous three years' Black-Scholes value ratios to value the options, which resulted in fewer options being granted (all other factors being equal, the use of a higher value ratio leads to fewer options).

Following the 2015 stock option grant, which occurred in February 2015, and to address the valuation of stock options, the Committee engaged Hugessen to assist in reviewing market practices regarding valuation methodologies. The review concluded that Black-Scholes remained an appropriate valuation methodology and that the adoption of a 'floor' value ratio of 10 per cent was appropriate. Accordingly, for the 2016 stock option grant, the Committee adopted the floor and where the Black-Scholes methodology leads to a value ratio that is less than 10 per cent, the floor of 10 per cent will apply.

The MRCC considers both the use of the three-year average to value the options in 2015 and the adoption of a 10 per cent floor for 2016 to be a prudent step to maintaining stock options as a part of the long-term incentive plan, while reflecting prevailing market conditions.

Unless a stock option has expired, vested options may be exercised within the 24 months following the option holder's date of retirement or termination for other than just cause, and within six months following the date of termination for just cause, resignation, or death. If stock options are not exercised within such time, they expire. However, certain senior executives (including the NEOs) are entitled to an enhanced retirement vesting provision, which allows unvested stock options to continue to vest and be exercised for two years post-retirement.

The maximum percentage of shares under all security-based compensation arrangements (including the Stock Option Plan) issuable to insiders of the Company at any time is 10 per cent of the issued and outstanding shares of the Company. The maximum number of shares to be optioned to any one person under the Stock Option Plan is five per cent of the issued and outstanding shares of the Company at the date of the grant of the option. The number of shares issued to insiders, within any one-year period, under all security-based compensation arrangements, will not exceed 10 per cent of the issued and outstanding shares of the Company.

The Emera Board of Directors may amend or discontinue the Stock Option Plan by resolution at any time; provided, however, that shareholder approval is required for any amendment that:

- increases the number of Common Shares reserved for issuance, except an increase made in proportion to an increase in the number of common shares outstanding due to a stock dividend, stock split, amalgamation, reorganization, merger or similar event;
- extends eligibility to participate to non-employee directors;
- permits rights under the Stock Option Plan to be transferred other than for normal estate settlement purposes;
- permits awards to be granted under the Stock Option Plan in addition to options;
- increases either of the ten per cent insider participation limits;
- reduces the option price of an option except for the purpose of maintaining option value in connection with a change of control or pursuant to the provisions in the Stock Option Plan, which permit equitable adjustments to be made to the option price in connection with a stock dividend, stock split, share reclassification, amalgamation, reorganization, merger or similar event;
- extends the term of a stock option beyond the original expiry date;
- permits the expiry of a stock option to be beyond ten years from its date of grant, or;
- deletes or reduces the range of amendments, which require shareholder approval under this paragraph.

The stock options issued under the Stock Option Plan are non-assignable, though the Plan permits transfers from the estate of a deceased option holder to the ultimate beneficiaries. The option can then be exercised by such beneficiaries.

In 2015, the Company provided no financial assistance to participants under the Stock Option Plan to facilitate the purchase of shares under the Plan.

Compensation of NSPI NEOs and Recovery in Electricity Rates

The Nova Scotia *Public Utilities Act* and the *Nova Scotia Power Incorporated Regulations* (collectively referred to as the *NSPI Regulations*) limit the type and amount of compensation paid to the NEOs that is recoverable in NSPI's electricity rates. Specifically, the *NSPI Regulations*: (1) prohibit any incentive or bonus pay from being included in rates; (2) limit the recoverable portion of a NEO's base salary to a level consistent with the Nova Scotia Government Senior Official Pay Plan; and (3) limit the recoverable portion of any other compensation or benefits to 13 per cent of that base salary. No portion of the compensation or benefits provided to Emera executives is included in NSPI rates.

The following table shows the salary, short-term incentives payouts and long-term incentives grants (PSUs and stock options) awarded to NEOs in 2015 and the portion of those elements of compensation that is recovered in NSPI's electricity rates, in accordance with the *NSPI Regulations*. Also shown are the recoverable amounts of any other benefits and compensation.

Name and principal position	Salary ($)	Recovered in Rates ($)[(1)]	Bonus ($)[(2)]	Recovered in Rates ($)	Value of perquisites and all other compensation ($)	Recovered in Rates ($)[(1)]	Total Amount Recoverable in Rates ($)
Robert Hanf President and Chief Executive Officer	398,615	205,792	173,118	0	297,685	26,753	232,545
Scott Balfour Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean, Emera Inc.	474,958	0	239,695	0	151,863	0	0
Wayne O'Connor Executive Vice President, Operations	314,827	187,084	165,786	0	247,733	24,321	211,405

(1) The *NSPI Regulations* differentiate between the amount recoverable for the President and CEO, and the amounts recoverable for other executives.
(2) Reflects the portion of the short-term incentive paid in cash.

