

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated May 16, 2018 (the “**Prospectus**”) to which it relates, and each document incorporated by reference into this Prospectus Supplement and in the Prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States of America or to or for the account or benefit of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to or for the account or benefit of U.S. persons. See “Plan of Distribution”.

Information has been incorporated by reference in this Prospectus Supplement and the accompanying Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Emera Incorporated, 1223 Lower Water Street, Halifax, Nova Scotia, B3J 3S8 (telephone: 902-428-6520) and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

To the Short Form Base Shelf Prospectus dated May 16, 2018

New Issue

May 22, 2018



EMERA INCORPORATED

\$300,000,000

12,000,000 Cumulative Minimum Rate Reset First Preferred Shares, Series H

Emera Incorporated (“**Emera**” or the “**Company**”) is offering Cumulative Minimum Rate Reset First Preferred Shares, Series H (the “**Series H Preferred Shares**”). The holders of Series H Preferred Shares will be entitled to receive fixed cumulative preferential cash dividends, for the initial period from and including the closing date to, but excluding, August 15, 2023 (the “**Initial Fixed Rate Period**”), payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, or if any such day is not a business day, on the next business day, as and when declared by the board of directors of the Company (the “**Board of Directors**”). The initial dividend, if declared, shall be payable on August 15, 2018 and shall be \$0.25507 per Series H Preferred Share, based on the anticipated closing date of May 31, 2018. Thereafter, quarterly dividends shall be at a rate of \$0.30625 per Series H Preferred Share. See “Details of the Offering”.

For each five-year period after the Initial Fixed Rate Period (each a “**Subsequent Fixed Rate Period**”), the holders of Series H Preferred Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Company on the 30th day prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined herein) on the date on which the Annual Fixed Dividend Rate is determined plus 2.54%, provided that, in any event, such rate shall not be less than 4.90%. See “Details of the Offering”.

Option to Convert into Series I Preferred Shares

The holders of Series H Preferred Shares will have the right, at their option, to convert their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series I of the Company (the “**Series I Preferred Shares**”), subject to certain conditions, on August 15, 2023 and on August 15 every five years thereafter. The holders of Series I Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15th) day of February, May, August and November in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”), in the amount per Series I Preferred Share determined by multiplying the applicable Quarterly Floating Dividend Rate (as defined herein) by \$25.00. The Quarterly Floating Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.54% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See “Details of the Offering”.

The Series H Preferred Shares will not be redeemable by the Company prior to August 15, 2023. Subject to the provisions described below under “Details of the Offering – Certain Provisions of the Series H Preferred Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on August 15, 2023 and on August 15 every five years thereafter, the Company may redeem all or any part of the then outstanding Series H Preferred Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption. See “Details of the Offering”.

The Series H Preferred Shares and the Series I Preferred Shares do not have fixed maturity dates and are not redeemable at the option of the holders of Series H Preferred Shares or Series I Preferred Shares. See “Risk Factors”.

There is no market through which the Series H Preferred Shares or Series I Preferred Shares may be sold and purchasers may not be able to resell Series H Preferred Shares or Series I Preferred Shares purchased under this Prospectus Supplement. This may affect the pricing of the Series H Preferred Shares or Series I Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series H Preferred Shares or Series I Preferred Shares and the extent of issuer regulation. See “Risk Factors”.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Series H Preferred Shares distributed under this Prospectus Supplement and the Series I Preferred Shares into which the Series H Preferred Shares are convertible. Listing of the Series H Preferred Shares and the Series I Preferred Shares will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 15, 2018.

PRICE: \$25.00 per Series H Preferred Share to yield initially 4.90% per annum

Each of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Industrial Alliance Securities Inc. and Raymond James Ltd. (collectively, the “**Underwriters**”), as principals, conditionally offer the Series H Preferred Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Stephen D. Aftanas, its Corporate Secretary, and Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters by Stikeman Elliott LLP.

	Price to the Public	Underwriters’ Fee	Net Proceeds to the Company <small>(1)(2)(3)</small>
Per Series H Preferred Share	\$25.00	\$0.75	\$24.25
Total.....	\$300,000,000	\$9,000,000	\$291,000,000

(1) The Underwriters’ fee per Series H Preferred Share is \$0.25 for each Series H Preferred Share sold to certain institutions and \$0.75 for all other Series H Preferred Shares sold (the “**Underwriters’ Fee**”). The totals set forth in the table above represent the Underwriters’ Fee and net proceeds assuming no Series H Preferred Shares are sold to institutions.

- (2) Before deducting expenses of the offering estimated at \$450,000 which, together with the Underwriters' Fee, will be paid out of the general funds of Emera. See "Plan of Distribution".
- (3) The Company has granted to the Underwriters an option (the "**Underwriters' Option**"), exercisable in whole or in part at any time up to 48 hours prior to the closing of the offering, to purchase up to 2,000,000 additional Series H Preferred Shares (the "**Additional Series H Preferred Shares**") at a price of \$25.00 per share. If the Underwriters' Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company" will be \$350,000,000, \$10,500,000 and \$339,500,000, respectively. See "Plan of Distribution". This Prospectus also qualifies the grant of the Underwriters' Option and the distribution of the Additional Series H Preferred Shares issuable on the exercise of the Underwriters' Option. References to Series H Preferred Shares include any Additional Series H Preferred Shares unless otherwise noted or unless the context precludes such inclusion.

Underwriters' Position	Number of Additional Series H Preferred Shares Available	Exercise Period	Exercise Price
Underwriters' Option.....	2,000,000	At any time up to 48 hours prior to the closing of the offering	\$25.00 per share

Each of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. is an affiliate of a financial institution that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, the Company and/or its subsidiaries. **Consequently, Emera may be considered to be a connected issuer of each such Underwriter for purposes of applicable securities laws. See "Plan of Distribution".**

Subject to applicable laws, the Underwriters may, in connection with the offering, over-allot or effect transactions which stabilize or maintain the market price of the Series H Preferred Shares at levels other than those which may prevail on the open market. Such transactions, if commenced, may be discontinued at any time. Under certain circumstances, the Underwriters may decrease the price at which the Series H Preferred Shares are distributed for cash from the initial offering price of \$25.00 per share. See "Plan of Distribution".

Purchasers should read this Prospectus Supplement and the Prospectus carefully before investing. Investing in the Series H Preferred Shares involves certain risks that should be considered by a prospective purchaser. See "Risk Factors" in the accompanying Prospectus and in this Prospectus Supplement.

Subscriptions for the Series H Preferred Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. A book-entry only certificate representing the Series H Preferred Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and will be deposited with CDS on closing of this offering, which is expected to be on or about May 31, 2018. Purchasers of Series H Preferred Shares will receive only a customer confirmation from the registered dealer (who is a participant in CDS) from or through whom the Series H Preferred Shares are purchased and shall not have the right to receive physical certificates evidencing their ownership of the Series H Preferred Shares.

The head and registered office of the Company is located at 1223 Lower Water Street, Halifax, Nova Scotia B3J 3S8.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the securities the Company is offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Series H Preferred Shares offered hereunder.

Purchasers should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the Prospectus. The Company has not authorized any other person to provide purchasers with additional or different information. If anyone provides purchasers with different or inconsistent information, such purchasers should not rely on it. The Company is offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted. Purchasers should assume that the information appearing in this Prospectus Supplement and the Prospectus, as well as information the Company has previously filed with the securities regulatory authority in each of the provinces of Canada that is incorporated herein and in the Prospectus by reference, is accurate as of their respective dates only. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus Supplement and the Prospectus, including the documents incorporated therein by reference, contains forward-looking information and statements within the meaning of applicable securities laws. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "targets", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, includes statements which reflect the current view of Emera's management with respect to Emera's objectives, plans, financial and operating performance, business prospects and opportunities. The forward-looking information reflects management's current beliefs and is based on information currently available to Emera's management and should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the time at which, such events, performance or results will be achieved. All such forward-looking information is provided pursuant to safe harbour provisions contained in applicable securities legislation.

