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NOTICE OF ANNUAL AND SPECIAL MEETING

AND

PROXY STATEMENT

OF

ICD UTILITIES LIMITED

OCTOBER 13, 2017

The Independent Directors of ICDU, upon the unanimous recommendation of the Special Committee made after consultation with its financial and legal advisors, have unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders, and unanimously recommend that all Minority Shareholders VOTE FOR the Merger Resolution at the Meeting

October 13, 2017

Shareholders of ICD Utilities Limited,

It is my pleasure to extend, on behalf of the board of directors of ICD Utilities Limited (“**ICDU**”), an invitation to the holders of common shares (“**Shareholders**”) of ICDU (“**Common Shares**”) to attend an annual and special meeting (the “**Meeting**”) that has been called in connection with a proposed merger involving ICDU and ICDU’s routine annual meeting business, all as described in more detail below and in the accompanying proxy statement of ICDU (the “**Circular**”). The Meeting is to be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 and will commence at 5:00 p.m. (Freeport time).

By way of background, Emera Incorporated (“**Emera**”) currently owns approximately 60.74% of the issued and outstanding Common Shares through its indirect wholly-owned subsidiary, Emera Utilities Holdings Ltd. (“**EUHL**”). Emera, EUHL and ICDU have entered into an agreement that provides for, among other things, a transaction that will result in EUHL acquiring all of the Common Shares in exchange for the consideration described below, subject to the satisfaction of certain conditions. This transaction will be facilitated by a merger (the “**Merger**”) of ICDU with a wholly-owned subsidiary of EUHL (“**Newco**”).

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a special resolution (the “**Merger Resolution**”) with respect to the Merger. The text of the Merger Resolution is attached as Exhibit “A” to the Circular.

If the Merger Resolution is approved, Shareholders (other than dissenting Shareholders) will receive, for each Common Share held by them, one redeemable preferred share of the surviving company following the Merger (the “**Mergeco Redeemable Preferred Shares**”), which will continue to be called “ICD Utilities Limited” (“**Mergeco**”). Following the Merger, each Mergeco Redeemable Preferred Share held by Shareholders (other than EUHL) will be redeemed for:

1. BSD\$8.85 in cash; or
2. 0.913 depositary receipts (the “**Depositary Receipts**”), with each Depositary Receipt initially representing an interest in one quarter of a common share in the capital of Emera,

or a combination of such cash alternative and such Depositary Receipts alternative, as elected by such Shareholder in the manner provided in the Circular, and each Mergeco Redeemable Preferred Share held by EUHL will be redeemed for additional common shares in Mergeco (together, the “**Redemption**”). The Redemption is expected to occur on or about December 8, 2017 and will result in EUHL becoming the sole shareholder of Mergeco.

Emera has applied to have the Depositary Receipts listed on the Bahamas International Securities Exchange (“**BISX**”) following the Redemption.

The consideration to be received on a per-Common Share basis represents a premium of approximately 26% over the current trading price of the Common Shares and a premium of approximately 33% over the volume-weighted average trading price on BISX over the past 24 months.

Shareholders wishing to elect to receive the cash alternative in respect of some or all of their Common Shares must deliver to Colina Financial Advisors Limited (the “**Manager**”) by 5:00 p.m. (Freeport time) on November 27, 2017 a properly completed Election Notice, together with their evidence of ownership of Common Shares (if any) and such other additional documents as are specified in the instructions set out in the Election Notice or which the Manager may otherwise reasonably require. Shareholders who do not deliver such documents to the Manager by such time, or who do not make an election with respect to the consideration to be received upon the Redemption, will be deemed to have

elected the Depositary Receipt consideration. Shareholders in the United States shall, in any case, receive the cash alternative.

Non-registered Shareholders should carefully follow the instructions that they receive from their intermediary in order to ensure that their Common Shares are surrendered and that they receive the applicable consideration.

To become effective, the Merger Resolution must receive the following approvals at the Meeting:

1. approval by Shareholders (whether present at the Meeting in person or by proxy) together holding or representing 75% or more of the total issued and outstanding Common Shares (and not just those Common Shares represented at the Meeting), including the Common Shares held by EUHL (equal to approximately 60.74% of the total issued and outstanding Common Shares); and
2. “majority of the minority” approval, meaning approval of the Merger Resolution by not less than 50% of the votes cast at the Meeting on the Merger Resolution by Shareholders (other than EUHL) present in person or by proxy at the Meeting.

Following the Redemption, ICDU expects that the Common Shares will be delisted from the BISS.

Shareholders are requested to complete and return the enclosed form of proxy by no later than 5:00 p.m. (Freeport time) on November 6, 2017 to ensure that your Common Shares will be represented at the Meeting, whether or not you are personally able to attend. If the Merger Resolution is approved at the Meeting, it is anticipated that the Merger will become effective on or about December 7, 2017, with the Redemption expected to occur on or about December 8, 2017.

The Circular describes the Merger in greater detail. You should consult your tax and financial advisors to assist you in considering the proposed transaction. The Circular also contains important information relating to Emera, EUHL and Mergeco. You are urged to carefully consider the information presented in the Circular.

Any questions or requests for assistance in connection with the Meeting, the Merger and the Redemption may be directed to the Manager in person or by mail at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas), by facsimile at 242.393.4639 or by telephone or by email to any of Anthony Ferguson (aferguson@cfal.com; 242.502.7010), Dwayne Swann (dswann@cfal.com; 242.351.8928) or Nicholas Higgs (nhiggs@cfal.com; 242.502.7067).

Thank you for your continuing interest in ICDU.

Yours truly,

“Scott Balfour”
Chair of the Board

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NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the shares of ten cents (\$0.10) in the capital (the “**Common Shares**”) of ICD Utilities Limited (“**ICDU**”) will be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 and will commence at 5:00 p.m. (Freeport time) for the purposes of:

1. considering and, if thought fit, approving, with or without amendment, a special resolution approving the merger of ICDU and IUL Ltd., a wholly-owned indirect subsidiary of Emera Utilities Holdings Ltd., (“**Newco**”) upon substantially the terms and conditions set forth in the plan of merger attached as Exhibit “B” to the accompanying proxy statement of ICDU (the “**Circular**”), the text of which resolution is attached as Exhibit “A” to the Circular; all as more particularly set out in the Circular;
2. receiving the audited financial statements of ICDU for the year ended December 31, 2016 and the auditor’s report thereon;
3. considering and if thought fit, approving, the minutes of the last annual general meeting of the Shareholders held on November 30, 2016;
4. electing directors of ICDU for the ensuing year;
5. appointing Ernst & Young LLP, P.O. Box N-3231, Nassau, The Bahamas, as the auditors of ICDU for the ensuing year and authorizing the directors of ICDU to fix the remuneration of such auditors;
6. considering and if thought fit, approving a resolution ratifying and confirming all acts, transactions and proceedings of the directors and officers of ICDU for the financial year ended December 31, 2016; and
7. transacting such other business as may properly come before the Meeting and any adjournment or postponement thereof.

Holders of Common Shares as of the close of business on the business day prior to the mailing of this Notice and the Circular are entitled to receive notice of, to attend and vote at the Meeting. This notice is accompanied by the Circular, a form of proxy and an Election Notice.

Holders of Common Shares are invited to attend the Meeting. Shareholders who are unable to attend the Meeting are requested to date, complete, sign and return the accompanying form of proxy to Colina Financial Advisors Limited using any of the following methods: (a) by mail or in person (at its offices in Nassau (308 East Bay Street 3rd Floor, P.O. Box CB – 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas)); (b) by facsimile at 242.393.4639; (c) by email at ICDUMeeting@cfal.com; or (d) in person at one of the Shareholder Forums described in the Circular. **Proxies must be received by Colina Financial Advisors Limited no later than 5:00 p.m. (Freeport time) on November 6, 2017** (or, if the Meeting is adjourned or postponed, 5:00 p.m. (Freeport time) on the business day immediately prior to the date of the adjourned or postponed Meeting).

DATED at Freeport, Grand Bahama on October 13, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

“Scott Balfour”
Chair of the Board

NOTICE REGARDING INFORMATION

The information contained in this Circular concerning Emera and its affiliates, including EUHL and Newco (but excluding for the avoidance of doubt, ICDU and GBPC), is based solely on information provided to ICDU by Emera or upon publicly available information. With respect to this information, ICDU has relied exclusively upon Emera, without independent verification by ICDU. All information in this Circular is given as at October 13, 2017 unless otherwise stated in this Circular or in the applicable document incorporated by reference and, accordingly, is subject to change after such date. Capitalized terms used in this Circular are, unless otherwise defined, defined in the Glossary of Terms beginning on page 59 of this Circular.

FORWARD LOOKING STATEMENTS

This Circular and some of the materials incorporated by reference into this Circular contain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as “**forward-looking statements**”). Forward-looking statements include possible events and statements with respect to possible events and include, but are not limited to, statements concerning the Merger, the Redemption and information concerning Emera, ICDU, EUHL, Newco and Mergeco. Other forward-looking statements relate to the anticipated tax treatment of Shareholders, the expected benefits of electing the DR Alternative, the continued implementation of Emera’s dividend policy and other statements about operating performance, government regulatory or tax requirements, weather, general economic conditions, commodity prices, interest rates and foreign exchange rates, government regulation of operations and environmental risks and other statements that are not historical facts. All forward-looking statements are subject to important risks, uncertainties and assumptions because they are based on assumptions and/or current expectations and estimates regarding anticipated future events and circumstances. The words “plans”, “expects”, “is expected”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” and similar expressions identify forward-looking statements. Such words and phrases should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved.

Forward-looking statements are necessarily based upon a number of expectations, estimates and assumptions that, while considered reasonable by management as at the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of management contained or incorporated by reference in this Circular which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and incorporated by reference, as well as those related to: the timing and completion of the Merger, and/or the Redemption, the growth and diversification of the business and earnings base; future annual net income and dividend growth; expansion of business; the expected compliance with the regulation of operations; the expected timing of regulatory decisions; forecasted gross capital expenditures; the nature, timing and costs associated with certain capital projects; the expected impacts of challenges in the global economy; estimated energy consumption rates; expectations related to annual operating cash flows; the expectation of

reasonable access to capital in the near to medium terms; expected debt maturities and repayments; expectations about increases in interest expense and/or fees associated with credit facilities; and expectations regarding future liquidity of any securities.

Certain risk factors could cause actual results or events to differ materially from the results or events expressed or implied in the forward-looking statements, including those in the documents incorporated by reference. For a discussion of such risks, see in particular the sections of this Circular entitled “Risk Factors”, together with those risks contained in the “*Enterprise Risk and Risk Management*” section of Emera’s annual management’s discussion and analysis for the year ended December 31, 2016 and “*Principal Risks and Uncertainties*” in the “*Commitments and Contingencies*” note to Emera’s financial statements for the year ended December 31, 2016, as updated in Emera’s management’s discussion and analysis for the six months ended June 30, 2017 and 2016. The risks described above and in the documents incorporated by reference are not the only risks applicable to ICDU, Emera, EUHL, Newco and Mergeco and additional risks and uncertainties not presently known by ICDU or Emera or that ICDU and/or Emera currently believes are not material may also materially and adversely affect the successful completion of the Merger, the Redemption and/or the business, operations, financial condition, financial performance, cash flows, reputation or prospects of Emera and the value of the Emera Shares (including the Underlying Emera Shares).

All forward-looking information in this Circular and in the documents incorporated herein by reference is qualified in its entirety by the above cautionary statements and, except as required by law, ICDU undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

NOTICE TO SHAREHOLDERS

Shareholders whose Common Shares are registered in the name of an intermediary, such as a securities broker, investment advisor, bank or other financial institution, trustee, custodian or other nominee, should immediately contact that nominee for assistance as quickly as possible, particularly as such nominee may require non-registered Shareholders to provide voting instructions to such nominee in advance of the timelines contained in this Circular.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “\$” or “dollars” in this Circular refer to Bahamian dollars and all references to “CDN\$” or to “U.S.\$” in this Circular refer to Canadian dollars or U.S. dollars, respectively. The financial statements of Emera included in this Circular or incorporated by reference are reported in Canadian dollars and are prepared in accordance with U.S. generally accepted accounting principles.

CURRENCY EXCHANGE RATE INFORMATION

The Bahamian dollar is pegged to the United States dollar at the rate of one United States dollar for one Bahamian dollar. The exchange rate of the Canadian dollar in relation to the Bahamian dollar is liable to change daily according to the position of the Canadian dollar in relation to the U.S. dollar. The published exchange rates of any currency in relation to the

Bahamian dollar are subject to change without prior notice. At the close of business on October 12, 2017, the exchange rate was one Bahamian dollar for \$1.2472 Canadian dollars.

COMPLIANCE WITH SECURITIES LAWS

This document contains particulars given in compliance with applicable securities laws in The Bahamas and is in conformity with the regulations, rules and procedures of the BISX and the SCB.

LEGAL NOTICE OF RIGHTS

A determination, description, calculation or opinion of Emera and/or ICDU as to any matter provided for in this Circular might be held by the courts not to be final, conclusive or binding if it could be shown to have an unreasonable, incorrect, or arbitrary basis, or not to have been made in good faith.

TAX CONSIDERATIONS

Shareholders should be aware that either or both of the Merger and the Redemption may have tax consequences and that such consequences may not be fully described herein. Shareholders should consult their tax and financial advisors to assist them in considering the proposed Transaction.

QUESTIONS REGARDING THE MEETING AND THE TRANSACTION

ICDU has retained Colina Financial Advisors Limited as the Manager for the Transaction.

Questions and requests for assistance in connection with the Meeting, the Merger or the Redemption may be directed to the Manager.

Additional copies of this Circular, the Election Notice and the forms of proxy may be obtained without charge from the Manager's website at www.cfal.com and on the BISX website at www.bisxbahamas.com, or on request from the Manager as follows:

Colina Financial Advisors Limited

**308 East Bay Street, 3rd Floor
Nassau, The Bahamas
P.O Box CB - 12407**

**East Mall and Poinciana Drive
Freeport, The Bahamas
P.O. Box F – 42643**

Anthony Ferguson
President
aferguson@cfal.com
242.502.7010

Dwayne Swann
Client Relations Manager
dswann@cfal.com
242.351.8928

Nicholas Higgs
Research Analyst
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242.502.7067

SUMMARY OF THE MERGER

The following is a summary of information contained elsewhere in this Circular. This summary is provided for convenience only and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing or referred to elsewhere in this Circular, including the schedules and documents incorporated by reference in this Circular. All capitalized terms used in this summary and elsewhere in this Circular are defined in the Glossary of Key Terms beginning on page 59 of this Circular.

What is the purpose of the Meeting?

At the Meeting, you and the other Shareholders will be asked to consider, and, if thought advisable, to approve a special resolution approving the Merger substantially on the terms and conditions of the Plan of Merger. You and the other Shareholders will also be asked to consider routine annual meeting business.

Subject to the satisfaction or waiver of the conditions in the Transaction Agreement, approving the Merger Resolution will result in the “going private” of ICDU, meaning that, following the Merger and the Redemption, EUHL will become the sole shareholder of ICDU and the Common Shares will no longer trade publicly on the BISX. The full text of the Merger Resolution is set forth in Exhibit “A” to this Circular. The full text of the Plan of Merger is attached as Exhibit “B” to this Circular. See “*How will the Transaction be Implemented?*” and “*Purpose of the Meeting*”.

When and where is the Meeting?

Unless otherwise adjourned or postponed, the Meeting will be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 and will commence at 5:00 p.m. (Freeport time). See “*Date, Time and Place of the Meeting*”.

What will I receive for my Common Shares under the Transaction?

If the Merger Resolution is approved and the other conditions in the Transaction Agreement are satisfied or waived, Minority Shareholders (other than dissenting Shareholders), being all Shareholders other than EUHL, can elect to receive:

1. \$8.85 in cash; or
2. 0.913 depositary receipts (the “**Depositary Receipts**”), with each Depositary Receipt initially representing an interest in one quarter of a common share in the capital of Emera Incorporated,

or a combination of such Cash Alternative and such DR Alternative. Shareholders who do not make a valid election by the election deadline will be deemed to have elected to receive the DR Alternative. For additional information relating to the mechanics for receiving such Consideration and a description of the Transaction more generally, see “*How will the Transaction be Implemented?*” and “*Effect of the Merger on Shareholders; Consideration*”.

For additional information relating to how to elect to receive the Cash Alternative or the DR Alternative, or a combination of the Cash Alternative and the DR Alternative, please see “*How do I elect to receive cash for my Common Shares?*” and “*How do I elect to receive Depositary Receipts for my Common Shares?*”. See also “*Election of Consideration*”.

What does the Board of Directors recommend that I do?

Following receipt by the Board of Directors of the unanimous recommendation of the Special Committee and the consideration of such other matters as it considered relevant, the Independent Directors have: (i) unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders and that the Merger and the entering into of the Transaction Agreement is in the best interests of ICDU; and (ii) unanimously approved the execution and delivery of the Transaction Agreement and agreed to unanimously recommend that all Minority Shareholders vote **FOR** the Merger Resolution at the Meeting. See “*Recommendation of the Special Committee*”, “*Recommendation of the Board of Directors*” and “*Reasons to vote FOR the Merger*”.

Did the Special Committee receive a fairness opinion?

Yes. The Special Committee retained KPMG to provide the Fairness Opinion in connection with the Transaction. KPMG was of the opinion that, subject to the assumptions and restrictions noted in the Fairness Opinion and such other matters as it considered relevant, as of October 12, 2017, the Consideration is fair, from a financial perspective, to the Shareholders.

The full text of the Fairness Opinion is contained in Exhibit “C” and any discussion of the Fairness Opinion in this Circular is qualified in its entirety by the full text of the Fairness Opinion. See “*Reasons to vote FOR the Merger –Fairness Opinion*”.

What votes are required to approve the Merger?

To become effective, the Merger Resolution must receive the following approvals:

1. approval by Shareholders (whether present at the Meeting in person or by proxy) together holding or representing 75% or more of the total issued and outstanding Common Shares (and not just those Common Shares represented at the Meeting), including the Common Shares held by EUHL (equal to approximately 60.74% of the total issued and outstanding Common Shares); and
2. “majority of the minority” approval, meaning approval of the Merger Resolution by not less than 50% of the votes cast at the Meeting on the Merger Resolution by Shareholders (other than EUHL) present in person or by proxy at the Meeting.

See “*Shareholder Approvals*”.

What documents do I need to complete and return?

If you are a registered Shareholder (that is, a Shareholder who has evidence of ownership representing Common Shares registered in your name) you may vote in person at the Meeting or

may appoint someone else to vote for you as your proxy holder by following the instructions set forth under “*Voting of Common Shares – For Registered Shareholders*” and in the attached form of proxy.

Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and deposit the enclosed form of proxy with the Manager:

- in person at one of the Shareholder Forums;
- by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas)
- by facsimile at 242.393.4639; or
- by email at ICDUMeeting@cfal.com,

in each case, no later than 5:00 p.m. (Freeport time) on November 6, 2017 (or, if the Meeting is adjourned or postponed, 5:00 p.m. (Freeport time) on the business day immediately prior to the date of the adjourned or postponed Meeting).

If you are a non-registered Shareholder (being a Shareholder whose Common Shares are registered in the name of an intermediary, such as a securities broker, financial institution, trustee, custodian or other nominee) you should carefully follow the instructions on the request for voting instructions or form of proxy that you receive from your intermediary, in order to vote the Common Shares that are held through that intermediary. See “*Voting of Common Shares – For Non-Registered Shareholders*”.

Additionally, if you wish to elect to receive the Cash Alternative in respect of some or all of your Common Shares, you must validly complete and deliver an Election Notice and other required documents to the Manager at one of the Shareholder Forums, by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas) or, where permitted, by facsimile at 242.393.4639 or by email at ICDUMeeting@cfal.com, in each case, by no later than 5:00 p.m. (Freeport time) on November 27, 2017. If you are a Shareholder in the United States, you will receive the Cash Alternative. See “*How do I elect to receive cash for my Common Shares?*” and “*Election of Consideration*”.

How do I elect to receive cash for my Common Shares and what is the deadline for making an election to receive cash?

If you wish to elect to receive the Cash Alternative in respect of some or all of your Common Shares, you must validly complete and deliver an Election Notice and other required documents to the Manager at one of the Shareholder Forums, by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas) or, where

permitted, by facsimile at 242.393.4639 or by email at ICDUMeeting@cfal.com. If you are a Shareholder in the United States, you will, in any case, receive the Cash Alternative.

The required documentation includes a properly completed Election Notice, together with evidence of ownership representing your Common Shares (if any) and such other additional documents as are specified in the instructions set out in the Election Notice or which the Manager may otherwise reasonably require.

The deadline for receipt of Election Notices and other required documentation by the Manager is 5:00 p.m. (Freeport time) on November 27, 2017.

See “*Election of Consideration*”.

What happens if I want to receive cash for my Common Shares but I miss the election deadline?

If you wish to receive cash for your Common Shares, it is extremely important that you deliver to the Manager a properly completed Election Notice (together with all other required documentation) by the election deadline, which is 5:00 p.m. (Freeport time) on November 27, 2017.

If you do not deliver such documents to the Manager by the election deadline, or you do not make an election with respect to the consideration to be received upon the Redemption, you will be deemed to have elected the Depositary Receipt consideration and you will not be eligible to receive the Cash Alternative. If you are a Shareholder in the United States, you will, in any case, receive the Cash Alternative. See “*How do I elect to receive cash for my Common Shares?*” and “*Election of Consideration*”.

How do I elect to receive Depositary Receipts for my Common Shares?

If you wish to elect to receive the DR Alternative in respect of some or all of your Common Shares, you are encouraged to deliver an Election Notice and other required documents to the Manager at one of the Shareholder Forums, by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas) or, where permitted, by facsimile at 242.393.4639 or by email at ICDUMeeting@cfal.com, in each case, by no later than 5:00 p.m. (Freeport time) on November 27, 2017. The required documentation includes a properly completed Election Notice, together with evidence of ownership representing your Common Shares (if any) and such other additional documents as are specified in the instructions set out in the Election Notice or which the Manager may otherwise reasonably require.

However, if you do not deliver such documents to the Manager by such time, or you do not make an election with respect to the Consideration to be received upon the Redemption, you will be deemed to have elected the DR Alternative (unless you are a Shareholder in the United States, in which case you will receive the Cash Alternative), and so you will receive the DR Alternative. See “*Election of Consideration*”.

Are there risks I should consider in deciding whether to vote for the Merger?

Yes, there are a number of risk factors relating to the Merger, the Transaction, the business of Emera and the Depositary Receipts (for those Shareholders electing or who are deemed to have elected to receive Depositary Receipts) that you should consider in deciding whether to vote for the Merger Resolution. These risks are summarized under “*Risk Factors*”.

Am I entitled to Dissent Rights?

Yes, Shareholders will have statutory Dissent Rights in relation to the Merger and may dissent in respect of the vote on the Merger Resolution. In the event that the Merger is approved by Shareholders and subsequently completed, Shareholders who strictly comply with the provisions of section 159 of the Companies Act will be entitled to be paid the “fair value” of their Common Shares in cash. See “*Right to Dissent*”.

How and when will the Transaction be implemented?

Assuming that Merger Resolution is approved and the other conditions contained in the Transaction Agreement are satisfied or waived, the Transaction will be implemented as follows:

- *Deadline for Delivering Election Notice (November 27, 2017)*: Shareholders will have the opportunity to elect to receive the Cash Alternative, the DR Alternative or a combination of the Cash Alternative and the DR Alternative.
 - To make a valid election, Shareholders must validly complete and deliver an Election Notice and other required documents to the Manager at one of the Shareholder Forums, by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas) or, where permitted, by facsimile at 242.393.4639 or by email at ICDUMeeting@cfal.com, in each case, by no later than 5:00 p.m. (Freeport time) on November 27, 2017.
 - Shareholders who do not make a valid election by the election deadline will be deemed to have elected to receive the DR Alternative. Shareholders in the United States will, in any case, receive the Cash Alternative. See “*How do I elect to receive cash for my Common Shares?*”.
- *Implementation of Merger (on or about December 7, 2017)*: The Merger will be completed upon substantially the terms and conditions set forth in the Plan of Merger, and Mergeco will be the surviving company in the Merger. Upon implementation of the Merger:
 - Shareholders (other than Dissenting Shareholders) will receive, for each Common Share held by them, one Mergeco Redeemable Preferred Share, the terms of which are set out in the Plan of Merger.
 - The Newco Common Shares beneficially owned by EUHL immediately prior to the Merger will be cancelled and replaced by Mergeco Common Shares on a one-for-

one basis, and EUHL will be the only beneficial owner of Mergeco Common Shares after the Merger.

- *Redemption and Payment of Consideration (on or about December 8, 2017)*: Upon implementation of the Redemption in accordance with the terms of the Mergeco Redeemable Preferred Shares, each Mergeco Redeemable Preferred Share held by:
 - a Minority Shareholder who validly elected to receive the Cash Alternative in respect of some or all of their Common Shares will receive the Cash Alternative in respect of such Common Shares. See “*How do I elect to receive cash for my Common Shares?*”;
 - a Minority Shareholder who validly elected or is deemed to have elected to receive the DR Alternative in respect of some or all of their Common Shares will receive the DR Alternative in respect of such Common Shares. See “*How do I elect to receive Depositary Receipts for my Common Shares?*”; and
 - EUHL will be redeemed for additional Mergeco Common Shares.

Following completion of the Merger and the Redemption, EUHL will be the only beneficial owner of shares of Mergeco. See “*Effect of Merger*” and “*Plan of Merger*”.

Are the Depositary Receipts listed on a stock exchange?

Emera has applied to list the Depositary Receipts on the BIX following the Redemption. See “*Regulatory and Stock Exchange Approvals*”.

