

EMERA INCORPORATED



**PROCEDURES FOR THE REPORTING OF IRREGULARITIES
AND DISHONESTY**

PROCEDURES FOR THE REPORTING OF IRREGULARITIES AND DISHONESTY

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PROCEDURES FOR THE REPORTING OF IRREGULARITIES AND DISHONESTY

A. OBJECTIVE AND SCOPE

In order to address complaints relating to irregularities and dishonest activities including accounting and auditing matters, the Audit Committee of Emera Inc. has established a Procedure which deals with:

1. The receipt, treatment, and retention of complaints and/or concerns of a Reportable Activity (defined below) within the Emera group.
2. The confidential, anonymous submission by any employee within the Emera group of concerns regarding a reportable activity.

The Procedure also demonstrates Emera's commitment to maintain a high standard of ethical business practices.

B. WHO IT APPLIES TO

The Procedure will apply to all companies within the Emera group (collectively the "Companies").

C. POLICY OVERSIGHT

The Audit Committee has the responsibility for the stewardship of this Procedure.

Under the direction of the Audit Committee, Management has the responsibility of administering this Procedure and ensuring compliance by all.

D. COMMUNICATION AND ENFORCEMENT

A copy of this Procedure shall be available on the Companies' internal and external websites (where applicable). A copy of this Procedure shall also be provided to the directors, officers and employees of the Companies who are, or may be involved in assisting in the administration of this Procedure. Such directors, officers and employees are required to understand this Procedure and its operation to ensure compliance with its terms.

E. RAISING A CONCERN OR COMPLAINT

The Companies are committed to providing a work environment based on trust and respect and enabling all employees to work without fear of intimidation, discrimination or violence. As part of this commitment, the Companies encourage an open atmosphere in which problems, concerns or complaints can be raised without fear of retaliation.

Activities that can be Reported

Any concerns, complaints or evidence of the following activities (each a “Reportable Activity”) shall be reported promptly as set out below:

1. Irregular or dishonest accounting, internal accounting control, or auditing matters;
2. An activity by an employee or employees that may constitute:
 - Manipulation or falsification of data
 - Health, safety and environment violations;
 - Theft, embezzlement and fraud;
 - Harm to people or property; or
 - Violation of applicable laws, regulations, policies and procedures of the Companies.

Communicating a Company Reportable Activity

A Reportable Activity should generally be reported to the employee’s immediate manager or supervisor. However, if such reporting is either inappropriate in the circumstances or does not provide the necessary level of confidentiality, the Reportable Activity should be reported to either the Director, Internal Audit or the Corporate Secretary.

The following method of communication is also available:

1. A confidential business conduct helpline, The Ethics Hotline, is also available to report a Reportable Activity. The Ethics Hotline may be reached by calling toll-free from anywhere 1-866-344-8801 or log onto www.clearviewconnects.com from any computer with internet access.

Confidentiality

The Companies are fully committed to maintaining adequate procedures for the confidential, anonymous reporting by employees of the Companies of a Reportable Activity.

Any submission made by an employee of the Companies regarding a Reportable Activity shall be treated on a confidential basis. The employee’s identity shall be treated anonymously and confidentially, unless specifically permitted to be disclosed by the employee, or unless required by law. Anonymous and confidential submissions shall only be disclosed to those persons who have a need to know in order to properly carry out an investigation of the Reportable Activity, in accordance with section F of this Procedure.

Retaliation

Any employee who in good faith reports a Reportable Activity will be protected from threats of retaliation, discharge, or other types of discrimination that are directly related to the disclosure of such Reportable Activities.

Any employee who retaliates against another employee who reports a Reportable Activity, may face disciplinary actions, including termination of his or her employment, without notice.

If an employee believes that retaliation has occurred, the employee may submit a complaint in writing to the Director, Internal Audit within six months after the employee knew or ought to have known that the retaliation occurred.

F. REPORTING PROCESS

Any director, officer or employee of the Companies who receives a submission from any person regarding a Reportable Activity shall immediately report such submission to the Director, Internal Audit or the Corporate Secretary, regardless of the materiality of the allegation.

Upon receipt of any submission regarding a Reportable Activity, the Director, Internal Audit or the Corporate Secretary shall:

1. Assess the seriousness of the Reportable Activity and investigate as appropriate.
2. Report all Reportable Activities to the Audit Committee at its next scheduled meeting, or to the Audit Committee Chair promptly if the Reportable Activity is of a serious nature.
3. Report back to the employee or third party whenever possible, who reported the Reportable Activity, on the status of the investigation.

On a quarterly basis or upon request, the Director, Internal Audit and the Corporate Secretary shall prepare a report to the Audit Committee showing all submissions on Reportable Activities received during the previous quarter through all methods of communication; how submissions related to a Reportable Activity were handled; results of any investigation; and any corrective action taken.

G. RETENTION OF COMPLAINTS AND INVESTIGATIONS

A record of all concerns, complaints and investigations with respect to a Reportable Activity shall be maintained by the Director, Internal Audit.

H. CONTACT INFORMATION

Contact information for the Director, Internal Audit and the Corporate Secretary is set out below. Any questions with respect to the general application of this Procedure may also be made to either person.

1. Gail A. Weatherby, CA
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2. Stephen Aftanas
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