The forward-looking information in this Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, includes, but is not limited to, statements regarding: Emera's revenue, earnings and cash flow; the growth and diversification of Emera's business and earnings base; future annual net income and dividend growth; expansion of Emera's business in the United States and elsewhere; the expected compliance by Emera and its subsidiaries with the regulation of their operations; the expected timing of regulatory decisions; forecasted capital expenditures; the nature, timing and costs associated with certain capital projects; the expected impact on Emera of challenges in the global economy; estimated energy consumption rates; expectations related to annual operating cash flows; the expectation that Emera will continue to have reasonable access to capital in the near to medium term; expected debt maturities, repayments and renewals; expectations about increases in interest expense and/or fees associated with debt securities and credit facilities; no material adverse credit rating actions expected in the near term; the successful development of relationships with various stakeholders; the impact of currency fluctuations; expected changes in electricity rates; and the impacts of planned investment by the industry of gas transportation infrastructure within the United States.

The forecasts and projections that make up the forward-looking information are based on reasonable assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; seasonal weather patterns remaining stable; no significant cyber or physical attacks or disruptions to Emera's systems; the continued ability to maintain transmission and distribution systems to ensure their continued performance; continued investment in wind and hydro generation; continued natural gas activity; no severe and prolonged downturn in economic conditions; sufficient liquidity and capital resources; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates and commodity prices; no significant variability in interest rates; expectations regarding the nature, timing and costs of capital spending of Emera and its subsidiaries; expectations regarding rate base growth; the continued competitiveness of electricity pricing when compared with other

alternative sources of energy; the continued availability of commodity supply; the absence of significant changes in government energy plans and environmental laws and regulations that may materially affect the operations and cash flows of Emera; maintenance of adequate insurance coverage; the ability to obtain and maintain licenses and permits; no material decrease in market energy sales prices; favourable labour relations; and sufficient human resources to deliver service and execute the capital program.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory risk; operating and maintenance risks; changes in economic conditions, commodity price and availability risk; capital market and liquidity risk; future dividend growth; timing and costs associated with certain capital projects; the expected impacts on Emera of challenges in the global economy; estimated energy consumption rates; maintenance of adequate insurance coverage; changes in customer energy usage patterns; developments in technology that could reduce demand for electricity; weather; unanticipated maintenance and other expenditures; system operating and maintenance risk; derivative financial instruments and hedging; interest rate risk; credit risk; commercial relationship risk; disruption of fuel supply; country risks; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental, financial reporting and tax legislation; risks associated with pension plan performance and funding requirements; loss of service area; risk of failure of information technology infrastructure and cybersecurity risks; market energy sales prices; labour relations; and availability of labour and management resources.

For additional information with respect to Emera's risk factors, reference should be made to the section of this Prospectus Supplement and the Prospectus entitled "Risk Factors" and to Emera's continuous disclosure materials filed from time to time on SEDAR at www.sedar.com.

READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING INFORMATION AS ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THE PLANS, EXPECTATIONS, ESTIMATES OR INTENTIONS AND STATEMENTS EXPRESSED IN THE FORWARD-LOOKING INFORMATION. ALL FORWARD-LOOKING INFORMATION IN THIS PROSPECTUS SUPPLEMENT, THE PROSPECTUS AND IN THE DOCUMENTS INCORPORATED THEREIN BY REFERENCE IS QUALIFIED IN ITS ENTIRETY BY THE ABOVE CAUTIONARY STATEMENTS AND, EXCEPT AS REQUIRED BY LAW, EMERA UNDERTAKES NO OBLIGATION TO REVISE OR UPDATE ANY FORWARD-LOOKING INFORMATION AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purpose of the Series H Preferred Shares offered hereunder.

The following documents, which have been filed with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement:

- (a) the audited consolidated financial statements of Emera as at and for the years ended December 31, 2017 and December 31, 2016, together with the auditors' report thereon and management's discussion and analysis for the year ended December 31, 2017 (the "**Management Discussion and Analysis**");
- (b) the unaudited condensed consolidated interim financial statements of Emera as at and for the three month period ended March 31, 2018, together with management's discussion and analysis for the three month period ended March 31, 2018;
- (c) the annual information form of Emera dated March 29, 2018 for the year ended December 31, 2017 (the "**Annual Information Form**");
- (d) the management information circular of Emera dated March 16, 2018 and subsequently amended on April 2, 2018, prepared in connection with Emera's annual meeting of shareholders to be held on May 24, 2018; and
- (e) the term sheets dated May 17, 2018 in connection with the offering, filed on SEDAR on May 17, 2018 (the "**Marketing Material**").

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

Any documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* to be incorporated by reference in this Prospectus Supplement, including any material change reports (excluding confidential material change reports), unaudited condensed consolidated interim financial statements, annual consolidated financial statements and the auditors' report thereon, management's discussion and analysis, information circulars, annual information forms and business acquisition reports, if filed by Emera with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the termination of any offering of Series H Preferred Shares, shall be deemed to be incorporated by reference in this Prospectus Supplement.

For additional information regarding documents incorporated or deemed to be incorporated by reference in the Prospectus or this Prospectus Supplement, see "Documents Incorporated by Reference" in the Prospectus.

MARKETING MATERIAL

The Marketing Material is not part of this Prospectus Supplement to the extent that the contents of the Marketing Material have been modified or superseded by a statement contained in this Prospectus Supplement. Any template version of "marketing materials" (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this Prospectus Supplement and before the termination of the distribution under the offering (including any amendments to, or an amended version of, the Marketing Material) is deemed to be incorporated into this Prospectus Supplement.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of

Finance (Canada) prior to the date hereof, the Series H Preferred Shares, if issued on the date of this Prospectus Supplement, would be, at that time, qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (an “**RRSP**”), registered retirement income fund (an “**RRIF**”), registered education savings plan (an “**RESP**”), deferred profit sharing plan, registered disability savings plan (an “**RDSP**”) or tax-free savings account (a “**TFSA**”). Provided that, for the purposes of the Tax Act, the annuitant of an RRSP or RRIF, the holder of an RDSP or TFSA or the subscriber of an RESP (as the case may be) deals at arm’s length with (for purposes of the Tax Act), and does not have a “significant interest” (within the meaning of the Tax Act) in, the Company, the Series H Preferred Shares will not be a prohibited investment under the Tax Act for such RRSP, RRIF, TFSA, RDSP or RESP on the date of this Prospectus Supplement. In addition, the Series H Preferred Shares will not be a prohibited investment for an RRSP, RRIF, TFSA, RDSP or RESP if the Series H Preferred Shares are “excluded property” (as defined in the Tax Act) for such an RRSP, RRIF, TFSA, RDSP or RESP, respectively.

CURRENCY

All dollar amounts in this Prospectus Supplement are expressed in Canadian dollars unless otherwise indicated.

SUMMARY OF THE OFFERING

This summary is qualified by the detailed information appearing elsewhere in this Prospectus Supplement. For a definition of certain terms used in this summary, refer to “Details of the Offering”.

Issue:	Cumulative Minimum Rate Reset First Preferred Shares, Series H.
Amount:	\$300,000,000 (12,000,000 Series H Preferred Shares).
Price and Yield:	\$25.00 per Series H Preferred Share to yield initially 4.90% per annum.
Underwriters’ Option:	The Underwriters shall have the option, exercisable in whole or in part at any time up to 48 hours prior to closing of the offering, to purchase up to 2,000,000 additional Series H Preferred Shares at a price of \$25.00 per share. See “Plan of Distribution”.

Principal Characteristics of the Series H Preferred Shares

Dividends: The holders of the Series H Preferred Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, for the initial period from and including the closing date to, but excluding, August 15, 2023 (the “**Initial Fixed Rate Period**”), payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, at a rate equal to \$0.30625 per share per quarter. The initial dividend, if declared, will be payable on August 15, 2018 and will be \$0.25507 per share, based on the anticipated closing date of May 31, 2018.

For each five-year period after the Initial Fixed Rate Period (each, a “**Subsequent Fixed Rate Period**”), the holders of the Series H Preferred Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Company on the 30th day (a “**Fixed Rate Calculation Date**”) prior to the first day of such Subsequent Fixed Rate Period and will be equal to the sum of the Government of Canada Yield (as defined herein) on the applicable Fixed Rate Calculation Date plus 2.54%, provided that, in any event, such rate shall not be less than 4.90%.

The dividends on the Series H Preferred Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series H Preferred Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

Redemption: The Series H Preferred Shares will not be redeemable by the Company prior to August 15, 2023. Subject to the provisions described below under “Details of the Offering – Certain Provisions of the Series H Preferred Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on August 15, 2023 and on August 15 every five years thereafter, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series H Preferred Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

The Series H Preferred Shares are not redeemable at the option of their holders.