Will the Transaction have tax consequences for me?

This Circular contains a summary of certain income tax considerations that may be relevant to Shareholders. See “*Certain Tax Considerations*”.

However, Shareholders should be aware that either or both of the Merger and the Redemption may have tax consequences and that such consequences may not be fully described herein. Shareholders should consult their tax and financial advisors to assist them in considering the proposed Transaction.

Who do I contact with questions about the Transaction?

Any questions or requests for assistance in connection with the Meeting, the Merger and the Redemption may be directed to the Manager at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas), by facsimile at 242.393.4639 or by telephone or by email as follows:

Anthony Ferguson
President
aferguson@cfal.com
242.502.7010

Dwayne Swann
Client Relations Manager
dswann@cfal.com
242.351.8928

Nicholas Higgs
Research Analyst
nhiggs@cfal.com
242.502.7067

Will I have an opportunity to receive additional information about the Transaction or Emera or the Depositary Receipts?

Shareholders are invited to attend one of the Shareholder Forums which will be hosted by senior executives of Emera and of ICDU on October 23, 2017 at 5:30 p.m. (Freeport time) at the Pelican Bay Resort, Freeport, The Bahamas and on October 24, 2017 at 12:00 p.m. (Freeport time) at the British Colonial Hilton, One Bay Street, Nassau, The Bahamas to provide additional information regarding the Transaction, Emera and the attributes of the Depositary Receipts and the Underlying Emera Shares.

If you have questions about deciding how to vote, you should contact your own legal, tax, financial or other professional advisor.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates given in this expected timetable are based on ICDU's current expectations and are intended to provide Shareholders with information in connection with the Meeting and the Transaction. However, the completion of the Transaction is subject to certain conditions provided for in the Transaction Agreement which may be beyond the control of ICDU, Emera and EUHL, and these dates may change without further notice. The outside date for completing the transaction is December 31, 2017, at which time either Emera (on its own behalf and on behalf of EUHL) or ICDU may terminate the Transaction Agreement.

<u>Expected Date/Time</u>	<u>Event</u>
Business Day prior to mailing of this Circular	<ul style="list-style-type: none">• The record date for Shareholders entitled to receive notice of, to attend and vote at the Meeting
October 23, 2017 at 5:30 p.m. (Freeport time)	<ul style="list-style-type: none">• Shareholder Forum at the Pelican Bay Resort, Freeport, The Bahamas
October 24, 2017 at 12:00 p.m. (Freeport time)	<ul style="list-style-type: none">• Shareholder Forum at the British Colonial Hilton, One Bay Street, Nassau, The Bahamas
November 6, 2017 at 5:00 p.m. (Freeport time)	<ul style="list-style-type: none">• Deadline for the Manager to have received proxy forms from <i>registered</i> Shareholders• <i>Non-registered</i> Shareholders should contact their brokers or other intermediary as soon as possible for instructions on how to vote their Common Shares at the Meeting
November 8, 2017 at 5:00 p.m. (Freeport time)	<ul style="list-style-type: none">• Meeting held at the Pelican Bay Resort in Freeport, The Bahamas
November 27, 2017 at 5:00 p.m. (Freeport time)	<ul style="list-style-type: none">• Deadline for the Manager to have received Election Notice and other required documents as provided in this Circular regarding the election to receive the Cash Alternative or the DR Alternative• Shareholders who do not make a valid election by this time (other than Shareholders in the United States) will be <i>deemed to have elected to receive the DR Alternative</i> and will not be able to elect to receive the Cash Alternative
December 7, 2017	<ul style="list-style-type: none">• Anticipated Effective Date of the Merger• All Shareholders will receive one Mergeco Redeemable Preferred Share for each Common Share held
December 8, 2017	<ul style="list-style-type: none">• Anticipated Redemption Date• All Minority Shareholders will have the Mergeco Redeemable Preferred Shares held by them redeemed for the Cash Alternative, the DR Alternative or a combination of the two, as elected or deemed to be elected in accordance with this Circular

Expected Date/Time

Event

- The Depositary Receipts are expected to commence trading on the BIXX (subject to satisfactory completion of the listing process)
- EUHL will have its Mergeco Redeemable Preferred Shares redeemed for additional Mergeco Common Shares; EUHL will be the sole shareholder of Mergeco following the Redemption

GENERAL INFORMATION REGARDING THE MEETING

Solicitation of Proxies

ICDU management is using this Circular to solicit proxies from Shareholders for use at the Meeting. ICDU will bear the cost of solicitation of proxies. Solicitation will be by mail, supplemented by telephone or other personal contact by employees of ICDU and/or of the Manager. ICDU will pay certain fees to the Manager for performing services on behalf of ICDU in connection with the Transaction, including in connection with the solicitation of proxies. For additional information, see "*The Manager*".

Date, Time and Place of Meeting

Unless otherwise adjourned or postponed, the Meeting will be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 and will commence at 5:00 p.m. (Freeport time).

Record Date

Shareholders as of the close of business on business day prior to the mailing of this Circular are entitled to receive notice of, to attend and vote at the Meeting.

Purpose of the Meeting

At the Meeting, Shareholders will be asked to consider, and, if thought advisable, to approve, with or without variation, a special resolution approving the Merger substantially on the terms and conditions of the Plan of Merger. The full text of the Merger Resolution is set forth in Exhibit "A" to this Circular. The full text of the Plan of Merger is attached as Exhibit "B" to this Circular. Shareholders will also be asked to consider routine annual meeting business, including with respect to the receipt of financial statements, the election of directors and the appointment of auditors and the fixing of the auditors' remuneration.

Quorum

Quorum for the Meeting is at least two Shareholders present at the Meeting either in person or by proxy, together holding or representing 60% or more of the issued Common Shares; provided, however, that the approval of Shareholders, present at the Meeting in person or by proxy,

together holding or representing 75% or more of the issued Common Shares will be required to approve the Merger Resolution. See “*Shareholder Approvals*” for additional information.

Voting of Common Shares

For Registered Shareholders

Registered Shareholders (that is, Shareholders who have evidence of ownership representing Common Shares registered in their names) may vote in person at the Meeting or may appoint someone else to vote for them as their proxy holder by following the instructions set forth below and in the attached form of proxy.

Registered Shareholders (or such Shareholder’s attorney) may appoint a person to act as their proxy holder, and provide voting instructions to that person, by completing the form of proxy accompanying this Circular and returning it in the postage-paid envelope that is also provided, or otherwise in writing by email or facsimile or in person to the Manager.

The proxy holders named in the attached form of proxy are directors or officers of ICDU. **Registered Shareholders may appoint another person to act as their proxy holder, including someone who is not an Shareholder, but only if that instruction is provided on the proxy and the proxy is deposited with the Manager by mail, or otherwise deposited with the Manager in writing by email, facsimile or in person.**

Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and deposit the enclosed form of proxy with the Manager:

- in person at one of the Shareholder Forums;
- by mail or in person at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas);
- by facsimile at 242.393.4639; or
- by email at ICDUmeeting@cfal.com,

in each case, by no later than 5:00 p.m. (Freeport time) on November 6, 2017 (or, if the Meeting is adjourned or postponed, 5:00 p.m. (Freeport time) on the business day immediately prior to the date of the adjourned or postponed Meeting). Any form of proxy that is returned undated will be deemed to bear the date on which it was mailed to the Shareholders.

For Non-Registered Shareholders

Non-registered Shareholders (being Shareholders whose Common Shares are registered in the name of an intermediary, such as a securities broker, financial institution, trustee, custodian or other nominee) should carefully follow the instructions on the request for voting instructions or form of proxy that they receive from their intermediary, in order to vote the Common Shares that

are held through that intermediary. Non-registered Shareholders should follow the instructions for voting provided to them by their intermediary.

Since ICDU does not generally have access to the names of its non-registered Shareholders, non-registered Shareholders who wish to attend the Meeting and vote in person should insert their own name in the blank space provided in the request for voting instructions or form of proxy to appoint themselves as proxy holders and then follow their intermediary's instructions for returning the request for voting instructions or proxy form. Non-registered Shareholders should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein.

General

All questions submitted to the Meeting will be decided in the first instance by a show of hands unless a person entitled to vote at such Meeting demands a ballot.

Revocation of Proxies

Registered Shareholders who have returned a form of proxy may revoke it by:

- (i) completing and signing a form of proxy with a later date than the form of proxy which was previously returned and depositing the later-dated form of proxy with the Manager in the manner described above; or
- (ii) depositing a written statement signed by them or their attorney as authorized by the registered Shareholders in writing: (a) with the Manager at one of the Shareholder Forums, in person or by mail at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F - 42643, Freeport, The Bahamas), by facsimile at 242.393.4639 or by email at ICDUMeeting@cfal.com, at any time up to and including November 7, 2017 or, if the Meeting is adjourned or postponed, the business day before the day to which the Meeting has been adjourned or postponed; or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement of the Meeting, before the start of the Meeting.

Voting instructions conveyed in writing by mail, email, facsimile or in person by a later-dated instrument in writing will revoke any prior voting instructions.

Non-registered Shareholders may revoke voting instructions that have been given to an intermediary at any time by written notice to the intermediary. However, intermediaries may be unable to take any action on the revocation if the revocation is not provided sufficiently in advance of the Meeting.

Counting the Votes

The Manager will provide all proxies received to BCSD. BCSD will count and tabulate the proxies and a representative of BCSD will act as scrutineer at the meeting.

The Manager and BCSD will each preserve the confidentiality of individual Shareholder votes except: (i) in cases where a Shareholder clearly intends to communicate his, her or its position to management; and (ii) where necessary to enable management to comply with legal requirements.

Securities Entitled to Vote

As of the date of this Circular, 10,000,000 Common Shares were issued and outstanding. Each Shareholder is entitled to one vote per Common Share held on all matters to come before the Meeting. The Common Shares are the only securities of ICDU which will have voting rights at the Meeting.

Principal Holders of Shares

To the knowledge and information of the Board of Directors and the officers of ICDU, after reasonable enquiry, as at October 12, 2017, no person or company beneficially owns or exercises Control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares other than Emera, through its indirect wholly-owned subsidiary EUHL, which ICDU has been informed beneficially owns or exercises Control or direction over 6,073,917 Common Shares, representing approximately 60.74% of the issued and outstanding Common Shares.

INFORMATION REGARDING THE MERGER

Background

Emera currently owns 6,073,917 Common Shares representing approximately 60.74% of the issued and outstanding Common Shares through its indirect wholly-owned subsidiary, EUHL. ICDU owns 50% of the issued and outstanding ordinary shares of GBPC (the “**GBPC Shares**”) and Emera indirectly owns the other 50% of the issued and outstanding GBPC Shares. As a result, Emera currently directly and indirectly owns approximately 80.37% of the issued and outstanding GBPC Shares.

Emera acquired the Common Shares it currently holds through two transactions completed in 2008 and 2010, respectively. On September 16, 2008, Emera indirectly acquired 5,000,000 Common Shares for U.S.\$41,000,000 (or U.S.\$8.20 per share) (the “**First Purchase**”). On December 23, 2010, Emera indirectly acquired an additional 1,073,917 Common Shares for U.S.\$7,946,985 (or U.S.\$7.40 per share) (the “**Second Purchase**”).

Since the date of the First Purchase, the Common Shares have not, to the knowledge of ICDU, traded on the BISX above the price paid by Emera under the First Purchase. Further, since the date of the Second Purchase, the Common Shares have not, to the knowledge of ICDU, traded on the BISX above the price paid by Emera under the Second Purchase.

Since completing the Second Purchase, Emera has periodically evaluated its alternatives with respect to its relationship with and its investment in ICDU and GBPC. These evaluations led representatives of Emera to deliver a draft confidential non-binding conditional proposal outlining

the proposed terms of a transaction that would result in EUHL acquiring all of the Common Shares not already held by it to the Board of Directors on March 21, 2017 (the “**Proposal**”). The Proposal outlined the proposed terms of the Merger and the Redemption, including the consideration to be offered to Shareholders of \$8.85 in cash, or the equivalent value in Depositary Receipts, for each Common Share held, or a combination of such cash alternative or such Depositary Receipts alternative, at the election of each Minority Shareholder.

The Board of Directors approved the formation of a special committee (the “**Special Committee**”) to be comprised of three independent directors, Robert Adams, Michael Moss and Randy Thompson, on March 21, 2017 to, among other things, consider the Proposal and the Transaction. On July 21, 2017, the Special Committee retained KPMG as its financial advisor with responsibility to, among other things, prepare and deliver to the Special Committee an opinion as to the fairness, from a financial perspective, of the proposed consideration under the Proposal (or any variation thereof) (“**Fairness Opinion**”) to be paid to the Shareholders on the Redemption. A draft of the Transaction Agreement was prepared and provided to counsel to the Special Committee on July 7, 2017.

On July 13, 2017, Emera received approval of the Transaction from the Bahamas Investment Authority, and on July 14, 2017, the Securities Commission of the Bahamas confirmed to Emera that its approval of the Transaction was not required. On September 7, 2017, the Central Bank of The Bahamas granted approval in principle of the Transaction to Emera, subject to certain customary conditions to be met following the completion of the Transaction.

During the period between July 7, 2017 and October 12, 2017, the Special Committee met and corresponded with counsel, KPMG (its financial advisor) and the relevant regulatory authorities multiple times to consider the draft Transaction Agreement and other matters relating to the Transaction. On September 29, 2017, comments on the Transaction Agreement were provided by counsel to the Special Committee to EUHL and Emera.

Representatives of Emera and its counsel met with counsel to the Special Committee in Nassau on October 2, 2017, and a revised draft of the Transaction Agreement was provided by Emera and EUHL to counsel to the Special Committee that evening. The parties met again on October 3, 2017, and on October 4, 2017, KPMG provided an oral opinion to the Special Committee to the effect that the Consideration is fair, from a financial perspective, to the Minority Shareholders. On October 5, 2017, counsel to the Special Committee circulated a revised draft of the Transaction Agreement. On October 6, 2017, Emera and EUHL provided a further draft of the Transaction Agreement and the Special Committee held a further meeting with its counsel that afternoon to consider the revised Transaction Agreement and other matters.

Discussions continued through the course of the holiday weekend of October 7 to October 9, 2017, with drafts of the Transaction Agreement and related documents exchanged between the parties. Discussions continued between the parties and with the relevant regulatory authorities through the week of October 9, 2017.

On the afternoon of October 12, 2017, the Special Committee met to consider the Transaction Agreement and the Transaction. Following consultation with its financial and legal advisors and consideration of such other matters as it considered relevant, the Special Committee

unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders and that the Merger and the entering into of the Plan of Merger is in the best interests of ICDU, and it unanimously resolved to recommend to the Board of Directors that it approve the Merger and recommend that Minority Shareholders vote for the Merger Resolution at the Meeting.

Later that evening, the Board of Directors met to receive the recommendation of the Special Committee and, following consideration of that recommendation and such other matters as it considered relevant, the Independent Directors unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders and that the Merger and the entering into of the Transaction Agreement is in the best interests of ICDU, and agreed to unanimously recommend that all Minority Shareholders vote for the Merger Resolution at the Meeting. The members of the Board of Directors who are not Independent Directors, having declared their interest in the Transaction as a result of their respective relationships with Emera and its affiliates, did not vote.

The Transaction Agreement was signed on the evening of October 12, 2017 following the conclusion of the meeting of the Board of Directors and the Transaction was announced by way of press release prior to the opening of the markets on October 13, 2017.

Recommendation of the Special Committee

The Special Committee, having carefully considered the Proposal and the Transaction, including the reasons and other factors described under “*Reasons to vote FOR the Recommendation*”, and following consultation with its financial and legal advisors and consideration of such other matters as it considered relevant, the Special Committee unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders and that the Merger and the entering into of the Plan of Merger is in the best interests of ICDU, and it unanimously resolved to recommend to the Board of Directors that it approve the Merger and recommend that Minority Shareholders vote **FOR** the Merger Resolution at the Meeting.

Recommendation of the Board of Directors

Following receipt by the Board of Directors of the unanimous recommendation of the Special Committee and the consideration of such other matters as it considered relevant, the Independent Directors have: (i) unanimously determined that the Consideration is fair, from a financial perspective, to the Minority Shareholders and that the Merger and the entering into of the Transaction Agreement is in the best interests of ICDU; and (ii) unanimously approved the execution and delivery of the Transaction Agreement and agreed to unanimously recommend that all Minority Shareholders vote **FOR** the Merger Resolution at the Meeting.

The Independent Directors have authorized ICDU to enter into the Transaction Agreement and to mail this Circular to Shareholders.

Reasons to Vote FOR the Merger

In reaching its conclusion that the Merger is in the best interests of ICDU, the Special Committee considered and relied on a number of substantive factors, procedural safeguards and other considerations, including the following:

- ***Opportunity for Liquidity and Premium to Long-Standing Share Price:*** The Common Shares have not, to ICDU's knowledge traded on the BISX at a price greater than U.S.\$8.20 since the date of the First Purchase or at a price greater than U.S.\$7.40 since the date of the Second Purchase. The Transaction will also provide liquidity to Shareholders wishing to sell Common Shares, and will do so at a premium of approximately 26% over the current trading price of the Common Shares and a premium of approximately 33% over the volume-weighted average trading price on the BISX over the past 24 months.
- ***Fairness Opinion:*** The Special Committee retained KPMG to provide the Fairness Opinion in connection with the Merger. KPMG was of the opinion that, subject to the assumptions and restrictions set forth in the Fairness Opinion and such other matters as it considered relevant, as of October 12, 2017, the Consideration is fair, from a financial perspective, to the Shareholders. The full text of the Fairness Opinion is contained in Exhibit "C" and any discussion of the Fairness Opinion in this Circular is qualified in its entirety by the full text of the Fairness Opinion.
- ***Opportunity to Invest in Emera:*** The DR Alternative offers Shareholders an opportunity to hold Depositary Receipts which represent an underlying investment in Emera, which has had stronger appreciation in its share price than ICDU (average total returns of 10.9% over the past five years for Emera) and a larger dividend than ICDU (current annualized dividend yield of 2.0% for ICDU versus 4.8% for Emera).
- ***"Majority of the Minority" Approval Right:*** Minority Shareholders will be provided a separate right to approve the transaction pursuant to "majority of the minority" vote, which will require approval of the Merger Resolution by not less than 50% of the votes cast at the Meeting on the Merger Resolution by Shareholders (other than EUHL) present in person or by proxy at the Meeting.
- ***Emera's Position:*** Any change of Control of ICDU or GBPC or sale of all or substantially all of GBPC's assets effectively requires the approval of Emera. Emera has advised ICDU that it does not currently intend to sell its Common Shares or vote in favour of any transaction involving GBPC other than the Transaction.
- ***Transaction Agreement:*** On October 12, 2017, Emera, EUHL and ICDU entered into the Transaction Agreement pursuant to which, among other things, ICDU agreed to propose the Transaction to Minority Shareholders and EUHL agreed to implement the Merger and the Redemption, in each case on and subject to the terms of the Transaction Agreement.

- ***Flexibility to Elect Cash or Depositary Receipts:*** Shareholders who wish to receive cash may elect the Cash Alternative and Shareholders who wish to obtain exposure to an investment in Emera through the Depositary Receipts can elect the DR Alternative. Shareholders also have the option to receive a combination of cash and Depositary Receipts.
- ***No Financing Condition:*** The Merger is not subject to a financing condition and the total amount of funds required by EUHL to consummate the Merger and pay that portion of the aggregate Consideration that is required to be paid in cash and all related fees and expenses will be advanced to Mergeco by Emera and EUHL prior to the Redemption.

Transaction Agreement

On October 12, 2017, Emera, EUHL and ICDU entered into the Transaction Agreement, which sets out, among other things, the terms and conditions upon which ICDU has agreed to hold the Meeting, the Independent Directors agreed to recommend to Minority Shareholders to vote for of the Merger Resolution and upon which ICDU and Newco will enter into the Plan of Merger and EUHL will cause the Redemption to occur. The following is a summary of certain provisions of the Transaction Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Transaction Agreement.

- ***Obligations of ICDU Regarding Shareholder Approval and the Meeting:*** In accordance with the terms of the Transaction Agreement, ICDU will:
 - duly call, give notice of, convene and hold the Meeting by November 8, 2017;
 - solicit , without exerting pressure or coercion on any Minority Shareholders, proxies in connection with the Merger Resolution;
 - engage a proxy solicitation agent to solicit proxies on the basis described above;
 - consult with Emera and EUHL in fixing the date of the Meeting and the record date for the Meeting, and give notice to Emera and EUHL of the Meeting and allow Emera and EUHL’s respective agents to attend the Meeting;
 - promptly advise Emera and EUHL, on each of the last 10 Business Days prior to the date of the meeting, as to the aggregate tally of the proxies received by ICDU in respect of the Merger Resolution (which information Emera and EUHL will hold in the strictest confidence), and to advise Emera and EUHL as they may reasonably request as to the aggregate tally of Shareholders electing to receive the Cash Alternative and the DR Alternative;

- promptly notify Emera and EUHL of any communication received from, or claims brought by (or threatened to be brought by), any person relating to the purported exercise of Dissent Rights by Shareholders and not settle or compromise or agree to settle or compromise any such Dissent Rights without the prior written consent of Emera and EUHL, and provide Emera and EUHL with an opportunity to review and comment on any written communication sent by or on behalf of ICDU to any Shareholder exercising or purporting to exercise Dissent Rights and provide Emera and EUHL with a copy of any such written communication, provided that ICDU will be under no obligation to disclose any information and that the requirement to obtain the consent from Emera and EUHL will be deemed waived in the event that ICDU is required to take actions to remain compliant with its obligations under the Companies Act;
- not to adjourn or postpone the Meeting without the prior consent of Emera or EUHL (subject to the terms of the Transaction Agreement and applicable Law); and
- notwithstanding the receipt by ICDU of any Alternative Proposal, unless the Transaction Agreement is terminated in accordance with its terms or except as required by applicable law or by a Governmental Authority, ICDU will continue to take all steps reasonably necessary to hold the Meeting and to cause the Merger Resolution to be voted on at such meeting.
- ***Non-Solicitation:*** Except as described in the section of this Circular entitled “*Proposed Agreement and Right to Match*”, on and after the date of the Transaction Agreement and until the Transaction Agreement is terminated, ICDU will not, directly or indirectly, through any agent of ICDU, and will not permit any such person to:
 - withdraw, qualify or modify or propose to withdraw, qualify or modify the approval or recommendation of the Board of Directors or any committee thereof of the Merger other than as provided for in the Transaction Agreement;
 - solicit any Alternative Proposal; or
 - accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to any Alternative Proposal other than as provided for in the Transaction Agreement and as deemed necessary by the Board of Directors in order to consider such Alternative Proposal.

ICDU will, and will cause its agents to, immediately cease and cause to be terminated any solicitation with or involving any Person (other than Emera, EUHL and their respective agents).

- ***Notification of Alternative Proposals:*** If ICDU or any of its agents receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Alternative Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to ICDU or GBPC, including information, access or disclosure relating to the properties, facilities, books or records of ICDU or GBPC, ICDU will promptly notify Emera and EUHL, at first orally, and then within 24 hours in writing, of such Alternative Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of the Person making the Alternative Proposal, inquiry, proposal, offer or request, and copies of all letters, correspondence, agreements, documents, or other material received in respect of, from or on behalf of any such Person, and ICDU will promptly keep Emera and EUHL informed of all developments and the status of any such Alternative Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Alternative Proposal, inquiry, proposal, offer or request and will respond promptly to all enquiries by Emera or EUHL with respect thereto.

- ***Proposed Agreement and Right to Match:*** Notwithstanding the non-solicitation provisions of the Transaction Agreement described in the section of this Circular entitled “*Non-Solicitation*”, neither the Board of Directors nor any committee thereof will fail to make, or withdraw, amend, change, modify or qualify in a manner adverse to EUHL, or propose to publicly withdraw, amend, change, modify or qualify in a manner adverse to EUHL, the approval or recommendation by the Board of Directors or any such committee of the Transaction or recommend or propose publicly to recommend, the approval or adoption or any Alternative Proposal, or resolve or agree to take any such action (each, a “**Change of Recommendation**”) unless:
 - the Board of Directors, acting in good faith and after receiving advice from its outside financial advisors and outside legal counsel, determines that an Alternative Proposal that has been made constitutes a Superior Proposal and such Superior Proposal is not withdrawn;
 - ICDU has complied with the non-solicitation and Alternative Proposal notification provisions of the Transaction Agreement;
 - ICDU has provided Emera and EUHL with a written notice at least 10 Business Days’ prior to effecting any Change of Recommendation (the “**Response Period**”) which notice must: (A) state that the Board of Directors has determined that it has received a Superior Proposal and the terms and conditions of such Superior Proposal; (B) identify the Person making the Superior Proposal; (C) provide Emera and EUHL with a copy of all documentation related to and detailing the Superior Proposal (including particulars of any value ascribed to the non-cash consideration offered under the Superior Proposal, as determined by the Board of Directors in consultation with its financial advisors); and (D) state that the

Board of Directors intends to effect a Change of Recommendation, together with the manner in which it intends to effect such change. For purposes of the Transaction Agreement, the Response Period will expire at 11:59 p.m. (Freeport time) on the 10th Business Day following the day on which the notice was provided to Emera and EUHL; and

- the Response Period has expired and, if EUHL has proposed in writing to amend the terms of the Merger and the Transaction Agreement in accordance with the terms of the Transaction Agreement, the Board of Directors has determined in good faith in the exercise of its fiduciary duties, based upon the written advice of its financial advisors and upon the advice of its outside legal counsel, that: (A) the terms of EUHL's offer to amend the terms of the Merger and the Transaction Agreement would not, upon its acceptance, result in the Alternative Proposal ceasing to be a Superior Proposal and that such Alternative Proposal continues to be a Superior Proposal compared to EUHL's offer to amend the Merger and the Transaction Agreement; and (B) failing to effect a Change of Recommendation in respect of such Alternative Proposal would be inconsistent with the fiduciary duties of the Board of Directors under applicable laws,

in which case the Board of Directors will be permitted to effect a Change of Recommendation.