As shown in the table, a portion of the base salaries of the President and CEO (Mr. Hanf) and the EVP Operations (Mr. O'Connor) were recovered in NSPI electricity rates, along with a portion of their other benefits and compensation. No portion of the short-term or long-term incentives paid or granted to Mr. Hanf or Mr. O'Connor was included in rates.

No portion of any of the compensation or benefits provided to the CFO (Mr. Balfour) was included in rates.

Based on the total compensation figures shown in the *Table of compensation excluding compensation securities* on the following page, the proportion of total compensation that is recoverable in rates for each of the NEOs is as follows:

Named Executive Officer	Percentage of Total Compensation Recoverable in Electricity Rates
Robert Hanf	27
Scott Balfour	0
Wayne O'Connor	29

The compensation payable to each NEO and Director is shown below. The table excludes compensation securities, as those are provided in the *Compensation Securities* table that follows.

Table of compensation excluding compensation securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)(1)(2)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)(3)	Total compensation ($)
Robert Hanf	2015	398,615	173,118	-	18,222	279,463	869,418
President and Chief Executive Officer and Director(4)	2014	360,000	92,661	-	19,575	133,620	605,856
Scott Balfour	2015	474,958	239,695	-	19,839	132,024	866,516
Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean, Emera Inc.	2014	473,376	479,619	-	20,701	95,239	1,068,935
Wayne O'Connor	2015	314,827	165,786	-	16,596	231,137	728,346
Executive Vice President, Operations	2014	309,692	119,665	-	16,291	211,335	656,983
James Eisenhauer	2015	-	-	-	-	-	-
Board Chair	2014	-	-	-	-	-	-
Wesley Armour	2015	-	-	-	-	-	-
Former Director (retired, May 2015)	2014	-	-	-	-	-	-
Lee Bragg	2015	34,250	-	17,375	-	-	51,625
Director	2014	28,500	-	18,125	-	-	46,625
Sandra Greer	2015	-	-	36,270	-	-	36,270
Director	2014	-	-	35,483	-	-	35,483
Christopher Huskilson	2015	-	-	-	-	-	-
Director(4)	2014	-	-	-	-	-	-
Raymond Ivany	2015	-	-	-	-	-	-
Director	2014	-	-	-	-	-	-
Marie Rounding	2015	-	-	52,750	-	4,375	57,125
Director	2014	-	-	52,000	-	4,375	56,375
Elaine Sibson	2015	68,500	-	53,250	-	-	121,750
Director	2014	57,000	-	47,000	-	-	104,000

(1) In 2015, Mr. Balfour participated in the Emera Corporate Scorecard and Mr. Hanf and Mr. O'Connor participated in the NSPI Corporate Scorecard. Mr. Balfour's payout was based on the Emera Corporate Scorecard result of 144.18 per cent and the payouts to Mr. Hanf and Mr. O'Connor were based on the NSPI Scorecard result of 115.36 per cent. The Short-Term Incentive Plan and the 2015 results are described in greater detail in Short-Term Incentive Plan. The figures shown reflect amounts earned in the 2015 performance year and paid in 2016.

(2) The bonus figures provided reflect the short-term incentive paid to the executive in cash. For the 2015 performance year, Mr. Hanf elected to receive 25 per cent of his bonus in DSUs, Mr. Balfour elected to receive 50 per cent in DSUs and Mr. O'Connor elected to receive 25 per cent in DSUs.

(3) The 'value of all other compensation" figures for NEOs include changes in the accrued obligations of the NEOs' pension entitlements based on compensatory changes. The figure for Ms. Rounding consists of travel fees.

(4) NSPI's President and CEO, Mr. Hanf, did not receive any additional compensation for his services as a Director of NSPI. Mr. Huskilson, Emera's President and CEO, is compensated by Emera and does not receive any additional compensation as a Director of NSPI.

The following table shows the compensation securities granted to each NEO and director in 2015:

Name and position	Type of compensation security	Description	Number of compensation securities, number of underlying securities, and percentage class [1]	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Robert Hanf President and Chief Executive Officer and Director [9]	Performance Share Units [2][8]	2015 Grant	4,732 0.00321%	1-Jan-15	38.08	38.64	43.23	N/A
		Q1 Dividend	134 0.00009%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	144 0.00010%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	133 0.00009%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	167 0.00011%	16-Nov-15	42.76	42.64	43.23	N/A
	Stock Options [3]	2015 Grant	16,300 0.56%	12-Feb-15	42.71	42.48	43.23	12-Feb-25
	Deferred Share Units [4][8]	Short-term incentive allocation	2,433 0.00165%	1-Jan-15	38.08	38.64	43.23	N/A
		Special Grant[6]	5,010 0.0034%	16-Feb-15	39.92	42.13	43.23	N/A
		Q1 Dividend	178 0.0001%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	240 0.0002%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	222 0.0002%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	278 0.0002%	16-Nov-15	42.76	42.64	43.23	N/A
Scott Balfour Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean, Emera Inc.	Performance Share Units [2][8]	2015 Grant	11,699 0.0079%	1-Jan-15	38.08	38.64	43.23	N/A
		Q1 Dividend	268 0.0002%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	287 0.0002%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	266 0.0002%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	334 0.0002%	16-Nov-15	42.76	42.64	43.23	N/A
	Stock Options [3]	2015 Grant	40,400 1.38%	12-Feb-15	42.71	42.48	43.23	12-Feb-25
	Deferred Share Units [4][8]	Short-term incentive allocation	11,730 0.0080%	1-Jan-15	38.08	38.64	43.23	N/A
		Q1 Dividend	259 0.0002%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	278 0.0002%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	257 0.0002%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	323 0.0002%	16-Nov-15	42.76	42.64	43.23	N/A