Conversion into Series I Preferred Shares:

Holders of Series H Preferred Shares will, subject to the automatic conversion provisions and the right of the Company to redeem those shares, have the right, at their option, to convert, on August 15, 2023 and on August 15 every five years thereafter (a “**Series H Conversion Date**”), any or all of their Series H Preferred Shares into an equal number of Series I Preferred Shares upon giving to the Company notice thereof not earlier than 30 days prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series H Conversion Date.

Automatic Conversion Provisions:

If the Company determines, after having taken into account all shares tendered for conversion by holders of Series H Preferred Shares and Series I Preferred Shares, as the case may be, that there would be outstanding on such Series H Conversion Date less than 1,000,000 Series H Preferred Shares, such remaining number of Series H Preferred Shares will automatically be converted on such Series H Conversion Date into an equal number of Series I Preferred Shares. Additionally, if the Company determines that, after conversion, there would be outstanding on such Series H Conversion Date less than 1,000,000 Series I Preferred Shares, then no Series H Preferred Shares will be converted into Series I Preferred Shares.

Voting Rights:

The holders of Series H Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares (as defined below) as a class and meetings of the holders of Series H Preferred Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series H Preferred Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, holders of Series H Preferred Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote (together with holders of Series I Preferred Shares and any other class or series of classes of shares of the Company having the right to vote in similar circumstances) for the election of two directors out of the total number of directors elected at such meeting. In any such instance, holders of Series H Preferred Shares will be entitled to one vote for each Series H Preferred Share held, provided however that the holder of any Series H Preferred Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series H Preferred Shares. Upon payment of the entire amount of the Series H Preferred Share dividends in arrears, the voting rights of the holders of the Series H Preferred Shares shall forthwith cease and terminate.

Principal Characteristics of the Series I Preferred Shares

Dividends:

The holders of the Series I Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate by \$25.00.

On the 30th day prior to the commencement of the initial quarterly dividend period beginning on August 15, 2023, and on the 30th day prior to the first day of each subsequent quarterly dividend period (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a “**Quarterly Floating Rate Period**”), the Company will determine the Quarterly Floating Dividend Rate for the ensuing Quarterly Floating Rate Period. The Quarterly Floating Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.54% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period.

The dividends on the Series I Preferred Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series I Preferred Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

Redemption:

Subject to the provisions described below under the heading “Details of the Offering – Certain Provisions of the Series I Preferred Shares as a Series – Restrictions on Dividends and Retirement of Shares”, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series I Preferred Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of (i) \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on August 15, 2028 and on August 15 every five years thereafter, or (ii) \$25.50 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on any other date after August 15, 2023.

The Series I Preferred Shares are not redeemable at the option of their holders.

Conversion into Series H Preferred Shares:

Holders of Series I Preferred Shares will, subject to the automatic conversion provisions and the right of the Company to redeem those shares, have the right, at their option, to convert, on August 15, 2028 and on August 15 every five years thereafter (a “**Series I Conversion Date**”), any or all of their Series I Preferred Shares into an equal number of Series H Preferred Shares upon giving to the Company written notice thereof not earlier than 30 days prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series I Conversion Date.

Automatic Conversion Provisions:

If the Company determines, after having taken into account all shares tendered for conversion by holders of Series I Preferred Shares and Series H Preferred Shares, as the case may be, that there would be outstanding on such Series I Conversion Date less than 1,000,000 Series I Preferred Shares, such remaining number of Series I Preferred Shares will automatically be converted on such Series I Conversion Date into an equal number of Series H Preferred Shares. Additionally, if the Company determines that, after conversion, there would be outstanding on such Series I Conversion Date less than 1,000,000 Series H Preferred Shares, then no Series I Preferred Shares will be converted into Series H Preferred Shares.

Voting Rights:

The holders of Series I Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares (as defined below) as a class and meeting of the holders of Series I Preferred Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series I Preferred Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In the event of such non-payment and for only so long as any such dividends remain in arrears, holders of Series I Preferred Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote (together with holders of Series H Preferred Shares and any other class or series of classes of shares of the Company having the right to vote in similar circumstances) for the election of two directors out of the total number of directors elected at such meeting. In any such instance, holders of Series I Preferred Shares will be entitled to one vote for each Series I Preferred Share held, provided however that the holder of any Series I Preferred Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series I Preferred Shares. Upon payment of the entire amount of the Series I

Preferred Share dividends in arrears, the voting rights of the holders of the Series I Preferred Shares shall forthwith cease and terminate.

Other Characteristics of the Series H Preferred Shares and Series I Preferred Shares

Priority:

The Series H Preferred Shares and Series I Preferred Shares will rank on parity with each other and every other series of First Preferred Shares (as defined below) and are entitled to preference over the common shares of the Company and over any other shares of the Company ranking junior to the First Preferred Shares with respect to the payment of dividends and upon any distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

Tax on Preferred Share Dividends:

The Company will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay tax at a rate such that holders of Series H Preferred Shares and Series I Preferred Shares will not be required to pay tax on dividends received on such shares under Part IV.1 of the Tax Act.

CHANGES IN CONSOLIDATED CAPITALIZATION OF THE COMPANY

The following describes the changes in the consolidated capitalization of Emera since March 31, 2018:

(1) During the period from April 1, 2018 up to and including May 18, 2018, Emera issued an aggregate of 1,295,131 Common Shares pursuant to Emera's Common Shareholders' Dividend Reinvestment and Share Purchase Plan, Employee Share Purchase Plan and upon the exercise of options granted pursuant to the Company's Senior Management Stock Option Plan, for proceeds of approximately \$49.9 million.

(2) During the period from April 1, 2018 up to and including May 18, 2018, Emera issued an aggregate of 894 Common Shares upon the conversion of 4% convertible unsecured debentures represented by instalment receipts, resulting in an increase to shareholders equity of the Company of approximately \$37 thousand.

(3) During the period from April 1, 2018 up to and including May 18, 2018, Emera's consolidated long-term and short-term debt, capital lease and finance obligations, including current positions and committed credit facility borrowings classified as long-term debt, decreased by approximately \$227 million, due to a reduction in total borrowing volume combined with a decrease in the currency exchange rate. As of May 18, 2018, Emera had approximately \$330 million drawn on its credit facilities.

(4) Following the completion of the offering, Emera will have issued 12,000,000 Series H Preferred Shares if the Underwriters' Option is not exercised and 14,000,000 Series H Preferred Shares if the Underwriters' Option is exercised in full.

DETAILS OF THE OFFERING

The Series H Preferred Shares and the Series I Preferred Shares (if issued) will each be issued as a series of First Preferred Shares of the Company ("**First Preferred Shares**"). See the description of the First Preferred Shares of the Company as a class under the heading "Description of Securities Being Distributed – Preferred Shares" in the accompanying Prospectus. The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Series H Preferred Shares as a series, and the Series I Preferred Shares as a series. This summary is not a complete description and is subject to, and is qualified by reference to, all provisions of the Series H Preferred Share conditions and the Series I Preferred Share conditions.

Certain Provisions of the Series H Preferred Shares as a Series

Definition of Terms

The following definitions are relevant to the Series H Preferred Shares:

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.54%, provided that, in any event, such rate shall not be less than 4.90%.

"**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada Bond yields.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered

Canadian investment dealers selected by the Company, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period from and including the closing date to, but excluding, August 15, 2023.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period from and including August 15, 2023 to, but excluding, August 15, 2028, and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to, but excluding, August 15 in the fifth year thereafter.

Issue Price

The Series H Preferred Shares will have an issue price of \$25.00 per share.

Dividends

During the Initial Fixed Rate Period, the holders of the Series H Preferred Shares will be entitled to receive fixed quarterly cumulative preferential cash dividends, as and when declared by the Board of Directors, on the fifteenth (15th) day of February, May, August and November in each year, at a rate equal to \$0.30625 per share per quarter. The initial dividend, if declared, will be payable on August 15, 2018 and will be \$0.25507 per share, based on the anticipated closing date of May 31, 2018.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of Series H Preferred Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Company on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Company and upon all holders of Series H Preferred Shares. The Company will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series H Preferred Shares.

The dividends on Series H Preferred Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series H Preferred Shares then outstanding, such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

Redemption

The Series H Preferred Shares will not be redeemable prior to August 15, 2023. Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, on August 15, 2023 and on August 15 every five years thereafter, the Company may redeem all or any part of the then outstanding Series H Preferred Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption.