During the Response Period, EUHL will have the right, but not the obligation, to offer in writing to amend the terms of the Merger and the Transaction Agreement. The Board of Directors will review any such offer to determine in good faith in the exercise of its fiduciary duties, based upon the written advice of its financial advisors and upon the advice of its outside legal counsel, whether: (i) the terms of EUHL's offer to amend the Merger and the Transaction Agreement would, upon its acceptance, result in the Alternative Proposal ceasing to be a Superior Proposal or whether such Alternative Proposal continues to be a Superior Proposal compared to the amendments proposed by EUHL; and (ii) if it is determined that the terms of EUHL's offer to amend the Merger and the Transaction Agreement would not, upon its acceptance, cause the Alternative Proposal to cease to be a Superior Proposal, failing to effect a Change of Recommendation in respect of such Alternative Proposal would be inconsistent with the fiduciary duties of the Board of Directors under applicable laws. If the Board of Directors determines that the terms of EUHL's offer to amend the Merger and the Transaction Agreement would result in the Alternative Proposal ceasing to be a Superior Proposal under (i) above, or that failing to effect a Change of Recommendation would not be inconsistent with the fiduciary duties of the Board of Directors under applicable Laws under (ii) above, Emera and EUHL will offer to amend the terms of the Merger and the Transaction Agreement to reflect EUHL's offer to amend the Merger and the Transaction Agreement and Emera, EUHL and ICDU will enter into an amendment to the Transaction Agreement reflecting EUHL's offer to amend the Merger and

the Transaction Agreement and, upon the execution by the parties of such amendment, the Board of Directors will reaffirm its recommendation of the Merger and the Transaction Agreement, as so amended, and will further agree not to effect a Change of Recommendation relating to the applicable Alternative Proposal and not to withdraw, modify or change any recommendation regarding the Merger except to reaffirm its recommendation of the amended Merger.

Each successive amendment to an Alternative Proposal will constitute a new Alternative Proposal and EUHL will be afforded a new Response Period in respect of each such Alternative Proposal.

The Board of Directors will promptly reaffirm its recommendation of the Merger and the Transaction Agreement by notice to Shareholders after: (i) each Alternative Proposal that is publicly announced or made is determined by the Board of Directors not to be a Superior Proposal; (ii) each amendment to the Merger and the Transaction Agreement following a determination by the Board of Directors that terms of the applicable proposed amended terms of the Merger would result in the Alternative Proposal to which EUHL is responding, which Alternative Proposal has been publicly announced or made, not being a Superior Proposal; or (iii) upon the written request of Emera or EUHL that ICDU reaffirm its recommendation. Emera, EUHL and their respective advisors will be given a reasonable opportunity to review and comment on the form and content of any such press release and reasonable consideration will be given to any comments made by Emera, EUHL or their respective advisors.

- ***Representations and Warranties of ICDU:*** ICDU has made certain customary representations and warranties in the Transaction Agreement in respect of the following matters: (i) organization and qualification of ICDU; (ii) authority relative to the Transaction Agreement; (iii) delivery of the Fairness Opinion to the Board of Directors and the recommendation of the Board of Directors in favour of the Merger and the Transaction Agreement; (iv) the absence of violations resulting from the execution, delivery and performance by ICDU of its obligations under the Transaction Agreement; (v) consents and approvals; (vi) subsidiaries of ICDU; (vii) ownership of owned GBPC Common Shares of ICDU; (viii) capitalization of ICDU; (ix) absence of certain changes or events; (x) books and records; (xi) minute books; (xii) legal proceedings; (xiii) public disclosure of ICDU; (xiv) reporting issuer status and securities law matters; (xv) compliance with laws; and (xvi) brokers.
- ***Representations and Warranties of Emera and EUHL:*** Each of Emera and EUHL have jointly and severally made certain customary representations and warranties in the Transaction Agreement in respect of the following matters: (i) organization of Emera and EUHL; (ii) authority relative to the Transaction Agreement; (iii) the absence of violations resulting from the execution, delivery and performance by EUHL of its obligations under the Transaction Agreement; (iv) consents and approvals; (v) legal proceedings; (vi) the Depositary Receipts;

(vii) public disclosure of Emera; (viii) reporting issuer status and securities law matters; and (ix) the financial capacity of Emera.

- ***Covenants Relating to Conduct of Business by ICDU:*** ICDU will, during the period from the date of the Transaction Agreement until the effective time of the Merger or until the Transaction Agreement is terminated in accordance with its terms, unless Emera and EUHL otherwise consent in writing, such consent not to be unreasonably withheld, conditioned or delayed, and except (i) as otherwise expressly permitted or specifically contemplated by the Transaction Agreement; or (ii) as otherwise required by applicable law, conduct its business only in, and will not take any action except in, and maintain its facilities in, the ordinary course of business consistent with past practice and use commercially reasonable efforts to maintain and preserve its business organization, goodwill, insurance coverage, property and assets and to keep available the services of its officers and employees and maintain satisfactory relationships with suppliers, customers, distributors, Governmental Authorities and others having business relationships with any of them. The Transaction Agreement contains a non-exhaustive list of specific actions that ICDU is not permitted to take in connection with this covenant.

- ***Compliance with Transaction Agreement:*** ICDU will:
 - subject to the right of ICDU to effect a Change of Recommendation, as described in the section of this Circular entitled “*Proposed Agreement and Right to Match*” (provided that ICDU has complied with its covenants and obligations relating thereto), use reasonable best efforts to satisfy (or cause the satisfaction of) the conditions described in the sections of this Circular entitled “*Mutual Conditions*” and “*Conditions Precedent to the Obligations of Emera and EUHL*” to the extent it is in the reasonable control of ICDU; and
 - not take any action or enter into any transaction, which would, or which reasonably may be expected to:
 - (i) render any representation or warranty made by it in the Transaction Agreement inaccurate in any material respect;
 - (ii) result in a breach of any of its covenants or obligations under the Transaction Agreement in any material respect; or
 - (iii) subject to the right of ICDU to effect a Change of Recommendation (provided that ICDU has complied with its obligations thereunder), render the Transaction incapable of completion or substantially more difficult to complete.

- ***Other Covenants of ICDU:*** In addition to certain other notification obligations set out in the Transaction Agreement, ICDU will promptly notify Emera and EUHL in writing of:

- any change (or any condition, event, circumstance or development involving a prospective change), including in respect of the business, assets, operations, capitalization, condition (financial or otherwise), prospects, share or debt ownership, results of operations, cash flows, constating documents, Governmental Authorizations, rights or privileges, whether contractual or otherwise, or liabilities (including contingent liabilities) of ICDU or GBPC, which, when considered individually or in the aggregate, is or could reasonably be expected to result in, a Material Adverse Effect or one of the conditions contained in the Transaction Agreement not being satisfied by the Outside Date;
- any governmental or material third party complaints, investigations or hearings relating to ICDU or GBPC (or communications indicating that the same are being contemplated); or
- any further material developments in relation to any of the foregoing.
- ***Covenants Regarding the Redemption:***
 - EUHL shall cause Newco: (a) not to carry on any business other than in connection with the Transaction; and (b) subject to the terms of the Transaction Agreement and the Plan of Merger, to take such other steps as may reasonably be required to be taken by it in order to complete the Merger, the Redemption and the other Transaction. As of the effective time of the Merger, EUHL will be the sole beneficial owner of Newco, and it will hold only common shares in the capital of Newco at such time.
 - The rights, privileges, conditions and restrictions of the Mergeco Common Shares and the Mergeco Redeemable Preferred Shares shall be substantially as those that are set out in the Plan of Merger.
 - Unless the Emera, EUHL and ICDU otherwise mutually agree, each acting reasonably, ICDU will cause the Redemption Date to be included in the final Mergeco share terms filed by ICDU pursuant to the Companies Act on the Effective Date.
 - EUHL will use all commercially reasonable efforts to cause the Redemption to occur: (i) on the Redemption Date; (ii) if the Redemption Date does not occur on such date, as promptly as reasonably practicable following such date.
- ***Other Customary Covenants:*** Each of Emera, EUHL and ICDU have also agreed to certain other customary covenants.
- ***Mutual Conditions:*** The respective obligations of the parties to consummate the Transaction are subject to the satisfaction or mutual waiver, on or before the Effective Date or such other time specified, of the following conditions:

- The Merger Resolution will have been passed by the Shareholders in accordance with applicable law and the Shareholder Approval Thresholds;
 - no act, action, suit, proceeding, objection or opposition will have been taken, entered or promulgated before or by any Governmental Authority or by any elected or appointed public official or private person in Canada, The Bahamas or elsewhere and no law will have been proposed, enacted, promulgated, amended or applied, which would be reasonably expected to result in a Material Adverse Effect;
 - the Depositary Receipts will have been approved for listing on the BIX, subject only to the satisfaction of customary listing conditions;
 - the Underlying Emera Shares will have been conditionally listed on the TSX, subject only to the satisfaction of customary listing conditions; and
 - no cease trade order, injunction or other prohibition at Law will exist and no laws will have been enacted, promulgated or applied, which in either case, would reasonably be expected to impose material limitations or conditions on, restrict, cease trade, prohibit or frustrate any of the Transaction.
- ***Conditions Precedent to the Obligations of Emera and EUHL:*** The obligation of EUHL and/or Emera to consummate the Transaction is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:
 - Certain fundamental representations and warranties of ICDU will be true and correct as of the date of the Transaction Agreement and the effective time of the Merger, and all other representations and warranties of ICDU will be true and correct as of the date of the Transaction Agreement and the effective time of the Merger in all respects other than any breach or failure of such representations and warranties to be true and correct that, individually or in the aggregate, do not constitute or could not reasonably be expected to constitute, or could not reasonably be expected to result in, a Material Adverse Effect;
 - ICDU will have complied in all material respects with its covenants in the Transaction Agreement and ICDU will have provided to EUHL and Emera a certificate of two senior officers of ICDU certifying compliance with such covenants on the Effective Date;
 - the Regulatory Approvals will have been obtained on terms satisfactory to Emera;

- all necessary waivers, consents, permits, orders and approvals from other parties to material agreements and other contracts or agreements will have been obtained on terms satisfactory to Emera;
 - no Material Adverse Effect will have occurred or arisen since the date of the Transaction Agreement or have been disclosed to the public after the date of the Transaction Agreement (if previously undisclosed to the public); and
 - holders of no more than 5% of all of the issued and outstanding Common Shares will have validly exercised Dissent Rights (and will not have withdrawn such rights in respect of the Merger).
- ***Conditions Precedent to the Obligations of ICDU:*** The obligation of ICDU to consummate the Merger, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:
 - Certain representations and warranties of EUHL and Emera qualified by materiality will be true and correct as of the date of the Transaction Agreement and the effective time of the Merger, and all other representations and warranties of Emera and EUHL will be true and correct as of the date of the Transaction Agreement and the effective time of the Merger, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which will be determined as of such specified date, and except in each case where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not prevent completion of the Merger or the Redemption, and EUHL has delivered a certificate confirming same to ICDU, executed by two officers of EUHL (in each case without personal liability) addressed to ICDU and dated the Effective Date;
 - EUHL and Emera will have complied in all material respects with their respective covenants in the Transaction Agreement and EUHL will have provided to ICDU a certificate of two senior officers of EUHL certifying compliance with such covenants on the Effective Date; and
 - All governmental authorizations in The Bahamas required by ICDU in order to proceed with the Merger will have been obtained in a manner satisfactory to ICDU, acting reasonably.
 - ***Termination of the Transaction Agreement:*** The Transaction Agreement may be terminated by notice in writing from the party terminating the Transaction Agreement to the other parties at any time prior to the effective time of the Merger (unless otherwise stated):
 - by mutual written consent of the parties;

- by Emera, on its own behalf and on behalf of EUHL, if, at any time:
 - (i) ICDU is in default of certain covenants or obligations relating to non-solicitation or Change of Recommendation;
 - (ii) ICDU has breached any other covenant or obligation under the Transaction Agreement except for breaches that individually or in the aggregate, do not, and could not reasonably be expected to, have a Material Adverse Effect or prevent, restrict or materially delay the completion of the Transaction; or
 - (iii) any representation or warranty made by ICDU in the Transaction Agreement will have been at the date of the Transaction Agreement untrue or incorrect or will have become untrue or incorrect at any time prior to the effective time of the Merger other than any breach or failure of such representations and warranties to be true and correct that, individually or in the aggregate, do not constitute or could not reasonably be expected to constitute, or could not reasonably be expected to result in, a Material Adverse Effect or prevent, restrict or materially delay the completion of the Transactions;
 - (iv) if the Board of Directors or any committee thereof will have effected a Change of Recommendation or publicly proposed to do so; or
 - (v) if any litigation or other proceeding is pending or has been threatened to be instituted by any Person or Governmental Authority, which, in the good faith judgment of Emera or EUHL, could reasonably be expected to result in a decision, order, decree or ruling that enjoins, prohibits, grants damages in a material amount in respect of, or materially impairs the benefits of, any of the Transaction; or
- by Emera, on its own behalf and on behalf of EUHL, or ICDU if:
 - (i) the Merger Resolution has not been approved and adopted at the Meeting;
 - (ii) the effective time of the Merger does not occur on or prior to the Outside Date, provided that a party may not terminate the Transaction Agreement pursuant to this provision if the failure of the effective time of the Merger to occur has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Transaction Agreement; or
 - (iii) any court of competent jurisdiction or other Governmental Authority of competent jurisdiction will have issued an order or taken any other action permanently enjoining or otherwise prohibiting the making or completion of the Transaction and such order or other action will have become final and non-appealable.

Shareholder Approvals

The text of the Merger Resolution is set forth in Exhibit “A” to this Circular. To become effective, the Merger Resolution must receive the following approvals:

1. approval by Shareholders (whether present at the Meeting in person or by proxy) together holding or representing 75% or more of the total issued and outstanding Common Shares (and not just those Common Shares represented at the Meeting), including the Common Shares held by EUHL (equal to approximately 60.74% of the total issued and outstanding Common Shares); and
2. “majority of the minority” approval, meaning approval of the Merger Resolution by not less than 50% of the votes cast at the Meeting on the Merger Resolution by Shareholders (other than EUHL) present in person or by proxy at the Meeting.

EUHL, which holds approximately 60.74% of the issued and outstanding Common Shares, has advised ICDU that all of the Common Shares owned by it will be voted **FOR** the Merger Resolution.

As noted above, the Independent Directors have unanimously resolved to recommend that Minority Shareholders vote **FOR** the Merger Resolution. The persons designated as proxy holders by ICDU in the accompanying form of proxy (the “**Specified Proxyholders**”) will vote the Common Shares represented by each proxy received in connection with the Meeting for the Merger Resolution unless specifically directed otherwise by the Shareholder giving such proxy.

Dissenting Shareholders will be entitled to be paid the fair value of their Common Shares in accordance with and subject to strict compliance with the provisions of section 159 of the Companies Act. For a full description of such dissent rights, see “*Information Regarding the Merger - Right to Dissent*” below and Exhibit “D” and Exhibit “E” to this Circular.

Regulatory and Stock Exchange Approvals

In addition to the approvals of the Shareholders outlined above, the completion of the Transaction will require certain governmental and stock exchange approvals. Applications with respect to all such approvals have been submitted by Emera, EUHL and/or ICDU, as applicable. As of the date of this Circular, the Bahamas Investment Authority provided its approval of the Transaction and the Central Bank of The Bahamas has confirmed its approval in principle of the Transaction. In addition, the TSX has provided its conditional approval for the listing of the Underlying Emera Shares (subject to the satisfaction of customary conditions in connection with the closing of the Transaction) and the Securities Commission of The Bahamas has confirmed that its approval is not required for the Transaction. Final approval of the Central Bank of The Bahamas is subject to the satisfaction of certain conditions, including the delivery of the articles of merger for Mergeco upon completion of the Merger. Emera has applied to have the Depositary Receipts listed on the BISX. Receipt of these remaining approvals are conditions to completion of the Redemption in the Transaction Agreement. See “*Conditions Precedent to the Obligations of Emera and EUHL*” for additional information.

Purpose of the Merger and Plans for ICDU

Emera is proposing to acquire all of the outstanding Common Shares it does not already own indirectly through EUHL. If the Transaction is completed, EUHL intends to delist the Common Shares from the BIXX following the Redemption. It is not currently intended that the management and operation of GBPC will change following the Transaction.

Effect of the Merger on Shareholders; Consideration

If the Merger Resolution is approved and the other conditions in the Transaction Agreement are satisfied or waived, then the Merger will be completed upon substantially the terms and conditions set forth in the Plan of Merger and, on the Effective Date, Shareholders (other than Dissenting Shareholders) will receive, for each Common Share held by them, one Mergeco Redeemable Preferred Share. The Newco Common Shares beneficially owned by EUHL immediately prior to the Merger will be cancelled and replaced by Mergeco Common Shares on a one-for-one basis as a result of the Merger.

On the Redemption Date, each Mergeco Redeemable Preferred Share held by a Minority Shareholder will be redeemed for:

1. \$8.85 in cash (the “**Cash Alternative**”); or
2. 0.913 Depositary Receipts, each Depositary Receipt initially representing an interest in one quarter of a common share in the capital of Emera (the “**DR Alternative**”),

or a combination of the Cash Alternative and the DR Alternative, as elected by such Shareholder.

Any Minority Shareholder who does not validly deliver the required documentation electing the Cash Alternative in respect of some or all of the Common Shares held by such Shareholder to the Manager as provided in this Circular by 5:00 p.m. (Freeport time) on November 27, 2017 will be deemed to have elected to receive the DR Alternative in respect of all of the Common Shares held by such Shareholder.

In order to simplify the mechanics for implementing the Transaction, each Mergeco Redeemable Preferred Share held by EUHL will be redeemed for Mergeco Common Shares having a fair market value equal to \$8.85 (such number of shares to be determined by the board of directors of Mergeco), rather than for cash or Depositary Receipts. This approach reflects the fact that, following the completion of the Redemption, EUHL will be the sole shareholder of Mergeco.

Election of Consideration

Each Minority Shareholder will be able to specify the percentage of Common Shares with respect to which such Minority Shareholder elects to receive the Cash Alternative or the DR Alternative upon the Redemption.

A Minority Shareholder who does not make a valid election with respect to the Consideration to be paid on the Redemption, or who does not validly deliver the required documentation electing the Cash Alternative in respect of some or all of the Common Shares held

by such Shareholder to the Manager as required by this Circular, by 5:00 p.m. (Freeport time) on November 27, 2017 will be deemed to have elected to receive the DR Alternative in respect of all of the Common Shares held by such Shareholder.

Notwithstanding the foregoing, no Depositary Receipts are being offered to, nor may any Depositary Receipts be delivered to, any Minority Shareholder in the United States, and each Minority Shareholder in the United States shall receive the Cash Alternative for each Common Share being acquired from such Shareholder.

Fractional Depositary Receipts will not be issued. Where the aggregate number of Depositary Receipts to be issued to any Minority Shareholder in exchange for such Shareholder's Common Shares would result in a fraction of a Depositary Receipt being issuable, the number of Depositary Receipts to be received by such Shareholder will be rounded down to the nearest whole Depositary Receipt and, in lieu of a fractional Depositary Receipt, the Minority Shareholder will receive a cash payment determined on the basis of an amount equal to the amount of cash per Common Share payable under the Cash Alternative multiplied by the amount of the fractional Depositary Receipt that would otherwise have been issued to such Shareholder. All cash payable in lieu of fractional Depositary Receipts will be payable in Bahamian dollars.

Effect of Merger

Upon the implementation of the Merger, EUHL will receive one Mergeco Common Share for each Newco Common Share held by it. EUHL will be the only holder of Mergeco Common Shares following the Merger.

The terms of the Mergeco Redeemable Preferred Shares require Mergeco to redeem each Mergeco Redeemable Preferred Share in accordance with its terms on the Redemption Date in the manner described above under "*Effect of the Merger on Shareholders; Consideration*". There are no reasonable grounds for believing that ICDU is or that Mergeco would, after the payment of the Consideration, be unable to pay its liabilities as they become due; or that the realisable value of its assets would, after the payment, be less than the aggregate of its liabilities. Following the completion of the Redemption, EUHL will be the sole shareholder of Mergeco.

Plan of Merger

If the Merger Resolution is approved, then the Merger will be completed upon substantially the terms and conditions set forth in the Plan of Merger. A copy of the form of Plan of Merger is attached as Exhibit "B" to this Circular. For a full description of the provisions of the Mergeco Common Shares and the Mergeco Redeemable Preferred Shares see the Plan of Merger.

Subject to the approval of the Merger Resolution and the satisfaction or waiver of the other conditions and the filing of articles of merger, the Merger is expected to become effective on the Effective Date.

Procedure for Receipt of Consideration

If the Merger Resolution is approved at the Meeting then, upon completion of the Merger on the Effective Date then:

- Shareholders (other than Dissenting Shareholders) will receive Mergeco Redeemable Preferred Shares.
- The Mergeco Redeemable Preferred Shares held by Minority Shareholders will subsequently be redeemed for the applicable Consideration on the Redemption Date.

No certificates or other evidence of ownership will be issued in respect of Mergeco Redeemable Preferred Shares.

Payment and Delivery of the Consideration to Registered Shareholders

Following completion of the Merger, in order for a registered Minority Shareholder to receive the Cash Alternative or a combination of the Cash Alternative and the DR Alternative on the Redemption Date, such Shareholder must deliver to the Manager a properly completed Election Notice, together with any evidence of ownership representing such Shareholder's Common Shares and such other additional documents as are specified in the instructions set out in the Election Notice or which the Manager may otherwise reasonably require:

- in person at one of the Shareholder Forums;
- in person or by mail at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F – 42643, Freeport, The Bahamas);
- by facsimile at 242.393.4639 (where applicable); or
- by email at ICDUMeeting@cfal.com (where applicable).

All such documentation must be received by no later than 5:00 p.m. (Freeport time) on November 27, 2017. Shareholders that have physical evidence of ownership of their Common Shares should contact the Manager right away to confirm whether or not they can validly submit an Election Notice and other required documentation by facsimile or by email.

Any Minority Shareholder who does not validly deliver the required documentation to the Manager as required by this Circular by 5:00 p.m. (Freeport time) on November 27, 2017 will be deemed to have elected to receive the DR Alternative in respect of all Common Shares held by such Shareholder. However, Shareholders in the United States will, in any case, receive the Cash Alternative.

On or as soon as reasonably practicable after the Redemption Date, Mergeco will, or will cause BCSD or the Manager, as the case may be, to, pay the applicable Consideration for the

Mergeco Redeemable Preferred Shares (for the avoidance of doubt, other than shares held by Dissenting Shareholders) to the applicable Minority Shareholder.

Cash Consideration

Mergeco will pay the cash component of the Consideration by providing BCSD with the cash component of the Consideration, including sufficient funds to pay for fractional Depositary Receipts and those Shareholders in the United States who are required to receive the Cash Alternative, in the form of sufficient funds for payment of the cash component of the Consideration for transmittal to Minority Shareholders that have validly delivered the required documentation as provided in this Circular and have elected to the Cash Alternative or a combination of the Cash Alternative and the DR Alternative and for those Shareholders that are entitled to receive a cash payment as a result of the rounding down of the number of Depositary Receipts that would otherwise have been issued to such Shareholder. BCSD will act as the agent of such Shareholders for the purposes of receiving the cash component of the Consideration and transmitting such cash component of the Consideration to such Shareholders.

Receipt by BCSD of cash representing the cash component of the Consideration payable to such Shareholders will be deemed to constitute receipt of payment by such Shareholders. Under no circumstances will interest on any Consideration be paid by Emera, EUHL, Mergeco or BCSD by reason of any delay in paying or delivering the applicable Consideration or otherwise.

Depositary Receipt Consideration

Mergeco will direct Emera to deposit, on behalf of the Minority Shareholders that have elected to receive Consideration in the form of the DR Alternative and those who are deemed to have elected to receive the DR Alternative, sufficient Underlying Emera Shares into the Depositary Receipt custody accounts (the “**Custody Accounts**”) to be maintained by the Custodian in connection with the Depositary Receipts. The Custodian will receive and hold such Underlying Emera Shares in its capacity as custodian for BCSD, in its capacity as the “**DR Depositary**” in accordance with the terms and conditions of the Deposit Agreement and a custodial services agreement between Emera, the Custodian and the DR Depositary.

Upon receipt by the DR Depositary of: (i) confirmation from the Custodian that sufficient Underlying Emera Shares have been deposited into the Custody Accounts; and (ii) written instructions from Mergeco and BCSD that (x) set out the number of Depositary Receipts to be issued to BCSD (the “**Consideration DRs**”); and (y) instruct the DR Depositary to issue the Consideration DRs to the Custody Accounts, the DR Depositary will issue the applicable number of Consideration DRs for transmittal by BCSD (in its capacity as registrar and transfer agent) to the Shareholders that have elected or are deemed to have elected to receive Consideration in the form of the DR Alternative.

BCSD (in its capacity as registrar and transfer agent) will act as the agent of such Shareholders for the purposes of receiving the Consideration DRs and transmitting such Consideration DRs to each such Shareholder. Receipt of the Consideration DRs by BCSD in such capacity will be deemed to constitute receipt of payment by such Shareholders.

Upon the issuance and delivery of the Consideration DRs, each Shareholder who has elected the DR Alternative or is deemed to have elected the DR Alternative will become a party to the Deposit Agreement, and the names of each such Shareholder will be added to the register of holders of Depositary Receipts maintained by the DR Depositary.