Name and position	Type of compensation security	Description	Number of compensation securities, number of underlying securities, and percentage class [(1)]	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Wayne O'Connor Executive Vice President, Operations	Performance Share Units [(2)(8)]	2015 Grant	3,720 0.0025%	1-Jan-15	38.08	38.64	43.23	N/A
		Q1 Dividend	104 0.0001%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	111 0.0001%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	103 0.0001%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	129 0.0001%	16-Nov-15	42.76	42.64	43.23	N/A
	Stock Options [(3)]	2015 Grant	12,900 0.44%	12-Feb-15	42.71	42.48	43.23	12-Feb-25
	Deferred Share Units [(4)(8)]	Short-term incentive allocation	1,048 0.0007%	1-Jan-15	38.08	38.64	43.23	N/A
		Special Grant [(7)]	8,000 0.0054%	15-Jan-15	38.50	40.06	43.23	N/A
		Q1 Dividend	418 0.0003%	17-Feb-15	42.31	42.11	43.23	N/A
		Q2 Dividend	449 0.0003%	15-May-15	41.03	41.48	43.23	N/A
		Q3 Dividend	415 0.0003%	17-Aug-15	44.74	45.90	43.23	N/A
		Q4 Dividend	521 0.0004%	16-Nov-15	42.76	42.64	43.23	N/A
James Eisenhauer Board Chair	Deferred Share Units [(5)(8)]	Q1 Fees	1,062	31-Mar-15	38.64	41.20	43.23	N/A
		Q2 Fees	1,074	30-Jun-15	38.64	39.34	43.23	N/A
		Q3 Fees	1,086	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	1,086	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	242	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	266	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	253	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	338	16-Nov-15	42.64	42.64	43.23	N/A
Wesley Armour Former Director (retired May, 2015)	Deferred Share Units [(5)(8)]	Q1 Fees	679	31-Mar-15	38.64	41.20	43.23	N/A
		Q2 Fees	435	30-Jun-15	38.64	39.34	43.23	N/A
		Q3 Fees	-	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	-	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	302	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	326	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	301	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	388	16-Nov-15	42.64	42.64	43.23	N/A
Lee Bragg Director	Deferred Share Units [(5)(8)]	Q1 Fees	282	31-Mar-15	38.64	41.20	43.23	N/A
		Q2 Fees	363	30-Jun-15	38.64	39.34	43.23	N/A
		Q3 Fees	327	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	362	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	72	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	79	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	75	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	101	16-Nov-15	42.64	42.64	43.23	N/A

Name and position	Type of compensation security	Description	Number of compensation securities, number of underlying securities, and percentage class [1]	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Sandra Greer		Q1 Fees	437	31-Mar-15	38.64	41.20	43.23	N/A
Director		Q2 Fees	442	30-Jun-15	38.64	39.34	43.23	N/A
	Deferred Share Units [5][8]	Q3 Fees	447	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	447	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	16	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	21	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	23	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	34	16-Nov-15	42.64	42.64	43.23	N/A
Christopher Huskilson Director [9]	N/A		N/A	N/A	N/A	N/A	N/A	N/A
Raymond Ivany		Q1 Fees	688	31-Mar-15	38.64	41.20	43.23	N/A
Director		Q2 Fees	629	30-Jun-15	38.64	39.34	43.23	N/A
	Deferred Share Units [5][8]	Q3 Fees	667	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	725	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	87	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	98	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	95	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	130	16-Nov-15	42.64	42.64	43.23	N/A
Marie Rounding		Q1 Fees	437	31-Mar-15	38.64	41.20	43.23	N/A
Director		Q2 Fees	442	30-Jun-15	38.64	39.34	43.23	N/A
	Deferred Share Units [5][8]	Q3 Fees	447	30-Sep-15	38.64	44.27	43.23	N/A
		Q4 Fees	447	31-Dec-15	38.64	43.23	43.23	N/A
		Q1 Dividend	135	17-Feb-15	42.11	42.11	43.23	N/A
		Q2 Dividend	147	15-May-15	41.48	41.48	43.23	N/A
		Q3 Dividend	138	17-Aug-15	45.90	45.90	43.23	N/A
		Q4 Dividend	183	16-Nov-15	42.64	42.64	43.23	N/A
Elaine Sibson Director	N/A		N/A	N/A	N/A	N/A	N/A	N/A

(1) Each PSU, stock option and DSU represent one underlying Emera common share. PSUs and DSUs granted to executives are typically settled in cash under the terms of the PSU Plan and the DSU Plan applicable to executives. DSUs granted to directors can only be settled in cash under the terms of the Directors' DSU Plan. For PSUs and DSUs awarded to executives, the percentage of class is calculated by dividing the applicable units by the outstanding Emera common shares as at December 31, 2015 (147,210,000). For stock options, the percentage of class is calculated by dividing the applicable options by the number of outstanding options as at December 31, 2015 (2,927,068).