Notice of any redemption will be given by the Company at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series H Preferred Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

The Series H Preferred Shares are not redeemable at the option of their holders.

Conversion of Series H Preferred Shares into Series I Preferred Shares

Holders of Series H Preferred Shares will have the right, at their option, on August 15, 2023, and on August 15 every five years thereafter (a “**Series H Conversion Date**”) to convert, subject to the restrictions on conversion described below

and the payment or delivery to the Company of evidence of payment of the tax (if any) payable, all or any of their Series H Preferred Shares registered in their name into Series I Preferred Shares on the basis of one Series I Preferred Share for each Series H Preferred Share. The conversion of Series H Preferred Shares may be effected upon notice delivered to the Company by the holders of Series H Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series H Conversion Date.

The Company will, at least 30 days and not more than 60 days prior to the applicable Series H Conversion Date, give notice in writing to the then registered holders of the Series H Preferred Shares of the above mentioned conversion right. On the 30th day prior to each Series H Conversion Date, the Company will give notice in writing to the then registered holders of the Series H Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period.

Holders of Series H Preferred Shares will not be entitled to convert their shares into Series I Preferred Shares if the Company determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series I Preferred Shares, after having taken into account all Series H Preferred Shares tendered for conversion into Series I Preferred Shares and all Series I Preferred Shares tendered for conversion into Series H Preferred Shares. The Company will give notice in writing thereof to all registered holders of Series H Preferred Shares at least seven days prior to the applicable Series H Conversion Date. Furthermore, if the Company determines that there would remain outstanding on a Series H Conversion Date less than 1,000,000 Series H Preferred Shares, after having taken into account all Series H Preferred Shares tendered for conversion into Series I Preferred Shares and all Series I Preferred Shares tendered for conversion into Series H Preferred Shares, then, all, but not part, of the remaining outstanding Series H Preferred Shares will automatically be converted into Series I Preferred Shares on the basis of one Series I Preferred Share for each Series H Preferred Share on the applicable Series H Conversion Date and the Company will give notice in writing thereof to the then registered holders of such remaining Series H Preferred Shares at least seven days prior to the Series H Conversion Date.

Upon exercise by the holder of this right to convert Series H Preferred Shares into Series I Preferred Shares or upon an automatic conversion, the Company reserves the right not to issue Series I Preferred Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Company to take any action to comply with the securities laws of such jurisdiction.

If the Company gives notice to the registered holders of the Series H Preferred Shares of the redemption of all the Series H Preferred Shares, the Company will not be required to give notice as provided hereunder to the registered holders of the Series H Preferred Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series H Preferred Shares and the right of any holder of Series H Preferred Shares to convert such Series H Preferred Shares will cease and terminate in that event.

Purchase for Cancellation

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, the Company may at any time purchase for cancellation any Series H Preferred Share in the open market, by private agreement or otherwise at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series H Preferred Shares are outstanding, the Company will not, without the approval of the holders of outstanding Series H Preferred Shares given as specified below:

- (a) declare, pay or set apart for payment any dividends on the common shares of the Company (the “**Common Shares**”) or any other shares ranking junior to the Series H Preferred Shares (other than stock dividends payable in shares ranking junior to the Series H Preferred Shares);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series H Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series H Preferred Shares);
- (c) redeem, purchase or otherwise retire less than all the Series H Preferred Shares; or

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of First Preferred Shares of the Company, redeem, purchase or otherwise retire any other First Preferred Shares ranking on a parity with the Series H Preferred Shares,

unless, in each such case, all dividends up to and including the dividend payment date for the last completed period for which dividends will be payable will have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding.

Issue of Additional Series of Preferred Shares

Except in respect of the issuance of Series H Preferred Shares as a result of the conversion of the Series I Preferred Shares in accordance with their terms or the issuance of Series I Preferred Shares as a result of the conversion of the Series H Preferred Shares in accordance with their terms, so long as any Series H Preferred Shares are outstanding, the Company shall not, without the prior approval of the holders of the Series H Preferred Shares, create or issue any shares ranking prior to or on a parity with the Series H Preferred Shares with respect to repayment of capital or payment of dividends, provided that the Company may without such approval issue additional series of First Preferred Shares if all dividends then payable on the Series H Preferred Shares shall have been paid or set apart for payment.

Shareholder Approvals

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series H Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66 ²/₃% of the votes cast at a meeting of holders of Series H Preferred Shares at which a majority of the outstanding Series H Preferred Shares is represented or, if no such quorum is present at the meeting, at a meeting following such adjourned meeting at which no quorum would apply.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Series H Preferred Shares will be entitled to receive \$25.00 per share together with all dividends accrued and unpaid up to but excluding the date of payment before any amount will be paid or any assets of the Company distributed to the holders of any shares ranking junior to the Series H Preferred Shares. The holders of the Series H Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Company.

Voting Rights

The holders of Series H Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares as a class and meetings of the holders of Series H Preferred Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series H Preferred Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, holders of Series H Preferred Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote for the election of two directors out of the total number of directors elected at such meeting. Such entitlement to vote shall be exercised together with holders of shares of all other series of First Preferred Shares, all series of Second Preferred Shares and all other classes or series of classes of shares of the Company having the right to vote in similar circumstances. In any such instance, holders of Series H Preferred Shares will be entitled to one vote for each Series H Preferred Share held, provided however that the holder of any Series H Preferred Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute "voting shares" of Emera and would be 15% or more of such outstanding "voting shares" of Emera, shall not be entitled to any vote in respect of such Series H Preferred Shares. Upon payment of the entire amount of the Series H Preferred Share dividends in arrears, the voting rights of the holders of the Series H Preferred Shares shall forthwith cease.

In connection with any action to be taken by the Company which requires the approval of the holders of the Series H Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Tax Election

The Series H Preferred Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series H Preferred Shares. The terms of the Series H Preferred Shares will require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series H Preferred Shares.

Business Days

If any action is required to be taken by the Company on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

Certain Provisions of the Series I Preferred Shares as a Series:

Definition of Terms

The following definitions are relevant to the Series I Preferred Shares:

“**Floating Rate Calculation Date**” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“**Quarterly Commencement Date**” means the fifteenth (15th) day of each of February, May, August and November in each year.

“**Quarterly Floating Dividend Rate**” means, for any Quarterly Floating Rate Period, the rate equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.54% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“**Quarterly Floating Rate Period**” means, for the initial Quarterly Floating Rate Period, the period from and including August 15, 2023 to, but excluding, November 15, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to, but excluding, the next succeeding Quarterly Commencement Date.

“**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Issue Price

The Series I Preferred Shares will have an issue price of \$25.00 per share.

Dividends

The holders of the Series I Preferred Shares will be entitled to receive floating rate cumulative preferential cash dividends as and when declared by the Board of Directors payable quarterly on the fifteenth (15th) day of February, May, August and November in each year, in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate by \$25.00.

The Quarterly Floating Dividend Rate for each Quarterly Floating Rate Period will be determined by the Company on the 30th day prior to the first day of each Quarterly Floating Rate Period. Such determination will, in the absence of manifest error, be final and binding upon the Company and upon all holders of Series I Preferred Shares. The Company will, on the Floating Rate Calculation Date, give written notice of the Quarterly Floating Dividend Rate for the ensuing Quarterly Floating Rate Period to all registered holders of the then outstanding Series I Preferred Shares.

The dividends on Series I Preferred Shares will accrue (but not compound) on a daily basis. If, on any dividend payment date, the dividends accrued to such date are not paid in full on all of the Series I Preferred Shares then outstanding,

such dividends, or the unpaid portion thereof, will be paid on a subsequent date or dates determined by the Board of Directors on which the Company will have sufficient funds properly applicable to the payment of such dividends.

Redemption

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, on not more than 60 nor less than 30 days’ notice, the Company may redeem all or any part of the then outstanding Series I Preferred Shares, at the Company’s option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed of (i) \$25.00 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on August 15, 2028 and on August 15 every five years thereafter, or (ii) \$25.50 together with all accrued and unpaid dividends up to but excluding the date fixed for redemption in the case of redemptions on any other date after August 15, 2023.

Notice of any redemption will be given by the Company at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series I Preferred Shares are at any time to be redeemed, the shares to be redeemed will be redeemed pro rata, disregarding fractions.