Other Matters

Subject to the foregoing and unless otherwise directed by the Election Notice, the Depositary Receipts and/or cheque, direct deposit or other electronic transfer will be issued in the name of the registered Shareholder who delivered the Common Shares. Unless a Shareholder receiving the cash portion of the Consideration by cheque instructs BCSD to hold the cheque for pick-up by checking the appropriate box in the Election Notice, the cheque will be forwarded by first-class mail to such person at the address specified in the Election Notice. If no such address is specified, the cheque will be sent to the address of the Shareholder as shown on the securities register maintained by or on behalf of ICDU. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing.

Under no circumstances will any amount be paid by Emera, EUHL, Mergeco or by the Manager, BCSD or the Custodian by reason of any delay in paying or delivering the Consideration in connection with any Common Shares held by, or in making any payments in lieu of fractional Depositary Receipts to, any person on account of Common Shares.

Lost Evidence of Ownership

Not all Shareholders will have received physical evidence of their ownership of Common Shares – this is not a problem. However, any Shareholder who has received such evidence of ownership who has lost or misplaced his, her or its evidence of ownership Common Shares should complete the Election Notice as fully as possible and forward it, together with a letter describing the loss, to the Manager. The Manager will assist in making the necessary arrangements (which may include delivery of an affidavit of loss and a surety bond to protect ICDU if the original evidence of ownership is negotiated) for payment of the applicable Consideration in connection with the Merger. Such registered Shareholders should ensure that suitable contact information is provided in the Election Notice so that the Manager may contact them.

Method of Delivery of Evidence of Ownership and Election Notice

The method of delivery of the Election Notice, any evidence of ownership of the Common Shares in the possession of the Shareholder and all other required documents is at the option and risk of the person delivering them. ICDU recommends that such documents be delivered by hand to the Manager, at one of the Shareholders Forums or at the office noted in the Election Notice, and that a receipt be obtained therefor, or if mailed, that registered mail, with return receipt requested, be used, and that proper insurance be obtained.

ICDU Discretion Regarding Delivery

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of the Election Notice and all other required documents delivered in connection with the Merger

shall be assessed by ICDU and/or Mergeco in its sole discretion and such determination shall be final and binding. ICDU and/or Mergeco reserves the absolute right to reject any and all deliveries which it determines not to be in strict compliance with the Election Notice, the requirements of this Circular or the applicable share terms or other constating documents of Mergeco, or which it may be unlawful for ICDU and/or Mergeco to accept under the laws of any jurisdiction. There shall be no duty or obligation of ICDU and/or Mergeco, the Manager or any other person to give notice of any defects or irregularities in any delivery of documents contemplated by this Circular (including the Election Notice) and no liability shall be incurred by any of them for failure to give any such notice.

Limitation

On the Effective Date, each registered Shareholder will be removed from the Shareholders' register of ICDU and added to the register of holders of Mergeco Redeemable Preferred Shares. On the Redemption Date, each registered holder of Mergeco Redeemable Preferred Shares will, following receipt of the applicable Consideration, be removed from the shareholders' register of Mergeco and, from and after such date, any evidence of ownership of Common Shares of such former Shareholder (other than a Dissenting Shareholder) that has not been validly surrendered (together with a properly completed Election Notice and such other additional documents as are specified in the instructions set out in the Election Notice or which the Manager may otherwise reasonably require) will have no further rights and will be automatically cancelled.

Non-registered Shareholders

Non-registered Shareholders (that is, Shareholders whose Common Shares are registered in the name of an intermediary, such as a securities broker, financial institution, trustee or custodian) should carefully follow the instructions that they receive from their intermediary in order to ensure that their Common Shares are surrendered and that they receive the applicable Consideration. For more information, non-registered Shareholders should contact their intermediary.

Certain Tax Considerations

The summary of principal Bahamas tax considerations and Canadian non-resident withholding tax considerations contained in this section is not exhaustive of all tax considerations in The Bahamas, Canada or elsewhere and is of a general nature only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representations with respect to the tax consequences to any particular Shareholder are made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, state or other local tax authority.

Bahamas Tax Consequences

The following summary describes the principal Bahamas tax considerations generally applicable to a beneficial holder of Common Shares who receives Mergeco Redeemable Preferred

Shares pursuant to the Merger and whose Mergeco Redeemable Preferred Shares are subsequently redeemed pursuant to the Redemption.

The Merger and Redemption Generally

Stamp Duties: As the Common Shares are listed on the BIX in the Bahamas, there should be no adverse stamp duty implications associated with the Merger. The Redemption of the Minority Shareholders' Mergeco Redeemable Preferred Shares may attract stamp duty. However, Mergeco intends to bear the full cost of any stamp duty payable as a result of the Redemption.

Capital Gains Tax: There is no capital gains tax in The Bahamas. Therefore, capital gains arising on the redemption, sale, transfer or other disposition of the Common Shares or Mergeco Redeemable Preferred Shares should not be subject to capital gains tax in The Bahamas.

Income and Corporation Taxes: There are no income or corporation taxes in The Bahamas. Therefore, where a Shareholder holds the Common Shares or Mergeco Redeemable Preferred Shares as a trading asset in a business or otherwise holds the asset so that income from the sale thereof would ordinarily be treated as revenue in character, no taxes should be payable in The Bahamas.

Withholding Tax: There are no withholding taxes applicable in The Bahamas. As such, neither the Merger nor the Redemption of the Mergeco Redeemable Preferred Shares should attract any adverse withholding tax consequences.

Value Added Tax: As ICDU does not directly own real estate, neither the Merger nor the redemption of the Mergeco Redeemable Preferred Shares should not attract value added tax.

Canadian Withholding Tax on Dividends Paid on the Underlying Emera Shares

Dividends and certain other distributions paid in respect of the Underlying Emera Shares, all or a portion of which would subsequently be distributed to holders of Depositary Receipts in accordance with the Deposit Agreement, are expected to be subject to Canadian non-resident withholding tax. The Canadian non-resident withholding tax rate on such dividends or other distributions is not expected to be less than 25% where the beneficial holders of the Underlying Emera Shares are residents of The Bahamas, but such rate may be lower for some holders of Depositary Receipts who are not residents of The Bahamas. The amount of such dividend or other distribution available for distribution to holders of Depositary Receipts will be reduced accordingly.

Right to Dissent

Under the provisions of section 159 of the Companies Act, subject to strict compliance with the provisions of that section, a registered member of a company has the right to dissent from a merger transaction and to be paid the fair value of his, her or its shares unless the company will be the surviving company and the member will continue to hold the same or similar shares ("**Dissent Rights**"). Accordingly, Shareholders will have Dissent Rights in relation to the Merger and may dissent in respect of the vote on the Merger Resolution. In the event that the Merger is

approved by shareholders and subsequently completed, Shareholders who strictly comply with the provisions of section 159 of the Companies Act will be entitled to be paid the fair value of their Common Shares in cash.

The Dissent Rights of Shareholders and the dissent procedure provided by section 159 of the Companies Act are summarized in Exhibit “D”, and the text of sections 159 of the Companies Act is set out in Exhibit “E” to this Circular. The exercise of Dissent Rights is technical and complicated and strict compliance with the statutory requirements is required. Accordingly, any Shareholder wishing to exercise Dissent Rights should seek legal advice.

Expenses of the Proposed Transaction

ICDU and, after the implementation of the Merger, Mergeco, will pay its own costs relating to the Transaction, including legal, accounting, filing and printing costs and the preparation of this Circular. Emera and/or EUHL will pay their own costs relating to the Transaction.

INFORMATION REGARDING ICDU

Introduction

ICDU controls 50% of GBPC, a vertically-integrated utility and the sole provider of electricity on Grand Bahama Island in The Bahamas with approximately CDN\$0.4 billion of assets. GBPC serves approximately 19,000 customers, has a workforce of approximately 200 employees and is regulated by the GBPA. The GBPA has granted GBPC a licensed, regulated and exclusive franchise to generate, transmit and distribute electricity on the island until 2054. GBPC’s approved regulated return on rate base was 8.8% for 2016 and 10% for 2015. A fuel pass-through mechanism provides the opportunity to recover fuel costs in a timely manner.

On June 29, 2012, GBPC announced a new regulatory rate structure which was approved by the GBPA and became effective July 1, 2012. The new regulatory rate structure consists of two components: (i) a base rate intended to recover GBPC’s operating expenses, depreciation and return on capital investment; and (ii) a fuel charge intended to recover all of GBPC’s fuel costs. On January 17, 2013, GBPC and the GBPA finalized an Operating Protocol and Regulatory Framework agreement which formalized the operating protocols and regulatory construct that GBPC had previously agreed to in principle.

Effective February 1, 2016, the GBPA approved GBPC’s regulated return on base of 8.8% for the 2016 through 2018 period. Residential customers will see decreases of up to 4.5%, while commercial customers will see an increase of 1.5%. This rate decision also allowed customers to install renewable energy systems and sell their excess energy to GBPC via a renewable energy rider.

In October 2016, the island of Grand Bahama took a direct hit from Hurricane Matthew. GBPC’s generation and substation infrastructure weathered the storm well; however, over 2,100 transmission and distribution poles and related conduit were damaged or destroyed, as were many connections to customer homes. Restoration efforts are now completed.

In December 2016, the GBPA approved that over the five year period of 2017 to 2021, the all-in rate for electricity (fuel and base rates) will be held at 2016 levels. Any over-recovery of fuel costs during this period will be applied to the Hurricane Matthew regulatory deferral, until such time as the deferral is recovered. Should GBPC recover funds in excess of the Hurricane Matthew regulatory deferral, the excess will be placed in a new storm reserve. If balances remain within the Hurricane Matthew deferral at the end of five years, GBPC will have the opportunity to request recovery from customers in future rates.

As a component of the Operating Protocol and Regulatory Framework agreement, GBPC has an earnings share mechanism to allow for earnings on rate base to be deferred to a regulatory asset or liability at the rate of 50% of amounts below a 7.8% return on rate base and 50% of amounts above 9.8% return on rate base respectively.

ICDU is incorporated under the laws of The Bahamas and its mailing address is Suite 1, Chancery House, The Mall, P.O. Box F-40437, Freeport, Grand Bahama, The Bahamas. ICDU does not have a dedicated website, telephone number or email address. All questions regarding the Meeting or the Transaction should be addressed in the first instance to the Manager using the contact details provided elsewhere in this Circular.

Share Capital of ICDU

ICDU is authorized to issue 10,000,000 Common Shares. As of the date hereof, there are 10,000,000 Common Shares validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of ICDU.

Price Range and Trading Volumes of the Common Shares

The Common Shares are traded on the BISX. The following table sets forth the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the BISX for the periods indicated. On October 12, 2017, the closing price of the Common Shares on the BISX was \$7.01.

	High (\$)	Low (\$)	Volume
2016			
October	6.61	6.61	45,340
November	6.61	6.61	3,000
December	6.75	6.75	26,050
2017			
January	6.90	6.75	31,200
February	6.90	6.90	2,000
March	-	-	-

	High (\$)	Low (\$)	Volume
April	-	-	-
May	7.25	6.90	2,900
June	-	-	-
July	7.01	7.01	1,676
August	-	-	-
September	7.01	7.01	500
To October 12	-	-	-

ICDU Dividend Policy

Dividends on the Common Shares are declared at the discretion of the Board of Directors. ICDU paid per share cash dividends on the Common Shares of \$0.14 in 2017, \$0.12 in 2016 and \$0.12 in 2015.

INFORMATION REGARDING EMERA AND NEWCO

Emera

Emera is a geographically diverse energy and services company with approximately CDN\$29 billion in assets and 2016 revenues of CDN\$4.28 billion. Emera invests in electricity generation, transmission and distribution, gas transmission and distribution, and utility energy services with a strategic focus on transformation from high carbon to low carbon energy sources.

Emera is targeting 8% annual dividend growth through 2020. The acquisition of TECO Energy, Inc. (“**TECO Energy**”) on July 1, 2016 has enabled Emera to meet its strategic goal of having 75% to 85% of its adjusted net income derived from rate regulated operations, which generally contribute strong, predictable earnings and cash flows that fund dividends, reinvestment and are reflective of Emera’s risk tolerance. Emera has grown its asset base to enable growth and deliver on its strategic objectives. Over the last 10 years, Emera’s ability to raise the capital necessary to fund investments has been a strong enabler of Emera’s growth. This was demonstrated in Emera’s financing of the TECO Energy acquisition. In addition to access to debt and equity capital markets, cash flow from operations will continue to play a role in financing Emera’s future growth. Maintaining strong, investment grade credit ratings is an important component of Emera’s financing strategy.

Emera Incorporated was incorporated on July 23, 1998 pursuant to the *Companies Act* (Nova Scotia). Emera’s principal, head and registered office is located at 1223 Lower Water Street, Halifax, Nova Scotia B3J 3S8.

Share Capital of Emera

Authorized and Outstanding Capital

The authorized capital of Emera consists of an unlimited number of Emera Shares, an unlimited number of first preferred shares, issuable in series (the “**First Preferred Shares**”) and an unlimited number of second preferred shares, issuable in series (the “**Second Preferred Shares**”). As at June 30, 2017, 212,155,352 Common Shares, 3,864,636 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (the “**First Preferred Shares, Series A**”), 2,135,364 Cumulative Floating Rate Reset First Preferred Shares, Series B (the “**First Preferred Shares, Series B**”), 10,000,000 Cumulative Rate Reset First Preferred Shares, Series C (the “**First Preferred Shares, Series C**”), 5,000,000 Cumulative Redeemable First Preferred Shares, Series E (the “**First Preferred Shares, Series E**”) and 8,000,000 Cumulative Rate Reset First Preferred Shares, Series F (the “**First Preferred Shares, Series F**”) were issued and outstanding. The Emera Shares, 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 are listed on the TSX under the symbols “EMA”, “EMA.PR.A”, “EMA.PR.B”, “EMA.PR.C”, “EMA.PR.E”, and “EMA.PR.F”, respectively. Depositary receipts representing Emera Shares are listed on the Barbados Stock Exchange under the symbol “EMABDR”.

Description of Rights Attaching to Emera Shares

Dividends. Holders of Emera Shares are entitled to dividends on a *pro rata* basis, as and when declared by the Emera Board. Subject to the rights of the holders of the First Preferred Shares and the Second Preferred Shares, who are entitled to receive dividends in priority to the holders of the Emera Shares, the Emera Board may declare dividends on the Emera Shares to the exclusion of any other class of shares of Emera.

Liquidation, Dissolution or Winding-Up. On the liquidation, dissolution or winding-up of Emera, holders of Emera Shares are entitled to participate ratably in any distribution of assets of Emera, subject to the rights of holders of First Preferred Shares and Second Preferred Shares who are entitled to receive the assets of Emera on such a distribution in priority to the holders of Emera Shares.

Voting Rights. Holders of the Emera Shares are entitled to receive notice of and to attend all annual and special meeting of the shareholders of Emera, other than separate meetings of holders of any other class or series of shares, and to one vote in respect of each Emera Share held at any such meeting.

Constraints on Emera Share Ownership

As required by the *Nova Scotia Power Reorganization (1998) Act* (Nova Scotia) and pursuant to the *Nova Scotia Power Privatization Act* (Nova Scotia), the Articles of Association of Emera (the “**Emera Articles**”) provide that no person, together with associates thereof, may subscribe for, have transferred to that person, hold, beneficially own or Control, directly or indirectly, otherwise than by way of security only, or vote, in the aggregate, voting shares of Emera to which are attached more than 15% of the votes attached to all outstanding voting shares of

Emera. Non-residents of Canada may not subscribe for, have transferred to them, hold, beneficially own or Control, directly or indirectly, otherwise than by way of security only, or vote, in the aggregate, voting shares of Emera to which are attached more than 25% of the votes attached to all outstanding voting shares of Emera. Votes cast by non-residents on any resolution at a meeting of shareholders of Emera will be *pro-rated* so that such votes will not constitute more than 25% of the total number of votes cast.

The Emera Shares and, in certain circumstances, 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, are considered to be voting shares for purposes of the constraints on share ownership.

The Emera Articles contain provisions for the enforcement of these constraints on share ownership including provisions for suspension of voting rights, forfeiture of dividends, prohibitions of share transfer and issuance, compulsory sale of shares and redemption, and suspension of other shareholder rights. The Emera Board may require shareholders to furnish statutory declarations as to matters relevant to enforcement of the restrictions.

Price Range and Trading Volume of Emera Shares

The Emera Shares are traded on the TSX. The following table sets forth the reported high and low daily trading prices and the aggregate volume of trading of the Emera Shares on the TSX for the periods indicated. On October 12, 2017, the closing price of the Emera Shares on the TSX was \$48.36.

	High (CDN\$)	Low (CDN\$)	Volume
2016			
September	48.51	46.27	11,609,233
October	47.68	45.40	11,065,916
November	47.06	44.16	19,898,691
December	45.62	43.76	11,886,126
2017			
January	46.31	44.68	11,413,321
February	46.50	44.77	11,645,836
March	47.65	45.10	15,113,354
April	47.94	46.73	7,960,839
May	48.37	46.15	11,136,681
June	49.24	47.75	13,630,381
July	48.35	45.90	9,647,318

	High (CDN\$)	Low (CDN\$)	Volume
August	48.22	46.27	8,841,035
September	48.16	45.89	12,427,767
To October 12	48.52	47.21	3,693,557

Prior Sales

Other than: (i) the issuance of 149,250 Emera Shares upon exercise of options to acquire Emera Shares granted pursuant to Emera's Senior Management Stock Option Plan at exercise prices ranging from CDN\$20.42 to CDN\$34.80 and having a weighted average exercise price of CDN\$25.42 per Emera Share; (ii) the issuance of 167,953 Emera Shares pursuant to Emera's Employee Common Share Purchase Plan at prices ranging from CDN\$45.26 to CDN\$48.73 and having a weighted average price of CDN\$47.04 per Emera Share; (iii) the issuance of 3,696,808 Emera Shares pursuant to Emera's Common Shareholders Dividend Reinvestment and Share Purchase Plan at prices ranging from CDN\$42.98 to CDN\$47.19 and having a weighted average price of CDN\$43.98 per Emera Share; (iv) the issuance of 7,624,500 Emera Shares at CDN\$45.25 per Emera Share pursuant to an offering in December 2016, the proceeds of which were used for general corporate purposes, and (v) the issuance of 179,458 Emera Shares to holders of convertible debentures upon the conversion of certain of such debentures in accordance with their terms, Emera has not issued any Emera Shares during the twelve months prior to the date of this Circular.

Emera Dividend Policy

Dividends on the Emera Shares are declared at the discretion of the Board of Directors. Emera paid quarterly per share cash dividends on its Emera Shares which resulted in the aggregate amount of CDN\$1.9950 in 2016, CDN\$1.6625 in 2015 and CDN\$1.4750 in 2014. In August 2015, Emera increased its annual dividend growth target from 6% to 8% through 2019 and the Emera Board approved a 19% increase in its annual Emera Share dividend rate from CDN\$1.60 to CDN\$1.90 per Emera Share. In July 2016, Emera extended its annual dividend growth target of 8% through 2020 and approved a 10% increase in its annual Emera Share dividend rate, effective August 15, 2016, from CDN\$1.90 per Emera Share to CDN\$2.09 per Emera Share. On September 29, 2017, Emera approved a further increase in its annual Emera Share dividend rate to CDN\$2.26 per Emera Share, effective November 15, 2017.

Regular quarterly dividends at the prescribed rate have been paid on all of the First Preferred Shares, Series A, the First Preferred Shares, Series B, the First Preferred Shares, Series C, the First Preferred Shares, Series E and the First Preferred Shares, Series F.

Newco

Newco was incorporated under the Companies Act and is a wholly-owned subsidiary of EUHL. Newco has not and will not carry on any business prior to the date of the Redemption Date.

Newco's registered office and records office is located at 4 George Street, Mareva House, P.O. Box N-3937, Nassau, The Bahamas.

INFORMATION REGARDING DEPOSITARY RECEIPTS

The following is a summary of the terms and conditions of the Deposit Agreement pursuant to which the Depositary Receipts will be issued and of certain rights attaching to the Depositary Receipts. This summary is not intended to be complete and is qualified in its entirety by the terms of the Deposit Agreement which will be available for inspection at the DR Depositary's offices. A copy of the Deposit Agreement may also be obtained on the website of the DR Depositary at the following address: www.bcsd.bs.

The Depositary Receipts are similar to American Depositary Receipts and the Emera depositary receipts which currently trade on the Barbados Stock Exchange under the symbol "EMABDR". Emera has submitted an application to have the Depositary Receipts listed on the BISX following the Redemption and the approval of the Depositary Receipts for listing is a condition to the completion of the Transaction. The DR Depositary will issue the Depositary Receipts and will maintain or cause to be maintained a register on which all issuances and transfers of Depositary Receipts will be recorded. Each Depositary Receipt will initially represent an interest in one quarter of an Emera Share. These Emera Shares will be registered in the name of the Custodian, or in the name of a sub-custodian appointed by it. Each Depositary Receipt will also represent any and all other securities, property and cash held at such time by the Custodian, the DR Depositary or their respective agents attributable to such Emera Shares (together with the Emera Shares, the "**Deposited Property**"), subject to the terms of the Deposit Agreement. The DR Depositary's office at which the Depositary Receipts will be administered is located at British Colonial Hilton, Fort Nassau Centre, 2nd Floor, Suite 202, West Bay Street, Nassau, The Bahamas.

The holders of Depositary Receipts will hold their Depositary Receipts in uncertificated form. If a holder of Depositary Receipts holds indirectly through a broker or other financial institution, that holder will need to rely on the procedures of their broker or other financial institution to assert their rights and should consult with their broker or financial institution to find out what those procedures are.

The Deposit Agreement sets out Depositary Receipt holder rights together with the rights and obligations of the DR Depositary. The laws of The Bahamas govern the Deposit Agreement and the Depositary Receipts. Holders of Depositary Receipts will have the rights provided for in the Deposit Agreement, the material provisions of which are described below (such summary is qualified in its entirety by the full text of the Deposit Agreement, which is available at the link set out above). Although many of these rights are similar to the rights of shareholders of Emera, it is important to note that holders of Depositary Receipts will not be treated as shareholders of Emera and will not have all of the same rights as shareholders of Emera.

Dividends and Other Distributions

The Deposit Agreement provides for the payment to Depositary Receipt holders of cash dividends or other distributions made on Emera Shares or other Deposited Property and which are received by the DR Depositary and/or the Custodian, in each case after deducting fees, expenses

and taxes as provided for in the Deposit Agreement. Depositary Receipt holders will generally receive these distributions in proportion to the number of Emera Shares represented by their Depositary Receipts, subject to certain exceptions.

Cash. Any cash dividend or other cash distribution paid by Emera on the Deposited Property will, subject to the mechanics provided for in the Deposit Agreement, generally be distributed by the DR Depositary (net of applicable withholding taxes) in Bahamian currency, unless any required currency conversion cannot be done on a reasonable basis. In such case, or if any government approval is needed and it is determined that such approval is not reasonably obtainable, the Deposit Agreement provides that the foreign currency may be distributed to, or held uninvested and without liability for interest thereon for the respective accounts of, holders of Depositary Receipts entitled to receive the same. ICDU can offer no assurance as to what the prevailing exchange rate for converting Canadian dollars to Bahamian dollars will be from time to time.

Shares. The DR Depositary may (or shall, if requested by Emera) distribute additional Depositary Receipts representing any Emera Shares distributed by Emera as a dividend or free distribution. The DR Depositary will only distribute whole Depositary Receipts. The DR Depositary will direct the Custodian to sell Emera Shares which would require the DR Depositary to deliver a fractional Depositary Receipt and distribute the net proceeds in the same way as it does with cash. If the DR Depositary does not distribute additional Depositary Receipts, the outstanding Depositary Receipts will also represent the new Emera Shares.

Rights to purchase additional Emera Shares. If Emera offers each holder of Emera Shares pre-emptive rights entitling each such holder to acquire Emera Shares or any rights of any other nature, the DR Depositary will determine a process for making these rights available to Depositary Receipt holders or for disposing of such rights and making the net proceeds available to such Depositary Receipt holders.

If the DR Depositary distributes any rights to some or all of the Depositary Receipt holders then it will, upon written instruction and receipt of the exercise price and any other charges the rights require the Depositary Receipt holder to pay, exercise the rights on behalf of such Depositary Receipt holder. The DR Depositary will then deposit the Emera Shares or other property in accordance with the Deposit Agreement and issue Depositary Receipts to the relevant Depositary Receipt holder (if applicable).

Other Distributions. In the event of any other distribution on the Emera Shares or other Deposited Property, the DR Depositary will distribute the securities or other property received in any manner that the DR Depositary reasonably deems is legal, equitable and practicable for accomplishing such distribution. If such distribution cannot be made proportionately among holders of Depositary Receipts (including any requirement that Emera or the DR Depositary withhold an amount on account of taxes or otherwise) or is not otherwise practicable, then another equitable and practicable method may be adopted for the purpose of making such distribution. The DR Depositary may withhold any such distribution in certain circumstances, including if it has not received reasonably satisfactory assurances that such distribution is in compliance with applicable laws.

The DR Depository is not responsible if it decides that it is not lawful or practicable to make a distribution available to any Depository Receipt holders. Emera has no obligation to take any action to permit the distribution of Depository Receipts, Emera Shares, rights or anything else to Depository Receipt holders. This means that Depository Receipt holders may not receive the distributions made by Emera on its Emera Shares or any value for them if it is illegal or impractical for them to be made available to Depository Receipt holders.