(2) The grant value of PSUs granted in 2015 was based on the average 50 trading-day closing share price up to December 31, 2014 ($38.08). The 50-day share price average is used for PSU grants to smooth out any short-term fluctuations in share price preceding the grant date. The value of PSUs on payout is subject to the achievement of specific performance objectives over the three-year performance period from January 1, 2015, to December 31, 2017. If those objectives are not met, payouts may be less than the initial value of the grant noted above and if performance objectives are exceeded, the payout may be higher than the amount noted above. The closing price at year-end is based on the closing price of Emera common shares as at December 31, 2015; however, the share price used to calculate the PSU payout will be based on the average 50 trading-day closing share price at the end of the performance period. For more information on PSUs, please see *Performance Share Unit Plan.*

(3) Stock options are valued based on the Black-Scholes valuation methodology. The value of the stock options granted to the NEOs in 2015 was determined to be equal to 8.6 per cent of the February 11, 2015 closing share price of $42.71 or $3.67 per option. The valuation ratio of 8.6 per cent was calculated using the three-year average of Emera's value ratio (for the 2012, 2013 and 2014 grants, which were also calculated using the Black-Scholes methodology). The initial valuation of the 2015 stock options was based on a value ratio of 5.5 per cent, which was determined using the following assumptions: an estimated volatility of 13.6 per cent (based on daily historical share price for the four-year period ending on December 31, 2014), estimated dividend yield of 4.3 per cent, and a risk-free interest rate of 1.79 per cent. Because the initial Black-Scholes valuation of 5.5 per cent would have led to a significant increase in the number of options granted in 2015 compared to 2014, the MRCC instead opted to use the average of the previous three years' Black-Scholes valuations to value the options (the use of a higher value ratio leads to fewer options being granted). For more information on stock options, please see *Senior Management Stock Option Plan.*

(4) The grant value of DSUs granted in 2015 was based on the average 50 trading-day closing share price up to December 31, 2014 ($38.08). The 50-day share price average is used for DSU grants to smooth out any short-term fluctuations in share price preceding the grant date. The closing price at year-end is based on the closing price of Emera common shares as at December 31, 2015; however, the share price used to calculate the DSU payout will be based on the average 50 trading-day closing share price immediately preceding the payout date, which cannot occur until the executive leaves the employment of Emera or its affiliates. The closing price at year-end is based on the closing price of Emera common shares as at December 31, 2015; however, the share price used to calculate the DSU payout will be based on the average 50 trading-day closing share price immediately preceding the payout date, which cannot occur until the executive leaves the employment of Emera or its affiliates. For more information on DSUs, please see *Deferred Share Unit Plan* in the *Statement of Executive Compensation.*

(5) The grant value of DSUs granted to Directors in 2015 was based on the closing price on Emera common shares on December 31, 2014 ($38.64). Directors cannot settle DSUs until they leave the Board.

(6) Mr. Hanf received a special grant of 5,010 DSUs, valued at $200,000, which occurred on February 16, 2015 based on the average 50 trading-day closing share price immediately preceding the grant ($39.92). The special grant was to acknowledge Mr. Hanf's leadership in transforming the cost structure of Nova Scotia Power Inc. to provide rate stabilization and avoid a general rate application in 2016. No portion of the cost of the special DSU grant will be borne by ratepayers.

(7) Mr. O'Connor received a special grant of 8,000 DSUs, valued at $308,000, which occurred on January 15, 2015 based on the average 50 trading-day closing share price immediately preceding the grant ($38.50). The special grant was to acknowledge Mr. O'Connor's past work at Emera Energy, where he made significant contributions to developing the relationships and initiating the commercial agreements that have become the foundation of Emera Energy's success. No portion of the special DSUs granted to Mr. O'Connor are paid by ratepayers of NSPI.

(8) PSU and DSU dividends for NEOs are based on the average five trading-day closing share price of Emera common shares immediately preceding the applicable dividend date. DSU dividends for directors are based on the Emera common share price as of the applicable dividend date.

(9) NSPI's President and CEO, Mr. Hanf, did not receive any additional compensation for his services as a Director of NSPI. Mr. Huskilson, Emera's President and CEO, is compensated by Emera and does not receive any additional compensation as a Director of NSPI.