The Series I Preferred Shares are not redeemable at the option of their holders.

Conversion of Series I Preferred Shares into Series H Preferred Shares

Holders of Series I Preferred Shares will have the right, at their option, on August 15, 2028 and on August 15 every five years thereafter (a “**Series I Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Company of evidence of payment of the tax (if any) payable, all or any of their Series I Preferred Shares registered in their name into Series H Preferred Shares on the basis of one Series H Preferred Share for each Series I Preferred Share. The conversion of Series I Preferred Shares may be effected upon notice delivered to the Company by the holders of Series I Preferred Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series I Conversion Date.

The Company will, at least 30 days and not more than 60 days prior to the applicable Series I Conversion Date, give notice in writing to the then holders of the Series I Preferred Shares of the above mentioned conversion right. On the 30th day prior to each Series I Conversion Date, the Company will give notice in writing to the then registered holders of Series I Preferred Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period in respect of Series H Preferred Shares.

Holders of Series I Preferred Shares will not be entitled to convert their shares into Series H Preferred Shares if the Company determines that there would remain outstanding on a Series I Conversion Date less than 1,000,000 Series H Preferred Shares, after having taken into account all Series I Preferred Shares tendered for conversion into Series H Preferred Shares and all Series H Preferred Shares tendered for conversion into Series I Preferred Shares. The Company will give notice in writing thereof to all registered holders of the Series I Preferred Shares at least seven days prior to the applicable Series I Conversion Date. Furthermore, if the Company determines that there would remain outstanding on a Series I Conversion Date less than 1,000,000 Series I Preferred Shares, after having taken into account all Series I Preferred Shares tendered for conversion into Series H Preferred Shares and all Series H Preferred Shares tendered for conversion into Series I Preferred Shares, then, all, but not part, of the remaining outstanding Series I Preferred Shares will automatically be converted into Series H Preferred Shares on the basis of one Series H Preferred Share for each Series I Preferred Share on the applicable Series I Conversion Date and the Company will give notice in writing thereof to the then registered holders of such remaining Series I Preferred Shares at least seven days prior to the Series I Conversion Date.

Upon exercise by the holder of this right to convert Series I Preferred Shares into Series H Preferred Shares or upon an automatic conversion, the Company reserves the right not to issue Series H Preferred Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Company to take any action to comply with the securities laws of such jurisdiction.

If the Company gives notice to the registered holders of the Series I Preferred Shares of the redemption of all the Series I Preferred Shares, the Company will not be required to give notice as provided hereunder to the registered holders of the Series I Preferred Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series I Preferred Shares and the right of any holder of Series I Preferred Shares to convert such Series I Preferred Shares will cease and terminate in that event.

Purchase for Cancellation

Subject to the provisions described below under the heading “Restrictions on Dividends and Retirement of Shares”, the Company may at any time purchase for cancellation any of the Series I Preferred Shares in the open market, by private agreement or otherwise at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series I Preferred Shares are outstanding, the Company will not, without the approval of the holders of outstanding Series I Preferred Shares given as specified below:

- (a) declare, pay or set apart for payment any dividends on the Common Shares or any other shares ranking junior to the Series I Preferred Shares (other than stock dividends payable in shares of the Company ranking junior to the Series I Preferred Shares);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series I Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series I Preferred Shares);
- (c) redeem, purchase or otherwise retire less than all the Series I Preferred Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of First Preferred Shares, redeem, purchase or otherwise retire any other First Preferred Shares ranking on a parity with the Series I Preferred Shares,

unless, in each such case, all dividends up to and including the dividend payment date for the last completed period for which dividends will be payable will have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding.

Issue of Additional Series of Preferred Shares

Except in respect of the issuance of Series I Preferred Shares as a result of the conversion of the Series H Preferred Shares in accordance with their terms or the issuance of Series H Preferred Shares as a result of the conversion of the Series I Preferred Shares in accordance with their terms, so long as any Series I Preferred Shares are outstanding, the Company shall not, without the prior approval of the holders of the Series I Preferred Shares, create or issue any shares ranking prior to or on a parity with the Series I Preferred Shares with respect to repayment of capital or payment of dividends, provided that the Company may without such approval issue additional series of First Preferred Shares if all dividends then payable on the Series I Preferred Shares shall have been paid or set apart for payment.

Shareholder Approvals

The approval of any amendments to the rights, privileges, restrictions and conditions attaching to the Series I Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66 ²/₃% of the votes cast at a meeting of holders of Series I Preferred Shares at which a majority of the outstanding Series I Preferred Shares is represented or, if no such quorum is present at the meeting, at a meeting following such adjourned meeting at which no quorum would apply.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Company, the holders of the Series I Preferred Shares will be entitled to receive \$25.00 per share together with all dividends accrued and unpaid up to but excluding the date of payment before any amount will be paid or any assets of the Company distributed to the holders of any shares ranking junior to the Series I Preferred Shares. The holders of the Series I Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Company.

Voting Rights

The holders of Series I Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of First Preferred Shares as a class and meeting of the holders of Series I Preferred Shares as a series) to receive notice of, attend, or vote at, any meeting of the shareholders of the Company, unless and until the Company fails to pay eight quarterly dividends on the Series I Preferred Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of dividends. In that event of such non-payment and for only so long as any such dividends remain in arrears, holders of Series I Preferred Shares will be entitled to receive notice of, and to attend, all meetings of shareholders at which directors are to be elected and to vote for the election of two directors out of the number of directors elected at such meeting. Such entitlement to vote shall be exercised together with holders of shares of all other series of First Preferred Shares, all Series of Second Preferred shares and all other classes or series of classes of shares of the Company having the right to vote in such circumstances. In any such instance, holders of Series I Preferred Shares will be entitled to one vote for each Series I Preferred Share held, provided however that the holder of any Series I Preferred Share which, together with other shares of Emera held beneficially or otherwise by that holder or any person associated therewith, would in such event constitute “voting shares” of Emera and would be 15% or more of such outstanding “voting shares” of Emera, shall not be entitled to any vote in respect of such Series I Preferred Shares. Upon payment of the entire amount of the Series I Preferred Share dividends in arrears, the voting rights of the holders of the Series I Preferred Shares shall forthwith cease and terminate.

In connection with any action to be taken by the Company which requires the approval of the holders of Series I Preferred Shares voting as a series or as part of the class, each such share will entitle the holder thereof to one vote.

Tax Election

The Series I Preferred Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series I Preferred Shares. The terms of the Series I Preferred Shares will require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series I Preferred Shares.

Business Days

If any action is required to be taken by the Company on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

DEPOSITORY SERVICES

The Series H Preferred Shares and Series I Preferred Shares will be issued in “book entry only” form and will be deposited with CDS on closing of this offering. The Series H Preferred Shares and Series I Preferred Shares must be purchased or transferred through a participant in the CDS depository service (“**CDS Participant**”). All rights of holders of Series H Preferred Shares or Series I Preferred Shares must be exercised through, and all payments or other property to which such holder of Series H Preferred Shares or Series I Preferred Shares, as the case may be, is entitled, will be made or delivered by CDS or the CDS Participant through which the holder of Series H Preferred Shares or Series I Preferred Shares holds such shares. Each person who acquires Series H Preferred Shares or Series I Preferred Shares will receive only a customer confirmation of purchase from the registered dealer from or through which the Series H Preferred Shares or Series I Preferred Shares are acquired in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book entry accounts for its CDS Participants having interests in the Series H Preferred Shares or Series I Preferred Shares.

The ability of a beneficial owner of Series H Preferred Shares or Series I Preferred Shares to pledge such shares or otherwise take action with respect to such owner’s interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Company has the option to terminate registration of the Series H Preferred Shares and Series I Preferred Shares through the book entry only system, in which event certificates for Series H Preferred Shares and Series I Preferred Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

Neither the Company nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Series H Preferred Shares or Series I Preferred Shares held by CDS or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Series H Preferred Shares or Series I Preferred Shares; or (iii) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS. Persons, other than CDS Participants, having an interest in the Series H Preferred Shares or Series I Preferred Shares must look solely to CDS Participants for payments made by or on behalf of the Company to CDS in respect of the Series H Preferred Shares or Series I Preferred Shares.