Issuance and Surrender of Depository Receipts

Issuance of Depository Receipts

The DR Depository will issue Depository Receipts if Emera Shares are deposited by Emera or any of its affiliates for and on behalf of Emera (or otherwise to the extent specifically contemplated by the Deposit Agreement) in accordance with the Deposit Agreement. Except as expressly contemplated by the Deposit Agreement, the DR Depository shall not accept or permit to be accepted, nor will it create or issue any Depository Receipts in connection with, any deposit of Emera Shares by a person other than Emera without Emera's prior written consent, which may be withheld in Emera's sole discretion.

Surrender Depository Receipts

To the extent permitted by applicable law, a Depository Receipt holder may surrender Depository Receipts by providing notice to the DR Depository pursuant to the Deposit Agreement and paying the applicable fees and deductions, at which time the DR Depository will (or will cause its agents, including the Custodian) to deliver the Deposited Property (including the applicable number of Emera Shares) represented by such surrendered Depository Receipts to either: (i) the DR Depository's office; or (ii) as such surrendering holder of Depository Receipts may otherwise direct (at such surrendering holder's sole risk and expense). Depository Receipt holders that surrender a number of Depository Receipts representing a fraction of a whole Emera Share shall be entitled to receive a cash payment equal to the closing price of the Depository Receipts on the BIX on the trading day the notice is delivered multiplied by the relevant fractional amount (or, if no such closing price is recorded and a mark-to-market price in respect of such trading day is provided by BIX, a cash payment equal to such mark-to-market price, and in any other case, a cash payment equal to the most recent closing price of the Depository Receipts). ICDU can offer no assurance to Shareholders as to their ability to surrender Depository Receipts in exchange for the relevant Deposited Property on terms favourable to such Shareholders or at all under applicable law in The Bahamas, and Shareholders are encouraged to speak to their own professional advisors with respect to the circumstances in which such Shareholder will be able to do so.

Voting of Deposited Property

Upon receipt of a voting materials in connection with a meeting at which the holders of Emera Shares or other Deposited Property are entitled to vote, the DR Depository will, as soon as reasonable practicable thereafter, deliver to the registered holders of Depository Receipts a notice which shall contain: (i) the voting materials; (ii) a statement that the holders as of the relevant record date will be entitled, subject to certain limitations, to instruct the DR Depository as to the exercise of the voting rights, if any, pertaining to the amount of Emera Shares or other Deposited

Property represented by their respective Depositary Receipts; and (iii) a statement as to the manner in which such instructions may be given to the DR Depository. For instructions to be valid, the DR Depository must receive them on or before the date specified in its notice.

The DR Depository will instruct the Custodian to vote or cause to be voted the number of Emera Shares or other Deposited Property represented by those Depositary Receipts for which voting instructions are received on or before the date specified by the DR Depository in its notice. The DR Depository will not (nor may it instruct the Custodian to) vote or attempt to exercise the right to vote that attaches to the Emera Shares or other Deposited Property other than in accordance with the instructions received from registered holders of Depositary Receipts.

However, there can be no assurance that holders of Depositary Receipts will receive sufficient notice prior to the voting instruction cut-off date to ensure that the DR Depository will be able to vote the applicable Emera Shares or other Deposited Property. The DR Depository and its agents (including the Custodian) are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. As a result, Depositary Receipt holders may not be able to exercise their rights to vote and there may be nothing they can do if their Emera Shares are not voted as requested.

Fees and Expenses

The fees and expenses of the DR Depository to be paid by Emera in connection with the services to be provided by the DR Depository shall be as agreed in writing by Emera and the DR Depository from time to time. The fees and expenses of the DR Depository to be paid by holders of Depositary Receipts in connection with the services to be provided by the DR Depository to such holders shall be as determined by the DR Depository with the prior written consent of Emera from time to time, and a list of such fees and expenses will be posted on the DR Depository's website.

Payment of Taxes

If any tax or other governmental charge shall become payable with respect to any Depositary Receipts or any Deposited Property represented by any Depositary Receipts (including amounts payable by the DR Depository or the Custodian), such tax or other governmental charge shall be payable by the registered holder of such Depositary Receipts to the DR Depository. The DR Depository shall not be obligated to make any distribution, register any transfer of those Depositary Receipts or any surrender of Deposited Property represented by those Depositary Receipts until such payment is made, and under the Deposit Agreement each holder will consent to the DR Depository withholding any dividends or other distributions or selling for the account of the holder thereof any part or all of the Deposited Property represented by those Depositary Receipts, and applying such withheld dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge, and the holder of such Depositary Receipts shall remain liable for any deficiency.

In addition, in the event that any distribution in property (including Emera Shares and other rights) is subject to any withholding taxes which Emera, the DR Depository or the Custodian, is obligated by applicable laws to withhold, then each registered holder consents to that person

disposing, by public or private sale, all or a portion of such property (including Emera Shares and other rights) sufficient to pay all such applicable withholding taxes and the DR Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the registered holders of Depositary Receipts entitled thereto in proportion to the number of Depositary Receipts held by them respectively.

Reclassification, Recapitalization and Similar Transactions

If Emera:

- splits, consolidates or reclassifies any of the Emera Shares or other Deposited Property;
- recapitalizes, reorganizes, merges, consolidates or sells assets affecting Emera or to which Emera is a party; or
- redeems or cancels any Emera Shares or other Deposited Property,

and the provisions of the Deposit Agreement governing the distribution of Emera Shares do not apply, then any securities, cash or property received by the DR Depositary or the Custodian, as the case may be, in exchange for, in conversion of, in lieu of or in respect of Deposited Property, shall be treated as new Deposited Property under the Deposit Agreement, and the Depositary Receipts will represent the right to receive the new Deposited Property so received, unless additional Depositary Receipts are issued. In any such case, the DR Depositary may, and shall if Emera so requests, issue additional Depositary Receipts as in the case of a dividend in Emera Shares.

Amendment of the Deposit Agreement

Emera may agree with the DR Depositary to amend the Deposit Agreement and the Depositary Receipts for any reason without the consent of Depositary Receipt holders. If an amendment adds or increases fees or certain charges, or prejudices a substantial existing right of Depositary Receipt holders, it will not become effective for outstanding Depositary Receipts until 30 days after the DR Depositary notifies Depositary Receipt holders of the amendment. At the time an amendment becomes effective, Depositary Receipt holders are considered, by continuing to hold their Depositary Receipts, to agree to the amendment and to be bound by the Depositary Receipts and the Deposit Agreement as amended. However, no amendment will impair the right of holders of Depositary Receipts to surrender Depositary Receipts in accordance with the provisions of the Deposit Agreement.

Termination of the Deposit Agreement

If Emera directs the DR Depositary to terminate the Deposit Agreement, the DR Depositary shall do so by mailing notice of termination to the Depositary Receipt holders then outstanding at least 60 days prior to the date fixed in such notice for such termination. The DR Depositary may also terminate the Deposit Agreement on 180 days' prior written notice, provided that the DR Depositary has delivered to Emera a written resignation notice and a successor DR Depositary has not been appointed and accepted its appointment within such period. In such case, the DR

Depository must also mail a notice of termination to all holders of Depository Receipts at the relevant time not less than 30 days prior to the termination date.

After termination, the DR Depository and its agents will have very limited responsibilities relating to the Depository Receipts and, four months after termination, the DR Depository may sell any remaining Deposited Property and will then hold the money it received on the sale, as well as any other cash it is holding under the Deposit Agreement for the *pro rata* benefit of the Depository Receipt holders that have not surrendered their Depository Receipts. The DR Depository will not invest the money and has no liability for interest. The DR Depository's only obligations will be to account for such money and other cash.

Limitations on Obligations and Liability

The Deposit Agreement expressly limits the liabilities and obligations of Emera and of the DR Depository and its agents (including the Custodian), including that Emera and the DR Depository and its agents:

- are only obligated to take the actions specifically set forth in the Deposit Agreement without gross negligence or fraud;
- are not liable if prevented or delayed by law or circumstances beyond their control from performing our obligations under the Deposit Agreement;
- are not liable for exercising its discretion permitted under the Deposit Agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the Depository Receipts or the Deposit Agreement on behalf Depository Receipt holders or on behalf of any other party; and
- may rely upon any documents Emera believes in good faith to be genuine and to have been signed or presented by the proper party.

In the Deposit Agreement, Emera and the DR Depository agree to indemnify each other under certain circumstances.

Requirements for DR Depository Actions

Before the DR Depository will take certain actions, including registering a transfer of a Depository Receipt or permitting the withdrawal of Emera Shares, the DR Depository may require payments, the delivery of documents or other procedural steps to be taken as provided for in the Deposit Agreement and it may refuse to deliver Depository Receipts or register transfers of Depository Receipts generally in certain circumstances.

A Depository Receipt Holder's Right to Receive Emera Shares

Subject to applicable law, a Depository Receipt holder has the right to surrender its Depository Receipts and withdraw the Emera Shares underlying such Depository Receipts at any time except:

- when temporary delays arise because: (i) the DR Depository has closed its transfer books or Emera has closed its transfer books; (ii) the transfer of Emera Shares is blocked to permit voting at a shareholders' meeting; or (iii) Emera is paying a dividend on the Emera Shares;
- when a registered holder of Depository Receipts or other registered holders seeking to withdraw Emera Shares owe money to pay applicable fees, taxes and similar deductions; and
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to Depository Receipts or to the withdrawal of Emera Shares or other Deposited Property.

RISK FACTORS

Shareholders should carefully consider the following risk factors relating to the Transaction and to the Depository Receipts. In addition to the “*Enterprise Risk and Risk Management*” section of Emera’s Management’s Discussion & Analysis for the year ended December 31, 2016 and under the sub-heading “*Principal Risks and Uncertainties*” in the “*Commitments and Contingencies*” note to Emera’s financial statements for the year ended December 31, 2016, as updated in Emera’s management’s discussion and analysis for the six months ended June 30, 2017 and 2016, the following risk factors and other information contained or incorporated by reference in this Circular should be carefully considered. Such risks are not the only risks applicable to ICDU, Emera, EUHL, Newco and Mergeco and additional risks and uncertainties not presently known by ICDU or Emera that ICDU and/or Emera currently believes are not material may also materially and adversely affect the successful completion of the Merger, the Redemption and/or the business, operations, financial condition, financial performance, cash flows, reputation or prospects of Emera and the value of the Underlying Emera Shares.

Risks Relating to the Merger and the Redemption

The Transaction is conditional and the conditions may not be satisfied

Completion of the Transaction is conditional upon, among other things, the receipt of regulatory approvals and the satisfaction of other conditions, including from the BIX, the Central Bank of The Bahamas and the TSX, as well as receipt of the approvals described in “*Shareholder Approvals*”. There can be no assurance that these conditions will be fulfilled or that the Merger or Redemption will be completed.

The Transaction Agreement may be terminated by Emera, EUHL and/or ICDU in certain circumstances

Each of Emera (on its own behalf and on behalf of EUHL) and ICDU have the right to terminate the Transaction Agreement in certain circumstances. Accordingly, there is no certainty that the Transaction Agreement will not be terminated before the completion of the Merger.

ICDU will incur costs even if the Merger is not completed and ICDU may have to pay various expenses incurred in connection with the Transaction

Certain costs related to the Transaction, such as legal and accounting fees, must be paid by ICDU even if the Merger is not completed.

Risks Relating to the Depositary Receipts

The Depositary Receipts issued in connection with the DR Alternative may have a different market value than expected

The exchange ratio for the Depositary Receipts will not be adjusted to reflect any changes in the market price of the Underlying Emera Shares. As a result, the market value of the Underlying Emera Shares (and so the Depositary Receipts) on the Redemption Date may vary significantly from the values at the date of this Circular or at the date that the Election Notice is delivered by a Minority Shareholder. If the market price of the Underlying Emera Shares declines, the value of the Consideration received by Shareholders who elect the DR Alternative will decline as well. Variations in the market price of the Underlying Emera Shares may occur as a result of changes in, or market perceptions of changes in, among other things, the business, operations or prospects of Emera and general market and economic factors over which none of ICDU, Mergeco nor Emera have any control.

The Depositary Receipts Have No Trading History

Prior to the listing of the Depositary Receipts on the BIX following the completion of the Merger, there will be no public market for the Depositary Receipts. Assurances cannot be provided that an active public trading market will develop or will be sustained. If an active public trading market does not develop, the liquidity of an investment in the Depositary Receipts may be limited, and the price of the Depositary Receipts may decline below the price at which they were issued.

Depositary Receipts' Price Volatility

Any acceptance of the DR Alternative is associated with an element of risk. The price of the Depositary Receipts may be subject to significant fluctuations caused by a number of factors, many of which may be outside Emera and Mergeco's control and independent of Emera's operational and financial development. Such factors include, in addition to these factors identified in this Risk Factors section (including the "Enterprise Risk and Risk Management" section of Emera's Management's Discussion & Analysis for the year ended December 31, 2016 and under the sub-heading "Principal Risks and Uncertainties" in the "Commitments and Contingencies" note to Emera's financial statements for the year ended December 31, 2016, as updated in Emera's management's discussion and analysis for the six months ended June 30, 2017 and 2016:

- general economic outlook and interest rate changes;
- general movements in the capital markets and the liquidity of the secondary market;
- investors' perceptions of the outlook for Emera;

- matters announced in respect of commodity prices or competitors or changes to the regulatory environment;
- reactions to quarterly and annual reports and other information published by Emera;
- changes in market and financial prospects and changes in securities analysts' financial estimates; and
- rumours and speculations in the market.

Market conditions may affect the price of the Depositary Receipts regardless of Emera's operating performance or the overall performance of the energy sector. As such, the market price of the Depositary Receipts may not reflect the underlying value of Emera's assets and operations, and the price at which investors may dispose of their Depositary Receipts at any point in time may be influenced by a number of factors, only some of which may pertain to Emera, while others may be outside Emera's control. The market price of the Depositary Receipts could decline due to sales of a large number of Depositary Receipts in the market or the perception that such sales could occur. Such sales could also make it more difficult for Emera to offer equity securities in the future at a time and price that are deemed to be appropriate.

Participation Rights of Depositary Receipt Holders

Holders of Depositary Receipts do not have the same rights as shareholders of Emera and may only exercise the voting rights with respect to the Emera Shares underlying the Depositary Receipts in accordance with the provisions of the Deposit Agreement. When an annual or special meeting of shareholders of Emera is convened, a Depositary Receipt holder may not receive sufficient notice of the meeting to vote or to permit the holder to surrender its Depositary Receipts and withdraw its Emera Shares to allow the Depositary Receipt holder to cast its votes with respect to any specific matter. In addition, the DR Depositary and its agents may not be able to send voting instructions to a Depositary Receipt holder or carry out the holder's voting instructions in a timely manner. Holders of Depositary Receipts cannot be assured that they will receive the voting materials in time to ensure that they can instruct the DR Depositary to vote their Depositary Receipts. Furthermore, the DR Depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, Depositary Receipt holders may not be able to exercise their right to vote and they may lack recourse if their Depositary Receipts are not voted as requested. In addition, in its capacity as a Depositary Receipt holder, a Depositary Receipt holder will not be able to call a shareholder meeting.

The Deposit Agreement provides that holders of Depositary Receipts will generally receive cash dividends or other distributions paid in respect of the Emera Shares or other deposited securities after deducting any applicable withholding tax. However, the DR Depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of Depositary Receipts. For example, the DR Depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the DR Depositary may decide not to distribute such property and Depositary Receipt holders will not receive such distribution.

Transfers of Depositary Receipts; Limited Ability to Surrender Under Applicable Law

Depositary Receipts are transferable on the books of the DR Depositary. However, the DR Depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the DR Depositary may refuse to deliver, transfer or register transfers of Depositary Receipts generally when Emera's books or the books of the DR Depositary are closed, or at any time if Emera or the DR Depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the Deposit Agreement, or for any other reason.

Although the Deposit Agreement contemplates that Depositary Receipts may be surrendered for the applicable Deposited Property from time to time, ICDU can offer no assurance to Shareholders as to their ability to surrender Depositary Receipts in exchange for the relevant Deposited Property on terms favourable to such Shareholders or at all under applicable law in The Bahamas. Shareholders are encouraged to speak to their professional advisors regarding their ability to surrender Depositary Receipts.

Distributions on Depositary Receipts Subject to Withholding and Other Taxes; Exchange Rates; Other Changes

Dividends and certain other distributions paid by Emera in respect of the Underlying Emera Shares will be subject to Canadian non-resident withholding tax, with the effect that the amount of such distributions that is ultimately available for distribution to holders of Depositary Receipts will be reduced accordingly. Distributions to holders of Depositary Receipts by the DR Depositary may also be subject to additional withholding or other taxes at the time of such distributions and so the amount ultimately available for distribution to holders of Depositary Receipts may be further reduced, and the amounts, applicable withholding tax rates and other tax consequences of such distributions may not be the same for all holders of Depositary Receipts and there can be no assurance as to the actual amounts that will be received by holders of Depositary Receipts in respect of a particular dividend or other distribution paid by Emera in respect of the Underlying Emera Shares.

Distributions paid by Emera in respect of the Underlying Emera Shares will be paid in Canadian currency, while distributions on the Depositary Receipts will be paid in Bahamian currency. Because exchange rates are not fixed, the value of these distributions in Bahamian currency is expected to fluctuate over time based on the prevailing rate of exchange from Canadian currency to Bahamian currency from time to time, and there can be no assurance as to the actual amounts that will be received by holders of Depositary Receipts in respect of a particular dividend or other distribution paid by Emera in respect of the Underlying Emera Shares on an as-converted basis.

In addition, the fees payable to the DR Depositary are not fixed and may change over time. Any increase in these fees may reduce the amounts payable to a holder of Depositary Receipts in connection with a particular transaction involving the Depositary Receipts.

Dilution

For reasons relating to foreign securities laws or other factors, certain foreign investors and shareholders may not be able to participate in a new issuance of Depositary Receipts or other securities or in a particular distribution made on the Depositary Receipts. If such Depositary Receipt holders are unable to participate in future offerings or distributions, their participation in Emera may be diluted.

Future Sales of Emera Shares

If Emera's shareholders sell substantial numbers of Emera Shares in the public market, the market price of the Emera Shares and Depositary Receipts could fall. The perception among investors that these sales will occur could also produce this effect.

INCORPORATION BY REFERENCE

The following documents relating to Emera, 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 Circular:

- the audited consolidated financial statements of Emera as at and for the year ended December 31, 2016, together with the notes thereto, the auditors' report thereon and Management's Discussion and Analysis for the year ended December 31, 2016;
- the Annual Information Form of Emera dated March 8, 2017 for the year ended December 31, 2016;
- the Management Information Circular of Emera dated as of March 8, 2017 containing information for the year ended December 31, 2016; and
- the unaudited condensed consolidated financial statements of Emera as at June 30, 2017 and for the six-month periods ended June 30, 2017 and June 30, 2016, together with the notes thereto and Management's Discussion and Analysis for the three month period ended June 30, 2017.

Any documents of the type referred to above, excluding confidential material change reports, filed by Emera with a securities regulatory authority in Canada after the date of this Circular and prior to the Meeting shall be deemed to be incorporated by reference into this Circular.

The audited financial statements of Emera as at December 31, 2016 and December 31, 2015 incorporated by reference into this Circular have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon, included therein and incorporated herein by reference. Such audited consolidated financial statements are incorporated herein by reference in reliance upon and upon the authority of such firm as experts in accounting and auditing.

Any statement contained in this Circular 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 Circular, 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 is not to be deemed an admission for any purposes 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 the this Circular.

Copies of documents which are incorporated herein by reference may be obtained on request without charge from the Manager at the addresses and phone numbers provided in this Circular. Copies of documents incorporated by reference relating to Emera may also be obtained under Emera's profile on SEDAR at www.sedar.com. A copy of the Deposit Agreement may also be obtained on the website of the DR Depository at the following address: www.bcsd.bs.

ANNUAL MEETING BUSINESS

Financial Statements

The audited annual financial statements of ICDU (showing its financial position as at December 31, 2016, and related statements of comprehensive income, changes in shareholders equity and cashflows for the year then ended together with a summary of significant accounting policies and other explanatory notes) and the report of ICDU's auditors, Ernst & Young LLP, on such financial statements, are contained in the Annual Report and will be received at the Meeting.

Minutes of Last Annual General Meeting

The minutes of the last annual general meeting of the Shareholders held on November 30, 2016 in Port Lucaya, Grand Bahama Island, are contained in ICDU's 2016 annual report (the "**Annual Report**"). These minutes can be found online at www.gb-power.com, and they are available free of charge on request to the Manager by mail at its offices in Nassau (308 East Bay Street, 3rd Floor, P.O. Box CB - 12407, Nassau, The Bahamas) *or* in Freeport (East Mall and Poinciana Drive, P.O. Box F - 42643, Freeport, The Bahamas), by facsimile at 242.393.4639 or by telephone or by email to any of Anthony Ferguson (aferguson@cfal.com; 242.502.7010), Dwayne Swann (dswann@cfal.com; 242.351.8928) or Nicholas Higgs (nhiggs@cfal.com; 242.502.7067).

Any questions regarding these minutes should be addressed to the Manager using the contact information above.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to approve, an ordinary resolution approving the minutes of the last annual general meeting of the Shareholders (the “**Minutes Resolution**”) substantially in the form set out below:

“RESOLVED THAT the minutes of the annual general meeting of shareholders of ICD Utilities Limited held on November 30, 2016 are approved.”

The Board of Directors recommends that the Shareholders vote for the Minutes Resolution. The Specified Proxyholders will vote the Common Shares represented by each proxy received in connection with the Meeting for the Minutes Resolution unless specifically directed otherwise by the Shareholder giving such proxy.

Election of Directors

The Board of Directors is currently comprised of eight directors. At the Meeting, Shareholders will be asked to elect eight directors. All directors elected at the Meeting will hold office until the close of the next annual general meeting of Shareholders, or until he or she ceases to be a director, pursuant to the articles of ICDU or operation of law or until his or her resignation becomes effective.

The Board of Directors recommends that the Shareholders vote for the election of each of the eight proposed nominees for election as directors set out in the table below, each of whom is currently a director of ICDU. The Specified Proxyholders will vote the Common Shares represented by each proxy received in connection with the Meeting for the election of the eight proposed nominees for election as directors set out in the table below unless specifically directed otherwise by the Shareholder giving such proxy.

If it becomes known at the meeting that a proposed nominee is for any reason unavailable to serve (which the directors of ICDU have no reason to believe to be the case), the Specified Proxyholders will have the right to exercise their discretion by voting for another qualified nominee.

The following table sets forth the names of all persons proposed to be nominated for election as directors of ICDU, their principal occupation or employment and the date on which they became directors of ICDU, together with the number of shares and options on Common Shares beneficially owned or controlled, directly or indirectly. Each Director nominee is also a member of the Board of Directors of GBPC.

NAME	PRINCIPAL OCCUPATION	DIRECTOR SINCE	NUMBER OF ORDINARY SHARES
Scott C. Balfour	Chief Operating Officer, Emera Inc.	2015	Nil
Robert K. Adams	Attorney-at-Law Partner, Graham Thompson	2016	Nil
Robert R. Bennett	President and Chief Executive Officer, Emera US Holdings Inc.	2016	Nil

NAME	PRINCIPAL OCCUPATION	DIRECTOR SINCE	NUMBER OF ORDINARY SHARES
Brenford A.V. Christie	Consultant, McKinney, Bancroft & Hughes	2008	Nil
Archibald D. Collins	President and Chief Executive Officer, GBPC and Chief Operating Officer, Emera (Caribbean) Inc.	2016	Nil
Sarah R. MacDonald	President, TECO Services, Inc.	2011	Nil
Michael R. Moss	Former Executive Chairman, Bahamas Electricity Corporation	2015	114,850
Randy S. Thompson	Chief Executive Officer, PharmaChem Technologies (Grand Bahama) Ltd.	2015	Nil

The Board of Directors held three meetings in 2016. It has met three times in 2017, and is expected to meet again at least once prior to the Meeting.

Each director of ICDU who is not a salaried employee of Emera, GBPC or any of their respective affiliates was paid a fee of \$10,000 per annum and a meeting fee of \$1,000 per meeting for their services as a director of ICDU for the year 2016.

Appointment of Auditors

At the meeting, the Shareholders will be called upon to appoint Ernst & Young LLP, P.O. Box N-3231, Nassau, The Bahamas, as the auditors of ICDU to serve until the close of the next annual meeting of ICDU and to authorize the Board of Directors to fix their remuneration. Ernst & Young LLP are the current auditors of ICDU and GBPC.

The Board of Directors recommends that the Shareholders vote for the appointment of Ernst & Young LLP and to authorize the Board of Directors to fix their remuneration. The Specified Proxyholders will vote the Common Shares represented by each proxy received in connection with the Meeting for such matters unless specifically directed otherwise by the Shareholder giving such proxy.

Ratification of Acts, Proceedings and Transactions of Directors and Officers

Directors and officers of ICDU owe a duty to ICDU to act honestly and in good faith with a view to the best interests of ICDU. In accordance with the Companies Act, Shareholders will be asked to consider and, if thought fit, approve, an ordinary resolution ratifying and confirming all of the acts of the directors of ICDU during the financial year ended December 31, 2016 (the “**Ratification Resolution**”):

“RESOLVED THAT all acts, transactions and proceedings of directors and officers of ICD Utilities Limited during the financial year ended December 31, 2016 are ratified and confirmed.”

The Board of Directors recommends that the Shareholders vote for the Ratification Resolution. The Specified Proxyholders will vote the Common Shares represented by each proxy received in connection with the Meeting for the Ratification Resolution unless specifically directed otherwise by the Shareholder giving such proxy.