The following table shows the compensation securities exercised by directors and NEOs in 2015:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security ($)	Date of exercise	Closing price per security on date of exercise ($)	Difference between exercise price and closing price on date of exercise ($)	Total value on exercise date ($)
Robert Hanf President and Chief Executive Officer and Director	Performance Share Units (1)	3,922	38.08	1-Jan-2015	38.64	0.56	223,498
	Stock Options	2,825	23.94	25-March-15	40.77	16.83	47,545
	Stock Options	3,275	32.06	25-March-15	40.77	8.71	28,525
Scott Balfour Chief Financial Officer and Chief Operating Officer, Northeast and Caribbean, Emera Inc.	-	-	-	-	-	-	-
Wayne O'Connor Executive Vice President, Operations	Performance Share Units (1)	3,037	38.08	1-Jan-15	38.64	0.56	173,035
	Stock Options	2,750	21.99	19-Nov-15	43.01	21.02	57,805
	Stock Options	1,725	32.06	19-Nov-15	43.01	10.95	18,889
	Stock Options	7,050	33.35	19-Nov-15	43.01	9.66	68,103
	Stock Options	6,600	34.80	19-Nov-15	43.01	8.21	54,186
	Stock Options	3,550	32.35	19-Nov-15	43.01	10.66	37,843

(1) The value of PSUs exercised in 2015 is based on the 2012 PSU grant, which had a three-year performance period from January 1, 2012 to December 31, 2014. The 2012 PSU grant was deemed to be exercised on January 1, 2015, though payout did not occur until February 20, 2015. The total value on exercise date is the payout amount, which is calculated based on the original grant with accumulated dividends, multiplied by the performance factor, multiplied by the average closing share price for the last 50 trading days of 2014 ($38.08). The 50-day share price average is used to smooth out any short-term fluctuations in share price preceding the payout date. The performance factor for the 2012 PSU grant was based on Emera's total shareholder return relative to the S&P/TSX Capped Utilities Index and Emera's average annual growth in EPS—the overall performance factor result was 1.4964. Please see *Performance Share Unit Plan* for more details.

(2) Mr. Balfour did not exercise any securities in 2015. He did not receive a payout under the PSU Plan in 2015 but did receive a lump sum in lieu of a PSU payout, which is reflected in his 2014 Bonus figure in the *Table of compensation excluding compensation securities.*

Pension Plan Benefits

The NEOs are members of the corporate pension plan (Pension Plan) and participate on a defined benefit basis or a defined contribution basis. In 2015, all three NEOs participated in the defined benefit component of the Pension Plan and one NEO also participated in the defined contribution component of the Plan.

Defined Benefit

The following table shows years of credited service, estimated pension amounts, and changes to accrued obligations from January 1, 2015 to December 31, 2015 for the NEOs who participated in the Pension Plan on a defined benefit basis:

		Annual Benefits Payable					
Name	Number of years credited service (#)	At year end ($)(1)	At age 65 ($)	Accrued obligation at the start of the year ($)	Compensatory Change ($)(2)	Non-Compensatory Change ($)(2)	Accrued obligation at year end ($)
Robert Hanf	13.5	105,000	198,000	1,953,000	275,000	52,000	2,280,000
Scott Balfour	3.7	42,000	197,000	362,000	128,000	37,000	527,000
Wayne O'Connor(3)	6.5	44,000	68,000	509,000	227,000	26,000	762,000

(1) The NEOs are not eligible for an immediate pension at year-end. The amount shown is the accrued pension starting at the NEO's unreduced retirement date if the NEO terminated employment at December 31, 2015.

(2) The compensatory and non-compensatory changes are described in more detail below.

(3) Wayne O'Connor participates in both the defined benefit and defined contribution provisions.

The accrued obligation of a pension entitlement is the present value of the expected future annual benefits payable taking into account service accrued to date and the expected salaries used to determine the annual benefit payable at retirement. Each year the value of the accrued obligation changes as a result of compensatory changes and non-compensatory changes, which are shown in the table above.

Compensatory changes are caused by changes in the annual benefit payable and result primarily from three factors; (i) new accrued service (the employer current service cost); (ii) the impact of salary increases greater than expected on past benefits (estimated increases are already built into the accrued benefit obligation), and; (iii) plan changes impacting, for example, accrued service or when benefits are payable. There were no Pension Plan changes that materially affected the above figures in 2015.

Non-compensatory changes are caused by interest on the accrued obligation and current service cost, employee required contributions and changes in the assumptions used to calculate the present value of the future annual benefit payment stream. These assumptions include the mortality table, salary scale, retirement assumption and the inflation assumption used for calculating indexing and the discount rate. The non-compensatory changes in 2015 were driven largely by interest on the accrued obligation and current service cost as there were no material changes in assumptions.