Certificates representing the Series H Preferred Shares and Series I Preferred Shares, as applicable, will be made available if (i) required by applicable law, (ii) the book entry only system ceases to exist, (iii) CDS advises the Company that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series H Preferred Shares or Series I Preferred Shares and the Company is unable to locate a qualified successor, or (iv) the Company, at its option, decides to terminate the book entry only system.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are calculated on a consolidated basis for the 12 month periods ended December 31, 2017 and March 31, 2018. The ratios (i) do not give effect to the issue of any preferred shares pursuant to this Prospectus Supplement and (ii) do not purport to be indicative of any earnings coverage ratio for future periods. The December 31, 2017 ratio is based on the audited financial statements as at December 31, 2017 and the March 31, 2018 ratio is based on the unaudited financial statements as at March 31, 2018.

	Twelve months ended December 31, 2017	Twelve months ended March 31, 2018
Earnings Coverage ⁽¹⁾	2.03	1.91

(1) Earnings coverage is equal to consolidated net income attributable to common shareholders plus: income taxes, interest on debt, amortization of debt financing costs, allowance for funds used during construction and preferred share dividends declared during the period together with undeclared preferred share dividends, if any, divided by interest on debt plus amortization of debt financing costs plus allowance for funds used during construction plus capitalized interest plus preferred dividends grossed up to a before-tax equivalent using an effective tax rate of 28.1% for the twelve months ended December 31, 2017 and an effective tax rate of 28.3% for the twelve months ended March 31, 2018.

Emera's dividend requirements on all of its preferred shares, grossed up to a before-tax equivalent using an effective income tax rate of 28.1%, amounted to \$43 million for the twelve months ended December 31, 2017. Emera's interest requirements for the twelve months then ended amounted to \$702 million. Emera's consolidated income before interest and income tax for the twelve months ended December 31, 2017 was \$1,513 million, which is 2.03 times Emera's aggregate preferred dividends and interest requirements for this period.

Emera's dividend requirements on all of its preferred shares, grossed up to a before-tax equivalent using an effective income tax rate of 28.3%, amounted to \$43 million for the twelve months ended March 31, 2018. Emera's interest requirements for the twelve months then ended amounted to \$702 million. Emera's consolidated income before interest and income tax for the twelve months ended March 31, 2018 was \$1,424 million, which is 1.91 times Emera's aggregate preferred dividends and interest requirements for this period.

After giving effect to the issue of the Series H Preferred Shares (assuming no exercise of the Underwriters' Option): (i) Emera's dividend requirements on all of its preferred shares for the twelve months ended December 31, 2017 and March 31, 2018, and grossed up to a before-tax equivalent using an effective tax rate of 29.1% for 2017 and 29.2% for 2018, amounted to \$64 million for the twelve months ended December 31, 2017 and \$64 million for the twelve months ended March 31, 2018; (ii) Emera's interest requirements for the twelve months ended December 31, 2017 and March 31, 2018 amounted to \$702 million and \$702 million, respectively; and (iii) Emera's consolidated income before interest and income tax for the twelve months ended December 31, 2017 and March 31, 2018 were \$1,513 million and \$1,424 million, respectively, which are 1.98 times and 1.86 times the Company's aggregate preferred dividends and interest requirements for the respective periods.

TRADING PRICE AND VOLUME

The following tables set forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the First Preferred Shares, Series A, First Preferred Shares, Series B, First Preferred Shares, Series C, First Preferred Shares, Series E and First Preferred Shares, Series F on the TSX.

	Trading of First Preferred Shares, Series A			Trading of First Preferred Shares, Series B		
	High	Low	Volume	High	Low	Volume
	(\$)	(\$)	(#)	(\$)	(\$)	(#)
2017						
May.....	17.17	15.55	43,642	16.26	15.01	69,865
June.....	17.77	15.65	87,594	17.62	15.11	35,166
July.....	18.45	17.78	71,400	18.00	17.40	18,109
August.....	18.27	17.86	45,798	18.49	17.75	21,030
September.....	18.50	17.85	47,268	18.31	17.90	19,404
October.....	18.71	18.14	262,708	18.52	18.00	20,900
November.....	18.40	18.09	86,733	18.40	17.76	18,825
December.....	18.51	17.70	75,048	18.24	17.64	34,635
2018						
January.....	19.69	18.40	86,582	19.77	18.50	24,640
February.....	19.87	19.15	26,199	19.60	19.00	11,505
March.....	19.50	18.75	17,691	19.25	18.95	33,400
April.....	19.15	18.43	36,044	18.91	18.25	9,770
May 1 – 18.....	19.25	18.78	109,735	19.32	18.90	8,771

	Trading of First Preferred Shares, Series C			Trading of First Preferred Shares, Series E			Trading of First Preferred Shares, Series F		
	High	Low	Volume	High	Low	Volume	High	Low	Volume
	2017								
May.....	23.35	20.99	126,122	22.84	22.18	50,780	23.16	21.00	107,137
June.....	23.53	21.01	272,052	22.65	22.32	56,835	23.48	21.21	107,013
July.....	23.84	23.18	332,245	22.45	21.61	35,141	23.88	23.25	99,233
August.....	23.50	22.76	52,164	21.81	21.45	33,561	23.81	23.20	164,864
September.....	23.84	22.91	60,063	21.52	20.57	65,291	24.50	23.33	47,220
October.....	24.25	23.65	107,262	21.74	21.00	140,901	24.77	24.02	69,545
November.....	24.35	23.90	61,269	22.04	21.25	46,252	24.50	24.09	33,576
December.....	24.34	23.50	74,470	22.00	21.28	47,650	24.47	23.64	57,398
2018									
January.....	24.80	23.90	252,554	21.95	21.29	38,092	24.91	24.13	350,830
February.....	24.75	23.82	134,879	21.65	21.18	27,451	24.68	23.91	209,951
March.....	24.39	23.55	297,089	21.44	21.03	18,518	24.29	23.52	196,933
April.....	24.04	23.35	315,364	21.45	21.12	36,445	23.95	23.32	65,005
May 1 – 18.....	24.78	23.52	676,341	21.26	20.96	16,707	24.18	23.41	53,788

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP and Stikeman Elliott LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Series H Preferred Shares pursuant to this Prospectus Supplement and who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with the Company and the Underwriters, is not affiliated with the Company, holds the Series H Preferred Shares and any Series I Preferred Shares as capital property and has not entered into a "derivative forward agreement" with respect to the Series H Preferred Shares or Series I Preferred Shares. Generally, the Series H Preferred Shares and Series I Preferred Shares will be capital property to a holder provided the holder does not acquire or hold those Series H Preferred Shares or Series I Preferred Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders, whose Series H Preferred Shares or Series I Preferred Shares might not otherwise be capital property, may, in certain circumstances, be entitled to have them and all other "Canadian securities", as defined in the Tax Act, owned by such holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders should consult their own tax advisors concerning this election. This summary is not applicable to a purchaser of an interest in which is a "tax shelter investment", that is a "financial institution" for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules), or to which the "functional currency" reporting rules apply, each as defined in the Tax Act. Such purchasers should consult their own tax advisors. Furthermore, this summary is not applicable to a purchaser that is a "specified financial institution" (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm's length, in the aggregate dividends in respect of more than 10% of the Series H Preferred Shares or Series I Preferred Shares, as the case may be, outstanding at the time the dividend is received. This summary also assumes that all issued and outstanding Series H Preferred Shares or Series I Preferred Shares are listed on a designated stock exchange in Canada (as defined in the Tax Act, such as the TSX) at such times as dividends (including deemed dividends) are paid and received on the Series H Preferred Shares or Series I Preferred Shares respectively.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and, except as otherwise noted, assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular purchaser. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers are urged to consult their own tax advisors with respect to their particular circumstances.

Dividends

Dividends (including deemed dividends) received on the Series H Preferred Shares or Series I Preferred Shares by an individual (other than certain trusts) will be included in the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by the Company as eligible dividends in accordance with the provisions of the Tax Act. Dividends (including deemed dividends) on the Series H Preferred Shares or Series I Preferred Shares received by a corporation will be included in computing income and will generally be deductible in computing the taxable income of the corporation.

The Series H Preferred Shares and Series I Preferred Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series H Preferred Shares and Series I Preferred Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate shareholders will not be subject to tax under Part IV.1 of the Tax Act on dividends paid (or deemed to be paid) by the Company on the Series H Preferred Shares and Series I Preferred Shares.