Other Business

The Board of Directors knows of no business to come before the Meeting other than the matters referred to in this Circular. However, if any other business, which is not known to the directors of ICDU, should properly come before the meeting, any proxy holder appointed in the manner described under “*General Information Regarding the Meeting*” will vote on such other business in accordance with the best judgment of such proxy holder.

Required Approvals

A simple majority of the votes cast at the Meeting by Shareholders present in person or by proxy at the Meeting, including EUHL, will constitute approval of each matter for which approval is required in under this heading “*Annual Meeting Business*”. For the avoidance of doubt, the Merger Resolution must be approved as described under the heading “*Shareholder Approvals*”.

Executive Compensation; Share Option Plan

ICDU is a holding company and does not have any employees, nor does it offer a share option plan to its directors.

OTHER MATTERS

Indebtedness of Management

No member of the Board of Directors is indebted to ICDU.

Interest in Transactions

Except as a result of the employment of certain members of the Board of Directors by Emera or its affiliates, the Board of Directors is not aware of any member of the Board of Directors that has a material interest in any matter to be acted upon at the Meeting or any material transaction entered into by ICDU at any time during the financial year ended December 31, 2016. Except as disclosed elsewhere in this Circular, the Board of Directors is not aware of person or company that beneficially owns or exercises Control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares that has a material interest in any matter to be acted upon at the Meeting.

The Manager

ICDU has retained Colina Financial Advisors Limited as the Manager for the Transaction. The services to be provided by the Manager include the solicitation of proxies in connection with the Meeting and coordinating with BCSD (in its capacity as registrar and transfer agent and as DR

Depository, as applicable) and the Custodian in connection with the receipt and processing of Election Notices and the payment of Consideration in the manner described in this Circular.

In consideration for its service as Manager, ICDU has agreed to pay the Manager a non-contingent, fixed fee of \$65,000. No specific portion of this fee is allocated to the Manager for its services in soliciting proxies. ICDU understands that the representatives of the Manager named elsewhere in this Circular are the individuals expected to be soliciting proxies from Shareholders. ICDU's agreement with the Manager includes customary covenants regarding the provision of services by the Manager, indemnities in favour of the Manager and other matters. The agreement also provides for representations and warranties by the Manager in favour of ICDU regarding its ownership of Common Shares, and the Manager has confirmed that, as of the date of this Circular, it beneficially owns no Common Shares, and exercises Control or direction over approximately 7.278% of the issued and outstanding Common Shares through accounts managed by it.

Legal Matters

Certain legal matters relating to the Transaction as they relate to Emera, EUHL, Newco and, following the completion of the Merger, Mergeco, are to be advised on by McKinney, Bancroft & Hughes. Osler, Hoskin & Harcourt LLP has acted as Canadian counsel to Emera in connection with the Transaction. Certain legal matters relating to the Transaction as they pertain to ICDU and GBPC will be advised on by Lennox Paton as counsel to the Special Committee. McKinney, Bancroft & Hughes serves as the registered office of ICDU at its offices at Suite 1, Chancery House, The Mall, P.O. Box F-40437 Freeport, Grand Bahama, The Bahamas and performs service related and ancillary to serving as the registered office. The fee paid to McKinney, Bancroft & Hughes for providing such services in 2016 was immaterial to such firm and to ICDU.

GLOSSARY OF KEY TERMS

In the accompanying Circular, unless the context otherwise requires or unless defined elsewhere herein, the following terms have the meanings indicated:

“**Alternative Proposal**” means any inquiry, proposal or offer (written or oral) from any Person (other than Emera or EUHL or a Person controlled by either one of them) to ICDU or the Shareholders made after the date hereof that could reasonably be expected to lead to any direct or indirect acquisition, in one transaction or a series of related transactions, including any merger, amalgamation, reorganization, consolidation, share acquisition, share issuance, asset acquisition, takeover bid, tender offer, exchange offer, share exchange, arrangement, business combination, recapitalization, liquidation, dissolution, winding-up, joint venture or similar transaction, of: (a) assets or businesses that constitute or represent 5% or more of the total revenue, operating income, EBITDA or fair market value of the assets of ICDU; or (b) 5% or more of the outstanding shares of any class of shares in the capital of, or other equity or voting interests in, ICDU, in each case other than the Transaction;

“**Annual Report**” has the meaning given under the heading “*Annual Meeting Business – Minutes of Last Annual General Meeting*”;

“**BCSD**” means the Bahamas Central Securities Depository Limited;

“**BISX**” means The Bahamas International Securities Exchange;

“**Board of Directors**” means the board of directors of ICDU;

“**Business Day**” means any day other than a Saturday, Sunday or a statutory or public holiday observed in The Bahamas;

“**Cash Alternative**” has the meaning given under the heading “*Effect of the Merger on Shareholders; Consideration*”;

“**Circular**” means this proxy statement, including all exhibits hereto;

“**Common Shares**” means the shares of ten cents (\$0.10) in the capital of ICDU;

“**Companies Act**” means the *Companies Act, 1992 (CH.308)* of The Bahamas and the rules and regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**Consideration**” means for each Mergeco Redeemable Preferred Share held by a Minority Shareholder following the Merger: (i) the Cash Alternative; or (ii) the DR Alternative, or a combination of the Cash Alternative and the DR Alternative, as elected or deemed to have been elected by such Minority Shareholder and payable on the redemption of the Mergeco Redeemable Preferred Shares on the Redemption Date and, for each Mergeco Redeemable Preferred Share held by EUHL, Mergeco Common Shares having a fair market value equal to \$8.85 as (such number of shares to be determined by the board of directors of Mergeco);

“**Consideration DRs**” has the meaning given under the heading “*Procedure for Receipt of Consideration – Payment and Delivery of the Consideration to Registered Shareholders*”;

“**Control**” means, in respect of a particular Person, possession by another Person, or a group of other Persons acting in concert, individually or collectively, directly or indirectly through one or more intermediaries, of the power to direct or cause the direction of the management and policies of that other Person, whether through the ownership of securities, by contract or by any other means, including the beneficial ownership at the relevant time of securities in such Person carrying more than 50% of the voting rights ordinarily exercisable at meetings of securityholders where such voting rights are sufficient to elect a majority of the directors or functional equivalents thereof, and “**controlled by**” and “**under common control with**” have corresponding meanings and the Person who Controls a controlled Person shall be deemed to Control a corporation, partnership, limited liability company, joint venture or trust which is controlled by the controlled Person and so on; and “**Controlled**” has a similar meaning;

“**Custodian**” means CIBC Trust Company (Bahamas) Limited;

“**Custody Accounts**” has the meaning given under the heading “*Procedure for Receipt of Consideration – Payment and Delivery of the Consideration to Registered Shareholders*”;

“**Deposit Agreement**” means the Deposit Agreement dated as of October 13, 2017 among Emera, the DR Depository and the holders of the Depository Receipts from time to time;

“**Depository Receipts**” mean the depository receipts to be issued by the DR Depository upon completion of the Redemption and representing the Underlying Emera Shares;

“**Deposited Property**” has the meaning given under the heading “*Information Regarding Depository Receipts*”;

“**Dissenting Shareholder**” has the meaning given in Exhibit D;

“**Dissent Rights**” has the meaning given under the heading “*Right to Dissent*”;

“**DR Alternative**” has the meaning given under the heading “*Effect of the Merger on Shareholders; Consideration*”;

“**DR Depository**” means BCSD, in its capacity as depository under the Deposit Agreement;

“**Effective Date**” means the date shown on the certificate of merger to be issued in respect of the Merger, which date is anticipated to be December 7, 2017 or such other date as may be agreed to by ICDU and Newco;

“**Election Notice**” means the election notice, being the election notice printed on blue paper for the Shareholders which accompanies this Circular;

“**Emera**” means Emera Incorporated;

“**Emera Articles**” has the meaning given under the heading “*Share Capital of Emera*”;

“**Emera Board**” means the board of directors of Emera;

“**Emera Shares**” means common shares in the capital of Emera;

“**EUHL**” means Emera Utilities Holdings Ltd., an indirect wholly-owned subsidiary of Emera;

“**Fairness Opinion**” has the meaning given under the heading “*Information Regarding the Merger – Background*”;

“**fair value**” means, where used in relation to a Common Share held by a Dissenting Shareholder, fair value as determined pursuant to section 159 of the Companies Act;

“**First Preferred Shares**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Preferred Shares, Series A**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Preferred Shares, Series B**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Preferred Shares, Series C**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Preferred Shares, Series E**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Preferred Shares, Series F**” has the meaning given under the heading “*Share Capital of Emera*”;

“**First Purchase**” has the meaning given under the heading “*Information Regarding the Merger – Background*”;

“**GBPA**” means The Grand Bahama Port Authority, the regulator of GBPC;

“**GBPC**” means Grand Bahama Power Company Ltd.;

“**GBPC Common Shares**” means the common shares in the capital of GBPC;

“**Governmental Authority**” means any domestic, federal, state, provincial, territorial, local, foreign or supranational regulatory authority or government department or agency, commission, ministry, office, court, tribunal, Crown corporation, stock exchange or any other entity with the power to establish laws having jurisdiction or claiming to have jurisdiction over the applicable Person;

“**Governmental Authorizations**” means authorizations, approvals, orders, consents, directives, licences, permits, registrations or other rights issued to or required by ICDU or any other party to the Transaction Agreement by or from any Governmental Authority;

“**ICDU**” means ICD Utilities Limited;

“**Independent Directors**” means those members of the Board of Directors who are not also directors or officers of Emera, EUHL or any of their respective affiliates (excluding, for clarity, ICDU and GBPC);

“**KPMG**” means KPMG Advisory Services Ltd.;

“**Laws**” means any federal, provincial, state, territorial, regional, municipal or local laws, statutes, by-laws, rules, regulations, orders, codes, policies, guidelines, decrees, authorizations, approvals, notices and directions and judicial, arbitral, administrative, ministerial or departmental judgments, awards, or other requirements, in each case of any Governmental Authority, court or other authority having jurisdiction, including Securities Laws of the laws of the Commonwealth of The Bahamas;

“**Manager**” means Colina Financial Advisors Limited;

“**Material Adverse Effect**” means any change, event, occurrence, effect or circumstance that, individually or in the aggregate with such other changes, events, occurrences, effects or circumstances, is, or could reasonably be expected to be, material and adverse to the business, financial condition, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), obligations, operations or results of operations or financial condition of ICDU and/or GBPC, other than any effect:

- (a) resulting from the announcement of this Agreement or the transactions contemplated hereby, including from compliance with the terms of this Agreement or from actions or inactions to which the other parties have expressly consented in writing;
- (b) relating to general economic conditions or securities or capital markets generally in Canada, The Bahamas or elsewhere or to changes in currency exchange rates, interest rates or inflation; or
- (c) relating to the electricity generation, transmission and distribution industry generally in the markets in which GBPC operates,

provided that such effect referred to in (b) or (c) above does not primarily relate to (or have the effect or primarily relating to) ICDU or GBPC, as the case may be, or materially disproportionately affect ICDU or GBPC, as the case may be, compared to other companies of similar size and operating in the industry in which ICDU or GBPC, as the case may be, operate;

“**Meeting**” means the annual and special meeting of Shareholders to be held at the Pelican Bay Resort in Freeport, Grand Bahama on November 8, 2017 commencing at 5:00 p.m. (Freeport time) and any adjournments or postponements thereof;

“**Mergeco**” means ICDU, being the surviving company following the Merger;

“**Mergeco Redeemable Preferred Shares**” means the redeemable preferred shares in the capital of Mergeco, the terms of which are set out in the Plan of Merger;

“**Mergeco Common Shares**” means the shares of ten cents (\$0.10) in the capital of Mergeco to be issued on the Merger, the terms of which are set out in the Plan of Merger and which, for clarity, are the same as the terms of the existing Common Shares;

“**Merger**” means the merger of ICDU and Newco pursuant to the provisions of the Companies Act;

“**Merger Resolution**” means the special resolution of the Shareholders approving the Merger to be considered at the Meeting, substantially in the form set forth in Exhibit “A” to this Circular;

“**Minority Shareholder**” means all Shareholders other than EUHL;

“**Minutes Resolution**” has the meaning given under the heading “*Annual Meeting Business – Minutes of the Last Annual General Meeting*”;

“**Newco**” means IUL Ltd., a wholly owned subsidiary of EUHL incorporated in order to facilitate the Transaction;

“**Newco Common Share**” means a common share in the capital of Newco;

“**Notice**” means the notice of the Meeting accompanying this Circular;

“**Notice of Dissent**” has the meaning given in Exhibit D;

“**Notice of Objection**” has the meaning given in Exhibit D;

“**Outside Date**” means December 31, 2017, or such date as may be agreed in writing by Emera, EUHL and ICDU;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, limited liability company, unlimited liability company, governmental, regulatory or court authority, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative;

“**Plan of Merger**” means the plan of merger between ICDU and Newco attached as Exhibit “B” to this Circular;

“**Proposal**” has the meaning given to it under the heading “*Information Regarding the Merger – Background*”;

“**Ratification Resolution**” has the meaning given under the heading “*Ratification of Acts, Proceedings and Transactions of Directors and Officers*”;

“**Redemption**” means the redemption of the Mergeco Redeemable Preferred Shares by Mergeco in accordance with their terms;

“**Redemption Date**” means the date on which the Redemption occurs, which is anticipated to be on or about December 8, 2017;

“**Regulatory Approvals**” means any required approvals other than those required under Securities Laws in Canada, The Bahamas or elsewhere, being the approval of the Central Bank of The Bahamas, the Bahamas Investment Authority, the Toronto Stock Exchange and the BISX;

“**SCB**” means the Securities Commission of The Bahamas;

“**Second Preferred Shares**” has the meaning given under the heading “*Share Capital of Emera*”;

“**Second Purchase**” has the meaning given to it under the heading “*Information Regarding the Merger – Background*”;

“**Securities Act**” means the *Securities Industry Act, 2011* (Bahamas) and the rules and regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**Securities Authorities**” means the appropriate securities regulatory authority or similar regulatory authorities in The Bahamas, including the BISX and the SCB;

“**Securities Laws**” means all applicable securities laws, and the rules and regulations and published policies of the applicable securities regulatory authority thereunder, and the laws, rules and regulations of any applicable stock exchange, as now in effect and as they may be promulgated or amended from time to time, and includes the Securities Act and the rules and policies of the Securities Authorities and the TSX;

“**SEDAR**” means System for Electronic Document Analysis and Retrieval;

“**Shareholder Approval Thresholds**” means, collectively, (i) approval by Shareholders (whether present at the Meeting in person or by proxy) together holding or representing 75% or more of the total issued and outstanding Common Shares (and not just those Common Shares represented at the Meeting); and (ii) not less than 50% of the votes cast on the Merger Resolution by Minority Shareholders present in person or represented by proxy at the Meeting;

“**Shareholder Forums**” means the Shareholder forums which will be hosted by senior executives of Emera and ICDU currently scheduled to be held on October 23, 2017 at 5:30 p.m. (Freeport time) at the Pelican Bay Resort, Freeport, The Bahamas and on October 24, 2017 at 12:00 p.m. (Freeport time) at the British Colonial Hilton, One Bay Street, Nassau, The Bahamas to provide additional information regarding the Transaction, Emera and the attributes of the DRs and the Underlying Emera Shares;

“**Shareholders**” means the holders of Common Shares, and “**Shareholder**” means anyone of them;

“**Special Committee**” has the meaning given under the heading “*Information Regarding the Merger – Background*”;

“**Specified Proxyholders**” has the meaning given under the heading “*Shareholder Approvals*”;

“**Superior Proposal**” means a *bona fide*, unsolicited, written Alternative Proposal made after the date of the Transaction Agreement:

- (a) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction 100% of the issued and outstanding Common Shares (other than the Common Shares owned by the Person making the Alternative Proposal together with its affiliates) and pursuant to which all Shareholders are offered the same consideration in form and amount per Common Share to be purchased or otherwise acquired;
- (b) that did not result from a breach of (i) the non-solicitation provisions of the Transaction Agreement described in the section of this Circular entitled “*Non-Solicitation*”; or (ii) the change of recommendation provisions of the Transaction Agreement described in the section of this Circular entitled “*Proposed Agreement and Right to Match*” by ICDU or its agents;
- (c) that complies with all applicable Securities Laws in The Bahamas and that provides for protection of the Minority Shareholders that is at least equivalent to the protections afforded to the Minority Shareholders under the Transaction;
- (d) that is not subject to any financing condition and in respect of which the Board of Directors has concluded in good faith there is a reasonable likelihood that any required financing has been obtained; and
- (e) that the Board of Directors has determined, in good faith (after consultation with its financial advisors and outside legal counsel) (i) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Alternative Proposal and the Person making such Alternative Proposal; (ii) having regard to all of its terms and conditions, such Alternative Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Shareholders (other than the Person making the Alternative Proposal and its affiliates) than the Transaction (including the Consideration to be paid under the Redemption) (including any adjustment to the terms and conditions of the Merger and the Transaction Agreement proposed by EUHL pursuant to the Transaction Agreement); and (iii) that failure to recommend such Alternative Proposal to the Shareholders would be inconsistent with the fiduciary duties of the Board of Directors under applicable Laws.

“**TECO Energy**” has the meaning given under the heading “*Information Regarding Emera and Newco*”;

“**The Bahamas**” means the Commonwealth of The Bahamas;

“**Transaction**” means, collectively, the Merger and the Redemption;

“**Transaction Agreement**” means the transaction agreement made October 12, 2017 between Emera, EUHL and ICDO;

“**TSX**” means the Toronto Stock Exchange; and

“**Underlying Emera Shares**” means the common shares in the capital of Emera to be deposited with the Custodian in connection with the issuance of the Depositary Receipts.

APPROVAL OF NOTICE AND CIRCULAR

The contents and the sending of the Notice and this Circular to Shareholders, to each member of the Board of Directors and to the auditors of ICDU have been approved by the Board of Directors.

Dated October 13, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

“Scott Balfour”
Chair of the Board

EXHIBIT “A”
MERGER RESOLUTION

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The merger of ICD Utilities Limited (“**ICDU**”) and IUL Ltd., a wholly owned subsidiary of Emera Utilities Holdings Ltd., (“**Newco**”) upon substantially the terms and conditions set forth in the form of plan of merger between ICDU and Newco (the “**Plan of Merger**” and such merger, the “**Merger**”) attached as Exhibit “B” to the proxy statement of ICDU dated October 13, 2017 (the “**Circular**”) is hereby approved.
2. The Plan of Merger, as it may be modified, supplemented or amended from time to time in accordance with its terms, is hereby approved.
3. Upon the Merger, and on the effective date, Articles of Association of ICDU be revoked and the Amended and Restated Articles of Association (as defined in the Plan of Merger) be adopted.
4. Upon the Merger, and on the effective date, the existing Memorandum of Association of ICDU will be altered by deleting Clause 5 and substituting “The capital of the Company is Two Million Dollars (\$2,000,000) divided into Ten Million Common Shares (10,000,000) having a par value of Ten Cents (\$0.10) each and Ten Million (10,000,000) Redeemable Preferred Shares having a par value of Ten Cents (\$0.10) each”.
5. Any one officer or director of ICDU (“**Authorized Signatories**”) is hereby authorized for and on behalf of ICDU to execute and deliver articles of merger as required pursuant to the *Companies Act, 1992 (CH.308) (as amended)* and any two or more officers and directors are hereby authorized for and on behalf of ICDU to take any and all such other steps or actions as may be necessary or appropriate in connection with the Merger, including, without limitation, actions to amend, extend, waive conditions of or terminate the Transaction Agreement (as defined in the Circular) and/or the Plan of Merger, and to execute and deliver for and in the name of and on behalf of ICDU, whether under corporate seal or not, all such other certificates, instruments, agreements, documents and notices, and to take such further actions that in such person’s opinion as may be necessary or appropriate to carry out the purposes and intent of the foregoing resolutions.

Notwithstanding this resolution, the Board of Directors of ICDU may determine, in its sole discretion, at any time prior to the Merger becoming effective without further approval of the shareholders of ICDU (but, for clarity, subject to the terms of the Plan of Merger and the Transaction Agreement), not to proceed with the Merger.

EXHIBIT “B”
PLAN OF MERGER

(See Attached)

Plan of Merger
Pursuant to the Provisions of Section 153
of the Companies Act, 1992 (No. 18 of 1992)

ICD UTILITIES LIMITED

and

IUL LTD.

A. The Plan of Merger was adopted and approved by each of the above constituent companies on the [...] day of _____, A. D. 2017 is as follows:

1. It is proposed that **ICD UTILITIES LIMITED** (hereinafter referred to as “**ICDU**”), incorporated in the Commonwealth of The Bahamas and subject to the provisions of The Companies Act, 1992 and **IUL LTD.** (hereinafter referred to as “**IUL LTD**”) incorporated in the Commonwealth of The Bahamas and subject to the provisions of The Companies Act, 1992 shall merge and that the surviving company shall be **ICD Utilities Limited (hereinafter referred to as the “Company”)**.
2. ICDU was incorporated on the 15th day of April, A.D. 1993 and has an authorized share capital of One Million Dollars in the currency of the Commonwealth of the Bahamas (B\$1,000,000.00) divided into Ten Million Common Shares (10,000,000) of Ten cents (B\$0.10) par value each. All of the Common Shares are issued and outstanding.
3. IUL LTD. was incorporated on the 6th day of _____ October _____ A.D., 2017 and has an authorized share capital of Five Thousand Dollars in the currency of the Commonwealth of the Bahamas (B\$5,000) divided into Five Thousand (5,000) Ordinary Shares of One Dollar (B\$1.00) each, which are registered shares of one class entitled to one vote per share. There are two (2) Ordinary Shares validly issued and outstanding.
4. The merger shall take place forthwith upon the registration by the Registrar General in The Commonwealth of the Bahamas of The Articles of Merger. At that time, pursuant to the provisions of Section 155(2)(d) of The Companies Act, 1992, all the property of **ICDU AND IUL LTD.** shall immediately vest in the Company. As a result thereof, the issued share capital of **ICDU AND IUL LTD.** shall not be represented by any assets and shall forthwith be cancelled and the Registrar shall

thereafter strike off the Register **IUL LTD.** which is the constituent company that shall not survive the merger.

5. Upon the merger, and on the effective date, the Memorandum of Association of ICDU shall be altered by deleting therefrom Clause 5 and substituting therefor the following:-

“The capital of the Company is Two Million Dollars in the currency of the Commonwealth of the Bahamas (B\$2,000,000.00) divided into Ten Million Common Shares (10,000,000) having a par value of Ten Cents (\$0.10) par value each and Ten Million (10,000,000) Redeemable Preferred Shares having a par value of Ten Cents par value (\$0.10).”

6. Upon the Merger, and on the effective date, the Articles of Association of ICDU will be amended in their entirety, and the document attached hereto as Annex A will be adopted as the Amended and Restated Articles of Association of the Company.
7. The current Directors and Officers of ICDU shall be the Directors and officers of the Company, each of whom shall serve until their successors have been duly elected or until their resignation, death or removal in accordance their Articles of Association of the Company.
8. The share capital of the Company will be Two Million Dollars in the currency of the Commonwealth of Bahamas (B\$2,000,000.00) divided into Ten Million Common Shares (10,000,000) of Ten cents (B\$0.10) par value each, and Ten Million redeemable Preference shares (10,000,000) of Ten cents (B\$0.10) each.
9. The Company will issue Redeemable Preferred Shares (the “**Preferred Shares**”) to the holders of ICDU shares (other than holders of ICDU shares who exercise their statutory dissent rights) and such shares will be redeemable for depositary receipts, cash or a combination of both. The Company will issue Common Shares to the holders of IUL LTD. Ordinary Shares. The share terms are more particularly outlined in Section D below and the draft Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Annex A.

B. The Memorandum and Articles of Association of ICDU were registered by the

Registrar in the Commonwealth of The Bahamas on the [...date....] (No.) under the name of ICD UTILITIES LIMITED. The Articles of Association of IUL LTD. were registered by the Registrar in the Commonwealth of The Bahamas on the 6th October, 2017 (No.) under the name of IUL LTD.

- C. The Boards of each of the constituent companies have by resolution approved the Plan of Merger specified in Item A above.

D. SHARE TERMS

1. COMMON SHARES

The Common Shares will have attached thereto the following rights, privileges, restrictions and conditions:

(a) **Voting Rights**

- (i) The holders of the Common Shares will be entitled to receive notice of and attend and vote at any meeting of the holders of the Common Shares or at any meeting of all of the shareholders of the Company, but such holder of Common Shares will not be entitled to receive notice of nor attend nor vote at any class meeting of any other class of shareholders.
- (ii) The holders of the Common Shares will be entitled to one (1) vote in respect of each Common Share held by that holder at each such meeting of the holders of the Common Shares or at any meeting of all of the shareholders of the Company.

(b) **Dividend Rights**

The holders of the Common Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive dividends in priority to or ratably with the Common Shares, to receive dividends if, as and when declared by the board of directors of the Company out of the moneys of the Company properly available for the payment of dividends in such amounts and payable in such manner as the board of directors of the Company may from time to time determine.

(c) **Liquidation Rights**

The holders of the Common Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares

of the Company entitled to receive the property or assets of the Company upon such distribution in priority to or ratably with the holders of the Common Shares, to receive the remaining property and assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

2. REDEEMABLE PREFERRED SHARES

The Preferred Shares will have attached thereto the following rights, privileges, restrictions and conditions:

(a) Voting Rights

- (i) The holders of the Preferred Shares will be entitled to receive notice of and attend and vote at any meeting of the holders of the Preferred Shares, but such holder of the Preferred Shares will not, in such capacity, be entitled to (i) receive notice of and attend or vote at any general meeting of the Company except where at such meeting a resolution is to be proposed which abrogates or varies any of the rights, preferences, privileges, restrictions or conditions attached to any class of shares to which they hold or (ii) receive notice of and attend or vote at any meeting of the holders of the Common Shares or at any class meeting of any other class of shareholders.
- (ii) The holders of the Preferred Shares will be entitled to one (1) vote in respect of each Preferred Share held by that holder at any meeting at which such holders are entitled to vote pursuant to the preceding paragraph.