The defined benefit component of the Pension Plan entitles members to pension benefits based on two per cent of the average of the five highest years' pensionable earnings, multiplied by each year of credited service to a maximum of 35 years credited service. For the NEOs, pensionable earnings include base salary plus up to 50 per cent of their target short-term incentive. Upon reaching age 65, pension benefits under the Pension Plan are reduced to reflect commencement of payments under the Canada Pension Plan. For members who retire from active service, the pension is payable on an unreduced basis upon the earlier of age 60 or age 55, provided that age and years of service add to at least 85. For members who joined the Pension Plan on or after July 1, 2004, the age 60 unreduced retirement age condition is replaced by age 62 with 15 years of service. A member may also retire on a reduced formula if the member has attained age 55, but does not qualify for the rule of 85. Spousal benefits are paid on the death of a member at the rate of 60 per cent of regular pension benefits. Pensions are indexed to the consumer price index to a maximum of 6 per cent per annum.

For 2015, members of the defined benefit component of the plan contributed 7.4 per cent of eligible earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan, and 9.5 per cent of earnings between the YMPE and the amount on which pension benefits may be earned under a registered pension plan as permitted by the *Income Tax Act* (Canada).

Due to Canada Revenue Agency's limitations on the maximum pension benefit which may be paid under the Pension Plan, a portion of the pension earned after January 1, 1992 is provided under the terms of a Supplementary Retirement Plan, which is secured by a letter of credit deposited in a retirement compensation trust. The Supplementary Retirement Plan is non-contributory.

The accrued pension obligation is calculated following the method prescribed under US GAAP (section 715 of FASB) and by the Canadian Institute of Chartered Accountants and is based on management's best estimate of future events that affect the cost of pensions, including assumptions about future salary adjustments and annual incentive awards.

The defined benefit component of the Pension Plan was closed to new non-union employees hired after January 8, 2013 and to new union employees hired after October 31, 2014.

Defined Contribution

The following table shows the changes to accumulated value from January 1, 2015 to December 31, 2015 for the NEO who participated in the Pension Plan on a defined contribution basis:

Name	Accumulated Value at Start of Year ($)	Compensatory Change ($)[1]	Non-Compensatory Change ($)[2]	Accumulated Value at End of Year ($)
Wayne O'Connor[3]	425,000	24,000	35,000	484,000

(1) The compensatory change is the value of Company contributions made based on the defined contribution component of the Plan.
(2) The non-compensatory change is the value of employee contributions to the Plan, along with investment earnings.
(3) Wayne O'Connor participates in both the defined benefit and defined contribution provisions.

Under the defined contribution component of the Pension Plan, the Company contributes a base amount to the participant's account each pay period. The amount is expressed as a percentage of eligible earnings. Plan participants can also make contributions to the defined contribution component, with the Company matching a portion of these contributions. Canada Revenue Agency limits apply.

Upon ending active employment with the Company at any age between 55 and 65, plan participants may start receiving retirement income through the purchase of a life annuity or by converting their account to a Life Income Fund.

The defined contribution component of the Pension Plan is administered on behalf of the Company by a major Canadian insurance company, which acts in accordance with the provisions of the defined contribution component of the Plan, the *Income Tax Act* and the Nova Scotia *Pension Benefits Act*.

Mr. O'Connor participated in the defined contribution component of the Pension Plan in 2015. Under the terms of the defined contribution component, Mr. O'Connor and the Company each contribute six per cent of the executive's base salary into the Pension Plan up to the total amount permitted under the *Income Tax Act*. For 2015, Mr. O'Connor contributed $12,685, and the Company also contributed $12,685 to his registered defined contribution account. In addition, the Company maintains an account for any Company contributions which would be made in the absence of the *Income Tax Act* limits. For 2015, the additional Company contribution for Mr. O'Connor was $10,855.

Deferred Share Unit Plan ("DSU Plan")

The Deferred Share Unit (DSU) Plan is another component of the Company's long-term incentive program for senior leaders. A DSU is a notional share unit that is based on the value of an Emera common share—the value of a DSU changes directly in correlation to an Emera share and earns dividend equivalents in the form of additional DSUs. When a dividend is paid on Emera's common shares, each participant's DSU account is allocated additional DSUs based on the dividend paid on an equivalent number of Emera common shares. DSUs are not paid out until such time as the participant is no longer employed by the Company or any of its affiliates. When redeemed, the value of a participant's DSUs is equivalent to the fair market value of an equal number of common shares of the Company.

The DSU Plan is intended to facilitate achievement of share ownership guidelines without diluting the shareholder base. Prior to the start of each performance year, each plan participant may elect to defer some or all of the short-term incentive payout associated with that performance year in the form of DSUs. When the short-term incentive is paid to the NEOs, the portion elected is allocated to DSUs rather than paid in cash. Since DSUs are principally an income deferral mechanism, there are no performance metrics attributable to DSUs.

Following a participant's departure from the Company and on a date selected by the participant not later than December 15 of the next calendar year after departure, the value of the participant's DSUs is calculated by multiplying the number of DSUs in the participant's account by the average closing Emera common share price for the 50 trading days preceding the payout date (the 50-day average is used to smooth out any short-term price fluctuations). The after-tax amount is paid to the participant. If a participant is a U.S. taxpayer, payment is made six months following the termination date.