A “private corporation”, as defined in the Tax Act, or any other corporation controlled (whether by reason of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) will generally be liable to pay a 38 ^{1/3}% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series H Preferred Shares or the Series I Preferred Shares to the extent such dividends are deductible in computing its taxable income for the year.

Dispositions

Generally, on a disposition of a Series H Preferred Share or Series I Preferred Share (which includes the redemption of the shares for cash but not a conversion), the holder will realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to the holder thereof immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Company of a Series H Preferred Share or Series I Preferred Share, as the case may be, will generally not be included in a holder’s proceeds of disposition for purposes of computing the capital gain or loss arising on the disposition of such share. See “Redemption” below.

If the shareholder is a corporation, the amount of any capital loss may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and in the manner provided for in the Tax Act. Similar rules may apply where a Series H Preferred Share or Series I Preferred Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such holders should consult their own advisors.

Generally, one-half of any capital gain will be included in computing the holder’s income as a taxable capital gain and one-half of any capital loss will be deducted from the holder’s net taxable capital gains. Any excess of allowable capital losses over taxable capital gains of the holder may be carried back up to three years and forward indefinitely and deducted against net taxable capital gains of the holder in those other years in accordance with the detailed rules in the Tax Act.

Canadian controlled private corporations are liable for tax, a portion of which may be refundable on their “aggregate investment income” (which is defined in the Tax Act to include an amount in respect of taxable capital gains, but not dividends or deemed dividends that are deductible in computing taxable income).

Redemption

If the Company redeems for cash or otherwise acquires a Series H Preferred Share or Series I Preferred Share (other than on a conversion or by a purchase in the manner in which shares are normally purchased by a member of the public in the open market), the holder will be deemed to have received a dividend equal to the amount, if any, paid by the Company in excess of the paid-up capital of such share at such time. Generally, the difference between the amount paid by the Company and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such share. See “Dispositions” above. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

Conversion

The conversion of a Series H Preferred Share into a Series I Preferred Share and a Series H Preferred Share into a Series I Preferred Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a holder of a Series I Preferred Share or Series H Preferred Share, as the case may be, received on the conversion will be deemed to be equal to the holder’s adjusted cost base of the Series H Preferred Share or Series I Preferred Share, as the case may be, immediately before the conversion.

Alternative Minimum Tax

A capital gain realized, or a dividend received or deemed to be received, by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

RATING

The Series H Preferred Shares will be rated P-2 (low) by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies (Canada) Corporation ("S&P"). A P-2 (low) rating by S&P is the third lowest of the three sub-categories within the second highest rating of the eight standard categories of ratings utilized by S&P for preferred shares.

Emera has made, or will make, payments in the ordinary course to S&P in connection with the assignment of ratings on both the Company and its securities, including the Series H Preferred Shares. In addition, Emera has made customary payments in respect of certain subscription services provided to the Company by S&P during the last two years.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series H Preferred Shares may not reflect the potential impact of all risks on the value of the Series H Preferred Shares.

Prospective purchasers of Series H Preferred Shares should consult S&P with respect to the interpretation and implications of the foregoing rating. The foregoing rating should not be construed as a recommendation to buy, sell or hold Series H Preferred Shares. The rating may be revised or withdrawn at any time by S&P.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated May 22, 2018 among the Company and the Underwriters (the "**Underwriting Agreement**"), the Company has agreed to sell and the Underwriters have severally agreed to purchase on May 31, 2018 or such date as may be agreed upon, but not later than June 8, 2018, subject to the terms and conditions stated in the Underwriting Agreement, all but not less than all of the Series H Preferred Shares at a price of \$25.00 per Series H Preferred Share, payable in cash to the Company against delivery of such Series H Preferred Shares, subject to compliance with all of the necessary legal requirements and to the conditions contained in the Underwriting Agreement. The Underwriting Agreement provides that the Underwriters will be paid a fee per share equal to \$0.25 for each share sold to institutions and \$0.75 for all other shares sold. The terms of the offering were established through arm's length negotiations between the Company and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several) and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series H Preferred Shares if any of the Series H Preferred Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters and their respective directors, officers, shareholders, agents and employees against certain liabilities and expenses.

Assuming the Underwriters' Option is not exercised and that no Series H Preferred Shares are sold to institutions, the total price to the public will be \$300,000,000, the Underwriters' Fee will be \$9,000,000 and the net proceeds to Emera will be \$291,000,000, before deducting the expenses of the offering estimated at \$450,000 which, together with the Underwriters' Fee, will be paid out of the general funds of the Company.

The Company has granted to the Underwriters the Underwriters' Option, exercisable in whole or in part at any time up to 48 hours prior to closing of the offering, to purchase up to 2,000,000 Additional Series H Preferred Shares at a price of \$25.00 per share. Assuming the Underwriters' Option is exercised in full and that no Series H Preferred Shares are sold to institutions, the total price to the public will be \$350,000,000, the Underwriters' Fee will be \$10,500,000 and the net proceeds to Emera will be \$339,500,000 before deducting the expenses of the offering estimated at \$450,000 which, together with the Underwriters' Fees, will be paid out of the general funds of the Company.

Subscriptions for the Series H Preferred Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. It is expected that the closing of the offering will take place on May 31, 2018, or such other date as may be agreed upon by the Company and the Underwriters, but not later than June 8, 2018.

After the Underwriters have made a reasonable effort to sell all of the Series H Preferred Shares at \$25.00 per share, the price of the Series H Preferred Shares may be decreased, and further changed from time to time, by the Underwriters to

an amount not greater than \$25.00 per share and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Series H Preferred Shares is less than the gross proceeds paid by the Underwriters to the Company.

The Series H Preferred Shares and the Series I Preferred Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Series H Preferred Shares and Series I Preferred Shares may not be offered or sold in the United States of America or to or for the account or benefit of U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of the offering of Series H Preferred Shares, an offer or sale of such securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A under the U.S. Securities Act.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Series H Preferred Shares ends and all stabilization arrangements relating to the Series H Preferred Shares are terminated, bid for or purchase Series H Preferred Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Series H Preferred Shares if the bid or purchase is made through the facilities of the TSX, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of the Series H Preferred Shares is for the purpose of maintaining a fair and orderly market in the Series H Preferred Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The TSX has conditionally approved the listing of the Series H Preferred Shares distributed under this Prospectus Supplement and the Series I Preferred Shares into which the Series H Preferred Shares are convertible. Listing of the Series H Preferred Shares and Series I Preferred Shares will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 15, 2018.

Each of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. is an affiliate of a financial institution that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, the Company and/or its subsidiaries. **Consequently, Emera may be considered to be a connected issuer of each such Underwriter for purposes of applicable securities laws.** The decision to distribute the Series H Preferred Shares hereunder and the terms of this offering were negotiated at arm's length between the Company and the Underwriters. None of the Underwriters will receive any benefit in connection with this Offering other than a portion of the Underwriters' Fee.

USE OF PROCEEDS

Assuming that no Series H Preferred Shares are sold to institutions and the Underwriters' Option is not exercised, the net proceeds of the offering will be approximately \$290,550,000, determined after deducting the Underwriters' Fee and the expenses of the offering, which are estimated to be \$450,000. Assuming the Underwriters' Option is exercised in full and no Series H Preferred Shares are sold to institutions, the net proceeds of the offering, determined after deducting the Underwriters' Fee and estimated expenses of the offering, are expected to be approximately \$339,050,000. The net proceeds from the offering will be used for general corporate purposes.

Each of Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. is an affiliate of a financial institution that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, the Company and/or its subsidiaries. **Consequently, Emera may be considered to be a connected issuer of each such Underwriter for purposes of applicable securities laws.** The credit facility extended to Emera (the "Credit Facility") currently provides Emera with an unsecured revolving operating and acquisition facility in an amount of up to \$900 million (or the equivalent amount in U.S. dollars), with a \$50 million sublimit for a swingline facility. The Credit Facility matures on June 30, 2020 and can be extended for a further period of not more than 3 years, subject to satisfaction of certain conditions. As of May 18, 2018, Emera had approximately \$330 million drawn on the Credit Facility. The indebtedness outstanding under the Credit Facility has been and will be incurred to, among other things, fund ordinary course capital expenditures. Emera has always been and remains in compliance with the terms of the Credit Facility and no breaches under the Credit Facility have been waived by any of the parties thereto. Other than as has been disclosed in Emera's public filings, there has been no material change in the financial position of Emera since the entering into of the Credit Facility.