(b) Dividend Rights

The holders of the Preferred Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive dividends in priority to or ratably with the Preferred Shares but in priority to any payment of dividends on any other class of shares, to receive dividends if, as and when declared by the board of directors of the Company out of the moneys of the Company properly available for the payment of dividends in such amounts and payable in such manner as the board of directors of the Company may from time to time determine.

(c) **Liquidation Rights**

- (i) The Preferred Shares will be entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares, on any distribution of the property or assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.
- (ii) The holders of the Preferred Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive the property or assets of the Company upon any such distribution in priority to or ratably with the holders of the Preferred Shares, to share ratably in the stated capital account maintained by the Company in respect of the Preferred Shares on any distribution of the property or assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.
- (iii) After payment of the amounts specified in the foregoing paragraphs, the holders of the Preferred Shares will have no further right to share in the remaining property and assets of the Company.

(d) **Compulsory Redemption**

(i) General Provisions

Subject to the requirements of The Companies Act, 1992, the Company will, on or about December 8, 2017 (the “**Redemption Date**”), compulsorily redeem all of the Preferred Shares issued and outstanding on the Redemption Date, in accordance with the following provisions of this section. Except as provided herein or as otherwise determined by the board of directors of the Company, no notice of redemption or other act or formality on the part of the Company will be required to compulsorily redeem the Preferred Shares.

(ii) Redemption Consideration

The “**Redemption Consideration**” in respect of (A) each Preferred Share other than Preferred Shares held by Emera Utilities Holdings Ltd. (“**EUHL**”) will be (I) BSD\$8.85 in cash; or (II) 0.913 depositary receipts (the “**Depositary Receipts**”), each Depositary Receipt initially representing an interest in one quarter of a common share in the capital of Emera Incorporated (“**Emera**” and such common shares, the “**Emera Shares**”); or (III) a combination of such cash alternative and such Depositary Receipts alternative, as elected by such holder of the Preferred Shares in the applicable notice of election received in connection with the management proxy circular of ICD Utilities Limited dated October 13,

2017 (the “**Circular**”) (unless such holder of the Preferred Shares is deemed to have elected such Depositary Receipts alternative pursuant to the terms of the Circular, including as a result of failing to deliver a valid notice of election prior to 5:00 p.m. (Freeport time) on November 27, 2017 (the “**Election Deadline**”), and (B) each Preferred Share held by EUHL will be that number of the Common Shares in the Company having a fair market value equal to BSD\$8.85, as determined by the board of directors of the Company. Fractional Depositary Receipts will not be issued. Where the aggregate number of Depositary Receipts to be issued to any holder of Preferred Shares in exchange for such holder’s Preferred Shares would result in a fraction of a Depositary Receipt being issuable, such holder of Preferred Shares will receive a cash payment in lieu of such fractional Depositary Receipt in an amount calculated pursuant to the terms of the Circular.

(iii) Funding of Cash Portion of the Redemption Consideration

On or before the Redemption Date, the Company will pay the applicable Redemption Consideration to the holders of Preferred Shares that have validly delivered the required documentation (being a properly completed notice of election, together with the certificates or other evidence of ownership representing such holder’s Preferred Shares (if any) and such other additional documents as are specified in the instructions set out in the notice of election or which may otherwise reasonably be required by the Company or its agent) by providing the Bahamas Central Securities Depository Limited (“**BCSD**”) with sufficient funds for payment of (A) the cash component of the Redemption Consideration to holders of Preferred Shares that have validly delivered the required documentation and elected to receive, in whole or in part, Redemption Consideration in the form of the cash alternative (including holders of Preferred Shares in the United States who are required to receive the cash alternative); and (B) any payments in lieu of fractional Depositary Receipts for those holders of the Preferred Shares that have validly delivered the required documentation and are entitled to receive a cash payment as a result of the rounding down of the number of the Depositary Receipts that would otherwise have been issued to such holder of the Preferred Shares. BCSD will act as the agent of such holders of the Preferred Shares for the purposes of receiving the cash component of the Redemption Consideration and payments in lieu of fractional Depositary Receipts and transmitting such cash to such holders of the Preferred Shares on or after the Redemption Date.

Receipt by BCSD of cash representing the cash component of the Redemption Consideration and payments in lieu of fractional Depositary Receipts payable to such holders of the Preferred Shares will be deemed to constitute receipt of payment by such holders of the Preferred Shares. Under no circumstances will interest on any Redemption Consideration be paid by the Company or any of its affiliates or BCSD by reason of any delay in paying or delivering the applicable Redemption Consideration or otherwise.

(iv) Funding of the Depositary Receipt Portion of the Redemption Consideration

On or before the Redemption Date, the Company will direct Emera to deposit, on behalf of the holders of the Preferred Shares that have validly delivered the required documentation and have elected to receive, or are deemed to have elected to receive, in whole or in part, Redemption Consideration in the form of the Depositary Receipts alternative, sufficient Emera Shares into the Emera depositary receipt custody accounts (the “**Custody Accounts**”) to be maintained by CIBC Trust Company (Bahamas) Limited (the “**Custodian**”) in connection with the Depositary Receipts. The Custodian will receive and hold such Emera Shares in its capacity as custodian for the Bahamas Central Securities Depository Limited (the “**DR Depository**”), in its capacity as depositary under the Deposit Agreement dated as of October 13, 2017 among Emera, the DR Depository and the holders of the Depositary Receipts from time to time (the “**Deposit Agreement**”), in accordance with the terms and conditions of the Deposit Agreement and a custodial services agreement between Emera, the Custodian and the DR Depository.

Upon receipt by the DR Depository of (A) confirmation from the Custodian that sufficient Emera Shares have been deposited into the Custody Accounts; and (B) written instructions from the Company and BCSD that (I) set out the number of the Depositary Receipts to be issued (the “**Consideration DRs**”); and (II) instruct the DR Depository to issue the Consideration DRs to BCSD’s account(s), the DR Depository will issue the applicable number of Consideration DRs for each Preferred Share deposited with the Custodian as so instructed, for acceptance by BCSD to the holders of the Preferred Shares that have elected to receive, or are deemed to have elected to receive Redemption Consideration in the form of the Depositary Receipts alternative.

BCSD will act as the agent of such holders of the Preferred Shares for the purposes of receiving the Consideration DRs and transmitting such Consideration DRs to each such holder of the Preferred Shares. Receipt of the Consideration DRs by BCSD will be deemed to constitute receipt of payment by such holders of the Preferred Shares.

Upon the issuance and delivery of the Consideration DRs, each holder of the Preferred Shares that has elected, or has been deemed to have elected, the Depositary Receipts alternative will become a party to the Deposit Agreement, and the names of each such holder of the Preferred Shares will be added to the register of holders of the Depositary Receipts maintained by the DR Depository.

For clarity, each holder of Preferred Shares in the United States will receive the cash alternative.

(v) Payment of Redemption Consideration

As soon as reasonably practicable after the Redemption Date, the Company will, or will cause BCSD to, pay or deliver the applicable Redemption Consideration for the Preferred Shares to the applicable holder of the Preferred Shares. Unless otherwise directed by the applicable notice of election, the Depositary Receipts and/or cheque, direct deposit or other electronic funds transfer will be issued in the name of the registered holder of the Preferred Shares who delivered the applicable Preferred Shares. Unless the holder of the Preferred Shares instructs BCSD to hold the cheque for pick-up by checking the appropriate box in the applicable notice of election, the cheque will be forwarded by first-class mail to such person at the address specified in the applicable notice of election. If no such address is specified, the cheque will be sent to the address of the holder of the Preferred Shares as shown on the securities register maintained by or on behalf of the Company. Cheques mailed in accordance with this section will be deemed to be delivered at the time of mailing.

Any evidence of ownership representing a Preferred Share held by a former holder of the Preferred Shares (other than a holder of the Preferred Shares who dissents to the vote relating to the Redemption Consideration) that has not been validly surrendered by the Election Deadline (including the valid deposit of the required documentation) will represent only the right to receive, upon such surrender, the cash alternative under the Redemption Consideration, provided that if satisfaction of the Redemption Consideration for any Preferred Share is not duly made by or on behalf of the Company in accordance with the provisions hereof, then the rights of such holders will remain unaffected.

From and after the Redemption Date, Preferred Shares in respect of which deposit of the applicable Redemption Consideration is made will be deemed to be redeemed and cancelled, the Company will be fully and completely discharged from its obligations with respect to the payment of the applicable Redemption Consideration to such holders of the Preferred Shares, and the rights of such holders will be limited to receiving the applicable Redemption Consideration.

All payments hereunder will be net of any taxes the Company is required or entitled to withhold under applicable law.

Under no circumstances will any amount be paid by the Company or any of its affiliates or by BCSD by reason of any delay in paying or delivering the Redemption Consideration in connection with any Preferred Shares held by, or in making any payments in lieu of fractional Depositary Receipts to, any person on account of the Preferred Shares.

Adopted and approved this day of , A. D. 2017

**IN WITNESS WHEREOF ICD
UTILITIES LIMITED** has
caused its Common Seal to be
hereunto affixed.

The Common Seal of **ICD UTILITIES LIMITED** was affixed hereto by a
Director of the said Company and the said affixed his signature hereto in the presence of
[.....], the [.....] of the Company.

IN WITNESS WHEREOF IUL LTD. has caused its Common Seal to be hereunto affixed.

The Common Seal of **IUL LTD.** was affixed hereto by a Director of the said Company and the said [.....] affixed his signature hereto in the presence of [.....] the [.....], of the Company.

ANNEX A
AMENDED AND RESTATED ARTICLES OF ASSOCIATION

(See Attached)

THE COMMONWEALTH OF THE
BAHAMAS THE COMPANIES ACT
COMPANY LIMITED BY
SHARES

AMENDED AND RESTATED
ARTICLES OF
ASSOCIATION
OF

ICD UTILITIES LIMITED

EXPLANATORY

1. In the interpretation of these presents, unless there be something in the subject or context inconsistent therewith:

"The Act" means The Companies Act of The Bahamas as amended from time to time;

"The Company" means the above-named Company.

"The Register" means the register of members to be kept pursuant to Section Twenty- two (22) of The Companies Act;

"The Seal" means the common seal of the Company.

"Month" means calendar month.

"Year" means calendar year.

"Dividend" means Dividend and/or bonus.

"Paid" means paid or credited as paid.

"In writing" and "written" means and include words printed, lithographed, represented or reproduced in any mode in a visible form.

"The Directors" means the Directors for the time being of the company.

"Resolution of Members" means

(a) a resolution approved at a duly constituted meeting of the holders of the Common Shares by the affirmative vote of-

(i) a simple majority, or such larger majority as may be specified in these articles, of the votes of the members voting at the meeting either in person or by proxy, or

(ii) a simple majority, or such larger majority as may be specified in these articles, of the votes of the holders of each class or series of shares voting at the meeting either in person or by proxy;

(b) a resolution consented to in writing and supported by -

(i) a simple majority, or such larger majority as may be specified in these articles, of the votes of the holders of the Common Shares, or

(ii) a simple majority, or such larger majority as may be specified in these articles, of the votes of the holders of

each class or series of shares;

"Member" means the subscribers of the Memorandum of Association, and every other person who agrees to become a member of the Company and whose name is entered in the Register of Members.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

OFFICES

1. In addition to the Registered Office of the Company in the Commonwealth, the Company may have an Office for the transaction of business in any part of the world. Meetings of the Company or of the directors may be held either within or without the Commonwealth and if without the Commonwealth, at such place as the directors may determine.

SHARES

2. The whole of the unissued shares of the Company for the time being shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit. Subject to the provisions of Section 43 of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

3. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by Act required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

4. Where several persons are registered as joint holders of any Shares:-

- (a) they shall be jointly and severally liable for any liability in respect of such Shares, but the persons first named upon the Register shall, as regards service of notice, be deemed the sole owner thereof.
- (b) any of such persons may give effectual receipt for dividends.
- (c) for the purposes of the quorum, joint holders of any voting shares shall be considered as one number.

5. The Company may exercise any power conferred by law to dispense with distinguishing or denoting numbers of shares.

6. [Intentionally Omitted].

7. (a) In lieu of issuing Share certificates for Shares the Company will itself or through its duly appointed registrar and transfer agent ("Registrar and Transfer Agent") issue written confirmations with respect to Share issues and transfers ("Written Confirmation(s)") and such issues or transfers shall be recorded in the Register.

- (b) The Written Confirmation of Shares registered in the names of two or more persons shall be delivered to persons first named on the Register.

8. The Company either by itself or through its duly appointed Registrar and Transfer Agent shall continue to maintain the Register of all of the members of the Company from time to time.

9. [Intentionally Omitted].
10. [Intentionally Omitted]
11. [Intentionally Omitted]

TRANSFER OF SHARES

12. Shares in the Company shall be transferable only by instrument in writing in such form as the Directors may from time to time determine, and the transferor of a Share shall be deemed to remain the holder thereof until the name of the transferee shall have been entered in the Register in respect thereof.

13. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The authority under which a person signs a transfer on behalf of the transferor shall be in such form as the Directors may approve.

14. No transfer shall be made to an infant or to a person of unsound mind.

15. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine.

16. The Directors may decline to register any transfer where such transfer is not effected in accordance with these Articles or any applicable laws, Regulations or Rules.

17. Nothing herein contained shall preclude the Directors from recognizing a renunciation of the allotment of any Share by the allottee in favour of some other person.

LIEN

18. The Company shall have a first and paramount lien on every share for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends and bonuses declared thereon. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon.

19. The Company may sell, in such manner as the Directors think fit any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

20. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares prior to the sale.

CALL ON SHARES

22. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable in less than one month from the date fixed for the payment of the last preceding call and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

23. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by installments.

24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date (whether on account of the nominal value of the share or by way of premium) shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

26. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid, and the times of payment.

27. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 8 per centum per annum, as may be agreed upon between the Directors and the member paying such sum in advance.

28. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would but for such payment become presently payable.

TRANSMISSION OF SHARES

29. The legal representatives of a deceased member (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to his shares and, in case of the death of any one or more of the joint holders of any registered shares, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to or interest in such shares.

30. Any person becoming entitled to any shares in consequence of the death of any member or in any other way than by transfer may, with the consent of the Directors and upon the production of such evidence as may from time to time be required by the Directors, be registered as a member or, subject to the provisions as to transfers hereinbefore contained, may transfer such shares to some other person by executing to the latter an instrument of transfer.

FORFEITURE OF SHARES

31. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so

much of the call or installments together with any interests which may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

32. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited, by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.

34. A forfeiture share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

35. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding remain liable to pay to the Company all moneys, which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. When any share shall have been forfeited, notice of the Directors resolution to that effect shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

36. A declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share or any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

SHARE WARRANTS

37. The Company, with respect to fully paid-up shares or stock, may issue warrants (hereinafter called "share warrants"), stating that the bearer is entitled to the shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends on the shares or stock included in such warrants.

38. A share warrant shall entitle the bearer of such warrant to the shares or stock specified in it and such shares or stock may be transferred by the delivery of such share warrant.

39. The Directors may determine and from time to time vary the conditions upon which share warrants shall be issued, and in particular, upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost, or destroyed; upon which the bearer of a share warrant shall be entitled to attend and vote at general meetings; and upon which a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares or stock therein specified. Subject to such conditions, and to these presents, the bearer of a share warrant shall be a member to the full extent. The holder of a share warrant shall be subject to the conditions for the time being in force, whether made before or after the issue of such warrant.

INITIAL CAPITAL

40. The capital of the Company shall be Two Million (\$2,000,000.00) dollars divided into Ten Million (10,000,000.00) Common Shares of Ten cents (\$0.10) each (“the Common Shares”) and Ten Million (10,000,000) Redeemable Preferred Shares of Ten cents (\$0.10) each (“Preferred Shares”). The Common Shares and the Preferred Shares shall have the following rights, privileges, restrictions and conditions:

A. COMMON SHARES

The Common Shares will have attached thereto the following rights, privileges, restrictions and conditions:

(a) Voting Rights

- (i) The holders of the Common Shares will be entitled to receive notice of and attend and vote at any meeting of the holders of the Common Shares or at any meeting of all of the shareholders of the Company, but such holder of Common Shares will not be entitled to receive notice of nor attend nor vote at any class meeting of any other class of shareholders.
- (ii) The holders of the Common Shares will be entitled to one (1) vote in respect of each Common Share held by that holder at each such meeting of the holders of the Common Shares or at any meeting of all of the shareholders of the Company.

(b) Dividend Rights

The holders of the Common Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive dividends in priority to or ratably with the Common Shares, to receive dividends if, as and when declared by the board of directors of the Company out of the moneys of the Company properly available for the payment of dividends in such amounts and payable in such manner as the board of directors of the Company may from time to time determine.

(c) Liquidation Rights

The holders of the Common Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive the property or assets of the Company upon such distribution in priority to or ratably with the holders of the Common Shares, to receive the remaining property and assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

B. REDEEMABLE PREFERRED SHARES

The Preferred Shares will have attached thereto the following rights, privileges, restrictions and conditions:

(a) Voting Rights

- (i) The holders of the Preferred Shares will be entitled to receive notice of and attend and vote at any meeting of the holders of the Preferred Shares, but such holder of the Preferred Shares will not, in such capacity, be entitled to (i) receive notice of and attend or vote at any general meeting of the Company except where at such meeting a resolution is to be proposed which abrogates or varies any of the rights, preferences, privileges restrictions or conditions attached to any class of shares to which they hold or (ii) receive notice of and attend or vote at any meeting of the holders of the Common Shares or at any class meeting of any other class of shareholders.
- (ii) The holders of the Preferred Shares will be entitled to one (1) vote in respect of each Preferred Share held by that holder at any meeting at which such holders

are entitled to vote pursuant to the preceding paragraph.

(b) Dividend Rights

The holders of the Preferred Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive dividends in priority to or ratably with the Preferred Shares but in priority to any payment of dividends on any other class of shares, to receive dividends if, as and when declared by the board of directors of the Company out of the moneys of the Company properly available for the payment of dividends in such amounts and payable in such manner as the board of directors of the Company may from time to time determine.

(c) Liquidation Rights

(i) The Preferred Shares will be entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares, on any distribution of the property or assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

(ii) The holders of the Preferred Shares will be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company entitled to receive the property or assets of the Company upon any such distribution in priority to or ratably with the holders of the Preferred Shares, to share ratably in the stated capital account maintained by the Company in respect of the Preferred Shares on any distribution of the property or assets of the Company on a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

(iii) After payment of the amounts specified in the foregoing paragraphs, the holders of the Preferred Shares will have no further right to share in the remaining property and assets of the Company.

(d) Compulsory Redemption of Preference Shares

(i) General Provisions

Subject to the requirements of the Act the Company will, on or about December 8, 2017 (the “**Redemption Date**”), compulsorily redeem all of the Preferred Shares issued and outstanding on the Redemption Date, in accordance with the following provisions of this section. Except as provided herein or as otherwise determined by the Directors, no notice of redemption or other act or formality on the part of the Company will be required to compulsorily redeem the Preferred Shares.

(ii) Redemption Consideration

The “**Redemption Consideration**” in respect of (A) each Preferred Share other than Preferred Shares held by Emera Utilities Holdings Ltd. (“**EUHL**”) will be (I) BSD\$8.85 in cash; or (II) 0.913 depository receipts (the “**Depository Receipts**”), each Depository Receipt initially representing an interest in one quarter of a common share in the capital of Emera Incorporated (“**Emera**” and such common shares, the “**Emera Shares**”); or (III) a combination of such cash alternative and such Depository Receipts alternative, as elected by such holder of the Preferred Shares in the applicable notice of election received in connection with the management proxy circular of ICD Utilities Limited dated October 13, 2017 (the “**Circular**”) (unless such holder of the Preferred Shares is deemed to have elected such Depository Receipts alternative pursuant to the terms of the Circular, including as a result of failing to deliver a valid notice of election prior to 5:00 p.m. (Freeport time) on November 27, 2017 (the “**Election Deadline**”)), and (B) each Preferred Share held by EUHL will be that number of the Common Shares in the Company having a fair market value equal to BSD\$8.85, as determined by the board of directors of the Company. Fractional Depository Receipts will not be issued. Where the aggregate number of Depository Receipts to be issued to any holder of Preferred Shares in exchange for such holder’s Preferred Shares would result in a fraction of a Depository Receipt being issuable, such holder of Preferred Shares will receive a cash payment in lieu of such fractional Depository Receipt in an amount calculated

pursuant to the terms of the Circular.

(iii) Funding of Cash Portion of the Redemption Consideration

On or before the Redemption Date, the Company will pay the applicable Redemption Consideration to the holders of Preferred Shares that have validly delivered the required documentation (being a properly completed notice of election, together with the certificates or other evidence of ownership representing such holder's Preferred Shares (if any) and such other additional documents as are specified in the instructions set out in the notice of election or which may otherwise reasonably be required by the Company or its agent) by providing the Bahamas Central Securities Depository Limited ("**BCSD**") with sufficient funds for payment of (A) the cash component of the Redemption Consideration to holders of Preferred Shares that have validly delivered the required documentation and elected to receive, in whole or in part, Redemption Consideration in the form of the cash alternative (including holders of Preferred Shares in the United States who are required to receive the cash alternative); and (B) any payments in lieu of fractional Depository Receipts for those holders of the Preferred Shares that have validly delivered the required documentation and are entitled to receive a cash payment as a result of the rounding down of the number of the Depository Receipts that would otherwise have been issued to such holder of the Preferred Shares. BCSD will act as the agent of such holders of the Preferred Shares for the purposes of receiving the cash component of the Redemption Consideration and payments in lieu of fractional Depository Receipts and transmitting such cash to such holders of the Preferred Shares on or after the Redemption Date.

Receipt by BCSD of cash representing the cash component of the Redemption Consideration and payments in lieu of fractional Depository Receipts payable to such holders of the Preferred Shares will be deemed to constitute receipt of payment by such holders of the Preferred Shares. Under no circumstances will interest on any Redemption Consideration be paid by the Company or any of its affiliates or BCSD by reason of any delay in paying or delivering the applicable Redemption Consideration or otherwise.

(iv) Funding of the Depository Receipt Portion of the Redemption Consideration

On or before the Redemption Date, the Company will direct Emera to deposit, on behalf of the holders of the Preferred Shares that have validly delivered the required documentation and have elected to receive, or are deemed to have elected to receive, in whole or in part, Redemption Consideration in the form of the Depository Receipts alternative, sufficient Emera Shares into the Emera depository receipt custody accounts (the "**Custody Accounts**") to be maintained by CIBC Trust Company (Bahamas) Limited (the "**Custodian**") in connection with the Depository Receipts. The Custodian will receive and hold such Emera Shares in its capacity as custodian for the Bahamas Central Securities Depository Limited (the "**DR Depository**"), in its capacity as depository under the Deposit Agreement dated as of October 13, 2017 among Emera, the DR Depository and the holders of the Depository Receipts from time to time (the "**Deposit Agreement**"), in accordance with the terms and conditions of the Deposit Agreement and a custodial services agreement between Emera, the Custodian and the DR Depository.

Upon receipt by the DR Depository of (A) confirmation from the Custodian that sufficient Emera Shares have been deposited into the Custody Accounts; and (B) written instructions from the Company and BCSD that (I) set out the number of the Depository Receipts to be issued (the "**Consideration DRs**"); and (II) instruct the DR Depository to issue the Consideration DRs to BCSD's account(s), the DR Depository will issue the applicable number of Consideration DRs for each Preferred Share deposited with the Custodian as so instructed, for acceptance by BCSD to the holders of the Preferred Shares that have elected to receive, or are deemed to have elected to receive Redemption Consideration in the form of the Depository Receipts alternative.

BCSD will act as the agent of such holders of the Preferred Shares for the purposes of receiving the Consideration DRs and transmitting such Consideration DRs to each such holder of the Preferred Shares. Receipt of the Consideration DRs by BCSD will be deemed to constitute receipt of payment by such holders of the Preferred Shares.

Upon the issuance and delivery of the Consideration DRs, each holder of the Preferred Shares that has elected or has been deemed to have elected the Depository Receipts alternative will

become a party to the Deposit Agreement, and the names of each such holder of the Preferred Shares will be added to the register of holders of the Depositary Receipts maintained by the DR Depository.

For clarity, each holder of Preferred Shares in the United States will receive the cash alternative.

(v) Payment of Redemption Consideration

As soon as reasonably practicable after the Redemption Date, the Company will, or will cause BCSD to, pay or deliver the applicable Redemption Consideration for the Preferred Shares to the applicable holder of the Preferred Shares. Unless otherwise directed by the applicable notice of election, the Depositary Receipts and/or cheque, direct deposit or other electronic funds transfer will be issued in the name of the registered holder of the Preferred Shares who delivered the applicable Preferred Shares. Unless the holder of the Preferred Shares instructs BCSD to hold the cheque for pick-up by checking the appropriate box in the applicable notice of election, the cheque will be forwarded by first-class mail to such person at the address specified in the applicable notice of election. If no such address is specified, the cheque will be sent to the address of the holder of the Preferred Shares as shown on the securities register maintained by or on behalf of the Company. Cheques mailed in accordance with this section will be deemed to be delivered at the time of mailing.