In addition, special DSU awards may be made from time to time by the MRCC to selected executives and senior management to recognize singular achievements or the achievement of certain corporate objectives. In 2015, Mr. Hanf was awarded a special grant of 5,010 DSUs, valued at $200,000 based on the average 50 trading-day closing share price immediately preceding the grant ($39.92). The special grant was to recognize Mr. Hanf's leadership in transforming the cost structure of Nova Scotia Power Inc. to provide rate stabilization and avoid a general rate application in 2016. Mr. O'Connor was awarded a special grant of 8,000 DSUs, valued at $308,000 based on the average 50 trading-day closing share price immediately preceding the grant ($38.08). The special grant was to recognize Mr. O'Connor's past work at Emera Energy, where he made significant contributions to developing the relationships and initiating the commercial agreements that have become the foundation of Emera Energy's success. No portion of the special DSUs granted to Mr. Hanf or Mr. O'Connor are paid by ratepayers of NSPI.

DSU Plan Allocations

The table below identifies how much of the short-term incentive for 2014 and 2015 that each NEO elected to allocate to DSUs:

	2015		2014	
Name	Percentage of short-term inventive allocated to deferred share units (%)	Dollar amount of short-term incentive allocated to deferred share units ($)	Percentage of short-term inventive allocated to deferred share units (%)	Dollar amount of short-term incentive allocated to deferred share units ($)
Robert Hanf	25	57,682	50	92,649
Scott Balfour	50	239,704	100	446,678
Wayne O'Connor	25	55,277	25	39,908

Other Executive Benefits

The Company provides executives with additional benefits in accordance with the compensation program objectives. As part of their compensation and consistent with market practice, executives, including the NEOs, are eligible to receive:

- annual income tax return preparation;
- monthly parking;
- monthly car allowance plus mileage, as applicable; and
- annual wellness/fitness allowance.

Executives are also eligible to participate in the Employee Common Share Purchase Plan, which allows employees of Emera and its affiliates to purchase Emera common shares through regular payroll deductions or lump-sum payments. Participants can contribute up to $8,000 per year and the Company will match 20 per cent of the first $3,000 in contributions, and 10 per cent of any contributions between $3,000 and $8,000.

These benefits are considered taxable benefits and are reported in the *Table of compensation excluding compensation securities.*

Termination and Change of Control Benefits

The following table provides the estimated amounts of incremental payments, payables and benefits to which each NEO would be entitled based on differing departure scenarios—resignation, termination for cause, termination without cause, separation from the Company in circumstances of a change of control, and retirement, assuming the triggering event took place on December 31, 2015.

Name	Departure scenario (1)	Cash severance ($)	Short-term incentive ($)	PSUs ($) (2)	Stock options ($) (3)	Continuation of benefits (present value) ($) (4)	Total ($)
Robert Hanf	Resignation						
	Termination for Cause						
	Termination without Cause	400,000	200,000	237,568		18,141	855,709
	Control Change	400,000	200,000	237,568		18,141	855,709
	Retirement			461,989	209,225		671,214
Scott Balfour	Resignation						
	Termination for Cause						
	Termination without Cause	475,000	332,500	962,822		5,519	1,775,841
	Control Change	475,000	332,500	962,822		5,519	1,775,841
	Retirement			467,770			467,770
Wayne O'Connor	Resignation						
	Termination for Cause						
	Termination without Cause	315,000	157,500				472,500
	Control Change	315,000	157,500	161,301			633,801
	Retirement			161,301	94,914		256,215

(1) Please see the tables following for a description of the entitlements of each NEO under the various departure scenarios.
(2) Payouts for PSUs assume a performance factor of 1.0 and are valued using the average closing share price for the last 50 trading days of 2015 ($42.95).
(3) Payouts for stock options on retirement represent the value of stock options that are unvested as of December 31, 2015 (the assumed retirement date) that would vest within 24 months from the assumed retirement date, using the closing share price as of December 31, 2015 ($43.23).
(4) Continuation of benefits may reflect amounts for car allowance, health and dental benefits and insurance benefits, pursuant to the terms of the NEOs' employment contracts, as applicable.

The following is a summary of the entitlements on departure afforded to each NEO under his or her employment contract or the applicable plans as of December 31, 2015:

Robert Hanf	
Resignation	All unvested PSUs and stock options are forfeited.
Terminated for cause	All unvested PSUs and stock options are forfeited.
Terminated without cause	Entitled to a lump sum equal to 12 months' compensation based upon annual salary, short-term incentive at target and car allowance. Health, dental and other such benefits will be continued for up to 12 months. Unvested PSUs are prorated to the date of termination and paid out based on an estimated future value. Unvested stock options are forfeited.
Change in control	If there is a change of control of the ownership of the Company, such that any one party acquires 50 per cent or more of voting securities and there is a substantial reduction in responsibilities or scope of authority, Mr. Hanf may elect, within three months following such substantial reduction in responsibilities or scope or authority, to terminate employment and receive 12 months' compensation calculated on the basis of his annual salary, short-term incentive at target and car allowance. Health, dental and other such benefits will be continued for up to 12 months. Unvested PSUs are prorated to the date of termination and paid out based on an estimated future value. Unvested stock options are forfeited.
Retirement	Mr. Hanf becomes eligible to retire with an unreduced pension as of November 30, 2022. Information regarding pension entitlement is contained in *Pension Plan Benefits*. PSUs continue to be eligible to vest for two years following retirement in accordance with the applicable performance criteria. Unvested stock options continue to be eligible to vest for two years past retirement. Any stock options that have not vested within two years of retirement are forfeited. All vested stock options must be exercised by the earlier of (a) two years from the date of retirement; and (b) 10 years from the original grant date.