LEGAL MATTERS

Certain legal matters in connection with the issue and sale of the Series H Preferred Shares will be passed upon on behalf of Emera by Stephen D. Aftanas, its Corporate Secretary and by Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters by Stikeman Elliott LLP. As of May 18, 2018, Mr. Aftanas and the partners and associates of each of Osler, Hoskin & Harcourt LLP and Stikeman Elliott LLP, collectively, beneficially owned, directly or indirectly, less than one percent of any class of outstanding securities of Emera.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, Chartered Professional Accountants, Halifax, Nova Scotia are the auditors of Emera. Ernst & Young LLP report that they are independent of Emera in accordance with the CPA Nova Scotia Code of Professional Conduct.

REGISTRAR AND TRANSFER AGENT

AST Trust Company (Canada) ("AST Canada") is the Company's transfer agent and registrar. Registers for the registration and transfer of securities in registered form of Emera are kept at AST Canada's principal offices in Halifax, Montreal and Toronto.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Kent M. Harvey, John B. Ramil and Richard P. Sergel, three of the Company's directors, reside outside of Canada and have appointed Emera, 1223 Lower Water Street, Halifax, Nova Scotia B3J 3S8 as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

RISK FACTORS

An investment in Series H Preferred Shares of the Company is subject to certain risks, including those set out in the accompanying Prospectus and the following:

Creditworthiness

The value of the Series H Preferred Shares and the Series I Preferred Shares will be affected by the general creditworthiness of the Company. The Management Discussion and Analysis and Annual Information Form outline, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations.

Market Value Fluctuation

Prevailing yields on similar securities will affect the market value of the Series H Preferred Shares and the Series I Preferred Shares. Assuming all other factors remain unchanged, the market value of the Series H Preferred Shares and the Series I Preferred Shares will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series H Preferred Shares and the Series I Preferred Shares.

Credit Ratings

Real or anticipated changes in credit ratings on the Series H Preferred Shares or the Series I Preferred Shares, if any, may affect the market value of the Series H Preferred Shares and the Series I Preferred Shares, respectively. The credit ratings are based on certain assumptions about the future performance and capital structure of the Company that may or may not reflect the actual performance or capital structure of the Company. There is no assurance that any credit rating assigned to the Series H Preferred Shares or Series I Preferred Shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. An actual or anticipated downgrade in the credit ratings of the Company by any rating agency could affect the market value or rating of the Series H Preferred Shares and the Series I Preferred Shares, respectively. In addition, such actual or anticipated changes in the Company's credit ratings could also affect the cost at which the Company can transact or obtain funding, and thereby affect the Company's liquidity, business, financial condition or results of operations.

Holding Company

The Company's payment of dividends on the Series H Preferred Shares and the Series I Preferred Shares may be funded from dividends the Company receives from its subsidiaries. The ability of the Company's subsidiaries to pay dividends in the future will depend on their statutory surplus, on earnings and on regulatory restrictions and may be further restricted by the subsidiaries' credit agreements and indentures. The Company's subsidiaries may incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by these subsidiaries to the Company. The Company cannot give any assurance that the agreements governing the current and future indebtedness of the Company's subsidiaries will permit them to provide the Company with sufficient dividends, distributions or loans to enable the Company to pay dividends on the Series H Preferred Shares and the Series I Preferred Shares.

Absence of Trading Market

There is currently no market through which the Series H Preferred Shares may be sold and purchasers of Series H Preferred Shares may not be able to resell the Series H Preferred Shares purchased under this Prospectus Supplement. There is currently no market through which the Series I Preferred Shares may be sold and purchasers of Series H Preferred Shares that are subsequently converted into Series I Preferred Shares may not be able to resell the Series I Preferred Shares. The price offered to the public for the Series H Preferred Shares and the number of Series H Preferred Shares to be issued have been determined by negotiations among the Company and the Underwriters. The price paid for each Series H Preferred Shares may bear no relationship to the price at which the Series H Preferred Shares will trade in the public market subsequent to this offering. The Company cannot predict at which price the Series H Preferred Shares or Series I Preferred Shares will trade and there can be no assurance that an active trading market will develop for the Series H Preferred Shares or Series I Preferred Shares or, if developed, that such market will be sustained. The TSX has conditionally approved the listing of the Series H Preferred Shares distributed under this Prospectus Supplement and the Series I Preferred Shares into which the

Series H Preferred Shares are convertible. Listing of the Series H Preferred Shares and the Series I Preferred Shares will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 15, 2018.

Dividends

Holders of Series H Preferred Shares or Series I Preferred Shares will not have a right to dividends on such shares unless declared by the Board of Directors. The declaration of dividends is in the discretion of the Board of Directors even if the Company has sufficient funds, net of its liabilities, to pay such dividends. Provisions of credit arrangements to which the Company is a party restrict the Company's ability to declare and pay dividends under certain circumstances and, if such restrictions apply, they may, in turn, have an impact on the Company's ability to declare and pay dividends on the Series H Preferred Shares or Series I Preferred Shares. In addition, the Company may not declare or pay a dividend if there are reasonable grounds for believing that: (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares. Liabilities of the Company will include those arising in the course of its business, indebtedness, including inter-company debt, and amounts, if any, that are owing by the Company under guarantees in respect of which a demand for payment has been made.

Market Volatility

Equity and debt capital market conditions and volatility may affect the market price of the Series H Preferred Shares and Series I Preferred Shares for reasons unrelated to the Company's performance.

Redemption

The Company may choose to redeem the Series H Preferred Shares or Series I Preferred Shares from time to time in accordance with its rights described under "Details of the Offering – Redemption", including when prevailing interest rates are lower than the yield borne by the Series H Preferred Shares or Series I Preferred Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series H Preferred Shares or Series I Preferred Shares being redeemed. The Company's redemption right may also adversely impact a purchaser's ability to sell Series H Preferred Shares or Series I Preferred Shares.

Other Risk Factors

Reference is made to the "Earnings Coverage Ratios" in this Prospectus Supplement, which is relevant to an assessment of the risk that the Company will be unable to pay dividends on the Series H Preferred Shares or the Series I Preferred Shares.

The Series H Preferred Shares and the Series I Preferred Shares are equity capital of the Company. The Series H Preferred Shares rank, and the Series I Preferred Shares will, if issued, rank equally with other First Preferred Shares in the event of an insolvency or winding-up of the Company. If the Company becomes insolvent or is wound-up, the Company's assets must be used to pay certain debt, including subordinated debt, before payments may be made on Series H Preferred Shares or the Series I Preferred Shares, if any.

The Series H Preferred Shares and the Series I Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series H Preferred Shares or Series I Preferred Shares, as applicable. The ability of a holder to liquidate its holdings of Series H Preferred Shares or Series I Preferred Shares, as applicable, may be limited.

The dividend rate in respect of the Series H Preferred Shares and Series I Preferred Shares will, following the Initial Fixed Rate Period, reset every five years and quarterly, respectively. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period, provided that in no event will the dividend rate be less than 4.90%.

An investment in the Series H Preferred Shares may become an investment in Series I Preferred Shares without the consent of the holder in the event of an automatic conversion in the circumstances described under "Details of the Offering – Certain Provisions of the Series H Preferred Shares as a Series – Conversion of Series H Preferred Shares into Series I

Preferred Shares” above. Upon the automatic conversion of the Series H Preferred Shares into Series I Preferred Shares, the dividend rate on the Series H Preferred Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE UNDERWRITERS

Dated: May 22, 2018

To the best of our knowledge, information and belief, the short form prospectus dated May 16, 2018, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities laws of each of the provinces of Canada.

**SCOTIA
CAPITAL INC.**

(Signed) JARED
STEINFELD

**CIBC WORLD
MARKETS INC.**

(Signed) DAVID
WILLIAMS

**RBC DOMINION
SECURITIES INC.**

(Signed) DAVID DAL
BELLO

TD SECURITIES INC.

(Signed) HAROLD R.
HOLLOWAY

BMO NESBITT BURNS INC.

(Signed) PIERRE-OLIVIER PERRAS

NATIONAL BANK FINANCIAL INC.

(Signed) IAIN WATSON

INDUSTRIAL ALLIANCE SECURITIES INC.

(Signed) DAVID BEATTY

RAYMOND JAMES LTD.

(Signed) JAMES TOWER