Scott Balfour	
Resignation	All unvested PSUs and stock options are forfeited.
Terminated for cause	All unvested PSUs and stock options are forfeited.
Terminated without cause	Entitled to a lump sum equal to 12 months' compensation based upon annual salary and short-term incentive at target. Health, dental and other such benefits will be continued for up to 12 months. Unvested PSUs are deemed to vest on the termination date. Unvested stock options are forfeited.
Change in control	If there is a change of control of the ownership of the Company, such that any one party acquires 50 per cent or more of voting securities and there is a substantial reduction in responsibilities or scope of authority, Mr. Balfour may elect, within three months following such substantial reduction in responsibilities or scope of authority, to terminate employment and receive 12 months' compensation based upon annual salary and short-term incentive at target. Health, dental and other such benefits will be continued for up to 12 months. Unvested PSUs are deemed to vest on the termination date. Unvested stock options are forfeited.
Retirement	Mr. Balfour becomes eligible to retire with an unreduced pension as of April 30, 2027. Information regarding pension entitlement is contained in *Pension Plan Benefits*. PSUs continue to be eligible to vest in accordance with the applicable performance criteria and will be paid out on a prorated basis upon vesting. Unvested stock options are forfeited.
Other	If Mr. Balfour's employment is terminated without cause, he is entitled to a relocation program for reimbursement of reasonable relocation costs back to Ontario to a maximum of $200,000, which is payable up to 12 months after the termination date.

Wayne O'Connor	
Resignation	All unvested PSUs and stock options are forfeited.
Terminated for cause	All unvested PSUs and stock options are forfeited.
Terminated without cause	Entitled to a lump sum equal to 12 months' compensation based upon annual salary and annual incentive at target. All unvested PSUs and stock options are forfeited.
Change in control	Mr. O'Connor's employment contract does not contain change of control provisions. Unvested PSUs are deemed to vest on the termination date. Unvested stock options are forfeited.
Retirement	Mr. O'Connor becomes eligible to retire with an unreduced pension as of November 30, 2026. Information regarding pension entitlement is contained in *Pension Plan Benefits*. PSUs continue to be eligible to vest for two years following retirement in accordance with the applicable performance criteria. Unvested stock options continue to be eligible to vest for two years past retirement. Any stock options that have not vested within two years of retirement are forfeited. All vested stock options must be exercised by the earlier of (a) two years from the date of retirement; and (b) 10 years from the original grant date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Emera has established equity compensation plans which apply to the Company. See *Statement of Executive Compensation* in Emera's Management Information Circular dated March 17, 2016, and which is available under Emera's profile on SEDAR at www.sedar.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Company does not have a program that allows for the provision of loans to Directors or Officers, and the Company is not intending to initiate such a program. In addition, there is no program to allow loans or indebtedness under any share purchase program. As of the date of this Circular, there was no indebtedness of the Directors to the Company. As of the date of this Circular, except for routine indebtedness, there is no indebtedness of Executive Officers and other employees to the Company.[1]

MATERIAL TRANSACTIONS

During the most recently completed financial year, insiders of the Company and its affiliates, including Directors, executive officers, proposed nominee Directors or their associates or corporations they controlled, did not have any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or will materially affect the Company.

MANAGEMENT CONTRACTS

There are no functions of management that are performed by a person or company other than the Directors, executive officers or other employees of the Company.

OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

[1] "Routine indebtedness" includes: (i) loans made on terms no more favourable than loans to employees generally, for which the amount remaining unpaid does not exceed $50,000; (ii) loans to full-time employees, fully secured against their residence and not exceeding their annual salary; and (iii) loans for purchases on usual trade terms, or for ordinary travel or expense advances, or similar reasons, with repayment arrangements in accordance with usual commercial practice.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Shareholders may contact Stephen Aftanas, the Company's Corporate Secretary, to request copies of the Company's financial statements and management's discussion and analysis ("MD&A") for the fiscal year ended December 31, 2015. Financial information is provided in the Company's annual financial statements and MD&A.

APPROVAL OF THIS CIRCULAR

The Board of Directors has approved the contents of this Circular and has authorized it to be sent to the shareholders of the Company.

DATED at Halifax, Nova Scotia, this 17th day of March, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Stephen Aftanas"

Stephen Aftanas

Corporate Secretary