Any evidence of ownership representing a Preferred Share held by a former holder of the Preferred Shares (other than a holder of the Preferred Shares who dissents to the vote relating to the Redemption Consideration) that has not been validly surrendered by the Election Deadline (including the valid deposit of the required documentation) will represent only the right to receive, upon such surrender, the cash alternative under the Redemption Consideration, provided that if satisfaction of the Redemption Consideration for any Preferred Share is not duly made by or on behalf of the Company in accordance with the provisions hereof, then the rights of such holders will remain unaffected.

From and after the Redemption Date, Preferred Shares in respect of which deposit of the applicable Redemption Consideration is made will be deemed to be redeemed and cancelled, the Company will be fully and completely discharged from its obligations with respect to the payment of the applicable Redemption Consideration to such holders of the Preferred Shares, and the rights of such holders will be limited to receiving the applicable Redemption Consideration.

All payments hereunder will be net of any taxes the Company is required or entitled to withhold under applicable law.

Under no circumstances will any amount be paid by the Company or any of its affiliates or by BCSD by reason of any delay in paying or delivering the Redemption Consideration in connection with any Preferred Shares held by, or in making any payments in lieu of fractional Depositary Receipts to, any person on account of the Preferred Shares.

INCREASE OF CAPITAL

41. The members may from time to time by Resolution of Members increase the capital of the Company by the creation and issue of new shares of such amount as may be deemed expedient.

42. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the Resolution of Members creating the same shall be directed and, if no direction be given, as the Directors may determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

43. Subject to any direction to the contrary that may be given by the meeting sanctioning the increase of capital, all new shares of whatever kind shall be offered to the members in proportion to the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and, after the expiration of such time or on the receipt of an intimation

from the member to whom such notice is given that he declined to accept the shares so offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

44. Except so far as is otherwise provided by the conditions of issue or by these presents, any capital raised by the creation and issue of new shares shall be considered part of the original capital and shall be subject to the provisions of these Articles herein contained.

45. If, owing to an inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares, or any of them, amongst the members, such difficulty shall, in the absence of direction by the meeting sanctioning the increase of capital, be determined by the Directors.

ALTERATIONS OF CAPITAL

46. The members may by Resolution of Members:

- (a) Consolidate and divide all or any of the share capital into shares of larger amount than its existing shares;
- (b) Convert all or any of the paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;
- (c) Subdivide the shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- (d) Cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled or may by Special Resolution;
- (e) Subject to confirmation by the Court reduce its share capital and any capital redemption reserve fund or share premium account in any manner and with and subject to any incident prescribed or allowed by law.

GENERAL MEETINGS OF MEMBERS

47. The first annual general meeting of the members shall be held at such time (not being more than four months after the incorporation of the Company) as the subscribers to the Memorandum of Association may determine in the City of Freeport in the Island of Grand Bahama or at such other place as may be prescribed by the subscribers to the Company's Memorandum of Association.

48. Subsequent annual general meetings of the members shall be held in each and every year at the Office of the Company or at such other place as may be prescribed by the Directors. At these meetings inter alia the election of Directors and the ordinary business of the Company shall be transacted.

49. All other meetings of the members of the Company shall be extraordinary general meetings.

50. The Directors may, whenever they think fit, and they shall, upon requisition made in writing by members owning not less than one-fifth of the number of issued shares of the Company, convene an extraordinary general meeting.

51. Any such requisition shall express the object of the meeting required and shall be signed by the members making the same and shall be sent by post to or delivered at the Office of the Company.

52. Upon the receipt of such requisition, the Directors shall forthwith proceed to convene

an extraordinary general meeting. If they do not proceed to convene the same within twenty-one (21) days from the date of the requisition, the requisitionists, or any other members being the owners of not less than one-fifth in number of the issued shares of the Company, may themselves convene a meeting at the Office of the Company or at such other place as they may determine.

53. Seven (7) days' notice at the least of all meetings specifying the place, the day and the hour of meeting and in case of special business the general nature of such business shall be given to the members in manner hereinafter mentioned or in such manner, if any, as may be prescribed by the members in general meeting; but the non-receipt of such notice by any member shall not invalidate the proceedings at any meeting.

54. General meetings of members, both annual and extraordinary, may be held without previous notice if all members entitled to be present are present in person or by proxy or waive notice of such meeting in writing.

55. All business that is transacted at an extraordinary general meeting and all that is transacted at an annual general meeting, with the exception of the sanctioning of a dividend, the consideration of the accounts, balance sheet, the Annual Report of the Directors, the Auditors' Report, the election of directors and the fixing of their remuneration, the appointment of, and the fixing of the remuneration of the Auditors, shall be deemed to be special.

56. When all members entitled to be present and vote, sign either personally or by proxy the minutes of an annual general or an extraordinary general meeting, the same shall be deemed to have been duly held notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings and a resolution in writing signed by all the members aforesaid shall be as valid and effectual as if it had been passed at a meeting of the members duly called and constituted.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

57. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

58. Any share of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted determining the total number of outstanding shares at any given time.

PROCEEDINGS AT GENERAL MEETING OF MEMBERS

59. (a) No business shall be transacted at any general meeting of the members unless a quorum is present. Subject to Article 58(b), a quorum shall consist of two members, present in person or by proxy, together holding or representing sixty per centum (60%) or more of the issued voting capital of the Company.

(b) The approval of members, present in person or by proxy, together holding or representing seventy-five per centum (75%) or more of the Common Shares of the Company shall be required to approve any acquisition of any asset or investment, for the incurrence of indebtedness by the Company, for the winding up of the Company, for any merger or consolidation of the Company with or into another entity, and for any amendment to these Articles of Association or to the Memorandum of Association of the Company.

60. If, within one hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; and in any other case it shall stand adjourned to the same day in the next week at the same time and place; and if at such adjourned meeting a quorum is not present, those members who are present shall be a quorum and

may transact the business for which the meeting was called.

61. The Chairman of the Board of Directors, if any, shall preside as Chairman at every meeting of the members or, if there is no such Chairman, the Directors present shall elect one of their number to be Chairman of the meeting.

62. In the absence of the Chairman of the Board of Directors, if any, or if no Director is present or no Director is willing to act as Chairman, the members present shall choose one of their number to be Chairman.

63. The Chairman may with the consent of the meeting, adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

64. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

65. At any general meeting of the members unless a poll is demanded by a member present in person or by proxy, a declaration by the Chairman that a resolution has been carried and an entry to that effect in the book of proceedings of the members shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

66. If a poll is demanded it shall be taken in such manner as the Chairman directs and the result of such poll shall be deemed to be the resolution of the members.

67. Every member holding voting shares shall either in person or by proxy have one vote on a show of hands and on a poll shall have one vote for every voting share held. Where a corporation, being a member, wishes to be present, it must be represented by a proxy; such proxy shall be entitled to vote for such corporation on a show of hands and also on a poll.

68. If any member is a lunatic or idiot, he may vote by any person appointed by a Court of competent jurisdiction as his legal curator.

69. Votes may be given either personally or by permanent or ad hoc proxy.

70. If there be joint registered holders of any shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

71. No member shall be entitled to be present or to vote on any question either personally or by proxy or as a proxy for another member, at any meeting or upon a poll or be reckoned in a quorum, whilst any sum shall be due and payable to the Company in respect of any of the shares of such member.

72. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney or, if such appointer is a corporation with a Common Seal, under such Common Seal, or if such corporation has not by its regulations any such Seal, then in such manner as may be acceptable to the Directors. A proxy need not be a member of the Company.

73. The instrument appointing a proxy shall be deposited with the Secretary before or at the meeting for which it is to be used and, if permanent, may be recorded with the Secretary.

74. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received before the meeting.

75. An instrument appointing a proxy shall be in the following form or as near thereto as circumstances admit:-

I, _____ of

being a member of

hereby appoint _____ of

as my proxy to vote for me and on my behalf at the (annual general or extraordinary general as the case may be) meeting of the members to be held on the _____ and at any adjournment thereof.

As witness my hand this _____ day of

Signed by the said

OFFICERS

76. The Officers of the Company shall be appointed by the Directors and may consist of a President, one or more Vice-Presidents, a Secretary, an Assistant Secretary, a Treasurer and such other officers as the members or the Directors may from time to time think necessary, and such other officers shall perform such duties as may be prescribed by the Directors. They shall hold office until their successors are appointed, but any officer may be removed at any time by the members in general meeting or by the Directors. If any office becomes vacant, the members in general meeting or the Directors may fill the same.

77. Any person may hold more than one of these offices and no officer need be a member of the Company.

PRESIDENT

78. The President shall perform such duties as may be prescribed by these Articles, the members in general meeting or the Directors.

VICE-PRESIDENT

79. A Vice-President, in the absence or disability of the President, may perform the duties and exercise the powers of the President and shall perform such other duties as may be prescribed by these Articles, the members in general meeting or the Directors.

TREASURER

80. The Treasurer shall perform such duties as may be prescribed by these Articles, the members in general meeting or the Directors and, if and when directed so to do by the members in general meeting or the Directors, shall keep full and accurate accounts of the receipts and disbursements of the Company and shall render to the Directors at regular meetings of the Directors, or whenever they may require it, a statement of the financial condition of the Company.

SECRETARY

81. The Secretary shall attend and keep the minutes of the meetings of the members and of the Directors. He shall also summon meetings and keep such other books and records of the Company and the Directors as may be required by the members in general meeting or by the Directors and shall perform such other duties as may be prescribed by these Articles, the members in general meeting or the Directors.

ASSISTANT SECRETARY

82. The Assistant Secretary, in the absence or disability of the Secretary may perform the duties and exercise the powers of the Secretary and shall perform such other duties as may be prescribed by these Articles, the members in general meeting or the Directors.

THE SEAL

83. The Secretary shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or of a Committee of the Directors authorised by the Directors for that purpose. Every instrument to which the Seal is to be affixed shall be executed on behalf of the Company by the President or a Vice-President or a Director signing the same and affixing thereto the Seal of the Company in the presence of the Secretary, Assistant Secretary or another Director or another Officer who shall sign the instrument as witness.

DIRECTORS

84. The first Directors shall be elected by the subscribers to the Memorandum of Association, or by a majority of them, at the first general meeting of the holders of the Common Shares of the Company after incorporation. At the annual general meeting of the members to be held in each subsequent year, the Directors holding office shall retire and the holders of the Common Shares shall elect Directors who shall hold office until the next annual general meeting. The Directors shall be not less than four (4) nor more than eight (8) in number.

85. A retiring Director shall be eligible for re-election.

86. A Director need not be a member of the Company and no shareholding qualification shall be necessary to qualify a person as a Director.

87. The remuneration, if any, of the Directors shall from time to time be determined by the members in general meeting and such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all traveling, hotel and other expenses properly incurred in attending and traveling to and returning from meetings of the Directors or of any committee of the Directors or general meetings of the members or in connection with the business of the Company.

88. The office of a Director shall ipso facto be vacated:

- (a) if he becomes bankrupt or suspends payment to or compounds with his creditors;
- (b) if he becomes lunatic or of unsound mind or all the other Directors shall have unanimously resolved that he is physically or mentally incapable of performing the functions of a Director;
- (c) if by notice in writing to the Company he resigns his office;
- (d) if he fails to make proper disclosure under the provisions of Article 93;
- (e) if he is removed by Resolution of the holders of the Common Shares.

89. The continuing Directors may act notwithstanding any vacancy in their body. However so long as their number is reduced below the number fixed by or established pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purposes of increasing the number of Directors to the number necessary to constitute a quorum or to the minimum number fixed by Article 64 or for summoning a general meeting of the shareholders, but for no other purpose.

90. Any casual vacancy in the Board of Directors may at any time be filled by the

Directors but every person so chosen shall retain office so long only as the vacating Director would have retained the same if no vacancy had occurred.

91. The Directors or the holders of the Common Shares in general meeting shall have power at any time, and from time to time, to elect any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed as above.

ALTERNATE DIRECTORS

92. (i) Any Director may at any time appoint any person approved by the Directors to be an alternate Director of the Company and may at any time remove any alternate Director so appointed by him. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company but shall otherwise be subject to the provisions of these presents with regard to Directors.

(ii) An alternate Director shall (subject to his giving to the Company an address at which notices may be served upon him) be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointer as a Director in the absence of such appointer.

(iii) An alternate Director shall ipso facto cease to be an alternate Director if his appointer ceases for any reason to be a Director, provided that if any director retires but is re-elected by meeting at which such retirement took effect any appointment made by him pursuant to this article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.

(iv) All appointments and removals of alternate Directors shall be effected by writing under the hand of the Director making or revoking such appointment and lodged with the Secretary at the Company's office.

DIRECTOR OR OFFICER CONTRACTING WITH COMPANY

93. No Director or Officer shall be disqualified by his office from contracting and/or dealing with the Company as vendor, purchaser or otherwise; nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director or Officer shall be in any way interested, be avoided; nor shall any Director or Officer so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director or Officer holding that office or the fiduciary relationship thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest. A Director, having disclosed his interest as aforesaid, shall be entitled to vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid. Failure to make such disclosure may, on a Resolution of holders of the Common Shares, entail vacation of office under the provisions of Article 88.

MANAGING DIRECTOR

94. The members in general meeting of the Common Shareholders or the Directors may from time to time appoint one or more of the Directors to be a Managing Director or Managing Directors of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

95. The remuneration of a Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of those modes.

96. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

97. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined, four Directors shall be a quorum. It shall not be necessary to give notice of a meeting of Directors to a Director who is not within The Bahamas.

98. The Chairman of the Board of Directors, if any, shall preside at all meetings of the Directors or, if there is no such Chairman the Directors present shall choose one of their number to be the Chairman of the meeting. In the absence of the Chairman of the Board of Directors, the Directors present shall choose one of their number to be Chairman of the meeting.

99. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally.

100. A Director may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

101. The Directors may delegate any of their powers to committees each consisting of two or more members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be made or imposed upon it by the Directors.

102. The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last preceding clause.

103. All acts done by any meeting of the Directors, or of a committee of Directors or by any person acting as a Director, shall, notwithstanding that it afterwards be discovered that there was some defect in the election of any such Director or persons acting as aforesaid or that they or any of them were or was disqualified, be as valid as though every such person had been duly elected and was qualified to be a Director.

104. When all Directors sign the minutes of a Directors' meeting, the same shall be deemed to have been duly held notwithstanding that the Directors have not actually come together or that there may have been technical defects in the proceedings and a resolution in writing signed by all the Directors shall be as valid and effectual as if it had passed at a meeting of the Directors duly called and constituted.

105. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of

the Company, the Company shall remunerate the Director for so doing by a fixed sum or by percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

BORROWING POWERS

106. The Directors may from time to time, at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

107. The Directors may raise or secure the payment or repayment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, mortgages, debentures or debenture stock perpetual or otherwise, notes or other obligations of the Company charged upon all or any part of the property of the Company (both present and future).

108. Debentures, debenture stock and other securities may be made assignable, free from any equities, between the Company and the person to whom the same may be issued.

GENERAL POWERS OF DIRECTORS

109. The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by Act expressly directed or required to be exercised or done by the members in general meeting but subject nevertheless to the provision of any Act and of these presents and to any regulations from time to time made by the members in general meeting, provided that no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

110. Without prejudice to the general powers conferred by the last preceding clause and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say:-

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (2) To purchase or otherwise acquire for the Company any property (real or personal), rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- (3) To sell, exchange or otherwise for valuable consideration to dispose of all or any of the property (real or personal) of the Company and to sign, seal, execute and deliver conveyances, transfers and assignments of any property so sold, exchanged or otherwise disposed of;
- (4) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company; and any such shares shall be issued as fully paid up; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged;
- (5) To secure fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company for the time being or in such other manner as they think fit;
- (6) To institute, conduct, defend, compound or abandon any legal proceedings by and against the Company or its officers or otherwise concerning the affairs of the Company; and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company;
- (7) From time to time to provide for the management of the affairs of the Company abroad in such manner as they think fit and in particular by power of attorney under seal to appoint any persons to be attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;
- (8) To invest and deal with any of the moneys of the Company not immediately

required for the purposes of the Company and upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments;

- (9) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name of and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

DIVIDENDS

111. (a) Subject to the rights and interest of any other class of shareholder that may be created, the profits of the Company shall be divisible among the shareholders in proportion to the capital paid up on the shares held by them respectively.
- (b) The Company shall maximize the dividend payout by holding overhead expenses to a minimum and paying out dividends not less than quarterly from available funds.
112. The Directors may from time to time declare and pay the members entitled thereto such interim dividends as appear to the Directors to be justified by the profits of the Company.
113. The Directors may recommend, and with the sanction of and declaration by the members in general meeting, pay a final dividend to the members entitled thereto.
114. No dividend shall be payable except out of the profits of the Company.
115. No dividend shall bear interest as against the Company.
116. Unless otherwise directed, any dividend may be paid by cheque or warrant or bank transfer order and in the case of a cheque or warrant may be sent through the post to the registered address of the member entitled thereto or, in the case of joint holders, to the registered address of that holder, whose name stands first on the Register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

RESERVES

117. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends or for special dividends or bonuses or the redemption of preference shares or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investments as they may think fit and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

CAPITALIZATION OF PROFITS AND RESERVES

118. The members in general meeting may, upon the recommendation of the Directors, resolve by Resolution of Members that it is desirable to capitalize any undivided profits of the Company not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend (including profits carried and standing to the credit of any reserve or reserves or other special account) and accordingly that the Directors be authorised and directed to appropriate the profits resolved to be capitalized to the members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalized and to apply such profits on their behalf in paying up in full unissued shares, debentures or securities of the Company of a nominal amount equal to such profits, such shares, debentures or securities to be allotted and distributed, credited as fully paid up, to and amongst such members in

the proportion aforesaid or partly in one way and partly in the other. Provided that the capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members as fully paid.

119. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by the issue of fractional certificate or by payment in cash or otherwise as they think fit in the case of shares, debentures or securities becoming distributable in fractions and also to authorise any person to enter, on behalf of all the members interested, into any agreement with the Company providing for the allotment to them respectively, credit as fully paid up, of any further shares, debentures or securities to which they may be entitled upon such capitalization; and any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

120. (1) The Directors shall cause true accounts of the receipts and disbursements of cash and of the assets and liabilities of the Company to be kept at the Office of the Company or at such other place as the Directors may from time to time appoint and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Directors, such accounts shall be open to the inspection of the members during the hours of business.

(2) Unless waived by a Resolution of Members in general meeting the Directors shall lay before the members in general meeting once in every calendar year:-

(a) a Statement of Income and Expenditure for the past year; and

(b) a Balance Sheet containing a summary of the assets and liabilities of the Company both such Statement and Balance Sheet being made up to a date not more than six months before such meeting; provided that no such Statement or Balance Sheet need be so laid before the members until the annual general meeting of the members following the first general meeting held by the subscribers to the Memorandum of Association and such statement when so laid shall cover the total period from the date of incorporation of the Company.

AUDIT

121. The Directors shall make all necessary arrangements for the audit from time to time as they see fit of the books and accounts of the Company.

NOTICES

122. A notice may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address.

123. All notices directed to be given to the members shall, with respect to any shares to which persons are jointly entitled, be given to whichever of such persons is named first on the Register; and the notice so given shall be sufficient notice to all the holders of such shares.

124. The signature to any such notice to be given by the Company may be written, typewritten or printed.

125. Any notice, if served by post, shall be deemed to have been served at the time when in the ordinary course of post the letter containing the same would be delivered; and in proving such notice it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

126. Any member or Director may waive the right to receive notices by an instrument in writing signed by him before, at or after any meeting.

INDEMNITY

127. Save and except so far as the provisions of this Article shall be avoided by any provision of the Act, the Directors, Secretary and other Officers for the time being of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts except such (if any) as they shall incur or sustain through or by their own willful neglect or default respectively and none of them shall be answerable for the acts, receipts or defaults of the other or others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto except the same shall happen by or through their own willful neglect or default respectively.

**EXHIBIT “C”
FAIRNESS OPINION**

(See Attached)



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Strictly Private & Confidential

October 12, 2017

Special Committee of the Board of Directors of ICD Utilities Limited
Suite 1, Chancery House, The Mall
P.O. Box F-40437
Freeport, Grand Bahama

Attn: Mr. Michael Moss, Committee Chairman

Dear Sirs:

Fairness Opinion with respect to consideration for ICD Utilities Limited shareholders in relation to a transaction agreement among Emera Incorporated, Emera Utilities Holdings Ltd., and ICD Utilities Limited

KPMG Advisory Services Ltd. ("KPMG", "us", or "we") understands that Emera Incorporated and Emera Utilities Holdings Ltd. (collectively, "Emera") and ICD Utilities Limited ("ICDU") have entered into a Transaction Agreement (together with its attached schedules, the "Agreement") dated October 12, 2017 (the "Agreement Date"). The Agreement contemplates a merger ("Merger") between ICDU and IUL Ltd., a newly formed Emera subsidiary, with the surviving company being ICDU (surviving company referred to herein as "MergeCo"). The Agreement provides that each ICDU shareholder would receive one MergeCo Redeemable Preferred Share in exchange for each ICDU share they currently hold. The Agreement further contemplates that MergeCo will compulsorily redeem all of the MergeCo Redeemable Preferred Shares ("Redemption") on or about December 8, 2017 ("the Redemption Date"). According to the Plan of Merger pursuant to the Agreement, in return for each MergeCo Redeemable Preferred Share held by a non-Emera shareholder ("Shareholder"), the Shareholder would have the option of the following as consideration (collectively, the "Consideration"):

- a. B\$8.85 cash per share;
- b. the equivalent value in Emera Bahamian Depositary Receipts ("Emera BDRs") which would be listed for trading on the Bahamas International Securities Exchange ("BISX"); or
- c. a combination of cash and Emera BDRs.

ICDU, a holding company incorporated in The Bahamas in April 1993, holds a direct 50.0 percent equity interest in Grand Bahama Power Company Ltd. ("GBPC"). Emera currently holds the remaining 50.0 percent interest in GBPC, as well as a 60.7 percent interest in ICDU.

There is only one class of authorized and issued ICDU shares made up of 10,000,000 common shares with a par value of \$0.10, and these shares are listed on BISX. The trading price of the ICDU shares on the day prior to the date of this Fairness Opinion was B\$7.01. We note that since the ICDU shares are very thinly traded, the trading price of B\$7.01 is not necessarily a reliable indicator of fair market value.



The Special Committee of the Board of Directors (the "Special Committee") of ICDU has retained KPMG to provide its opinion as to the fairness, from a financial perspective, of the Consideration in connection with the Agreement (the "Fairness Opinion").

Our Fairness Opinion assumes that the Plan of Merger pursuant to the Agreement is approved by the ICDU shareholders, that the Merger takes place as contemplated, and that the Redemption takes place as planned on the Redemption Date. The Fairness Opinion does not address any risks related to the MergeCo Redeemable Preferred Shares or non-completion of the transactions contemplated in the Agreement or Plan of Merger or any other material adverse events with respect to the planned Redemption. The Fairness Opinion does not consider the specific rights, privileges, conditions, or restrictions of the MergeCo Redeemable Preferred Shares.

All currency referred to in this report is in Bahamian dollars unless otherwise noted.

Fairness Opinion Conclusion

Based on the scope of our review and subject to the assumptions and restrictions noted herein and such other matters as we consider relevant, it is our opinion that as of October 12, 2017, the Consideration being offered is fair, from a financial perspective, to the Shareholders.

KPMG Engagement

The Special Committee engaged KPMG to prepare an opinion as to the fairness of the Consideration, from a financial perspective, to ICDU Shareholders. KPMG was formally engaged through a letter dated July 18, 2017 (the "Engagement Letter"). The terms of the Engagement Letter provide that KPMG is to be paid a fixed fee for the Fairness Opinion and will be reimbursed for its out of pocket expenses. No part of KPMG's fee is contingent upon the conclusions reached in this Fairness Opinion or on the successful execution of the Agreement.

The Fairness Opinion is solely for the use and benefit of the Special Committee and represents only one factor amongst others that the Special Committee will likely consider in forming its opinion with respect to the Agreement.

We understand that the Special Committee may refer to or include this Fairness Opinion as an appendix to a Circular that will be communicated to all Shareholders, BISX, and its legal advisors. Any recipient of the Fairness Opinion acknowledges restrictions in its use and circulation.

Our Fairness Opinion is not and must not be considered a recommendation as to whether or not any Shareholder should accept the Plan of Merger and associated Redemption or the form of consideration if so elected.

Independence and Credentials

KPMG is a member firm of the KPMG global network, one of the world's largest providers of professional services. KPMG's valuation professionals have significant experience in valuing a wide range of businesses and business interests for various purposes, including mergers and acquisitions, regulatory compliance, and fairness opinions, amongst others. KPMG, locally,



regionally, and globally, has provided fairness opinions to various public and private company Boards and/or Committees. The Fairness Opinion expressed herein is the opinion of KPMG as a firm.

The engagement team believes that it is fully independent of ICDU, its Shareholders, and Emera, and we have acted independently and objectively in preparing this Fairness Opinion. While Emera is a prior and existing client of other KPMG member firms, including KPMG in Barbados and KPMG in Canada, respectively, the advisory services provided in those engagements (a) were not related in any way to the Agreement; (b) were performed by different firms and completely separate engagement teams; and (c) have not benefited KPMG Advisory Services Ltd. KPMG Advisory Services Ltd. itself has never previously been engaged by Emera, ICDU, or GBPC.

Scope of Review

In preparing the Fairness Opinion, we have, among other matters:

- a. Prepared a valuation analysis regarding the fair market value of ICDU as at June 30, 2017, which included the valuation of GBPC;
- b. Reviewed the terms and conditions of the Agreement;
- c. Held discussions with the Special Committee and GBPC management (“Management”) to gain an understanding of ICDU and GBPC’s strategy, financial position, operations, markets, and performance;
- d. Reviewed certain information relating to the business, earnings, cash flows, assets, liabilities, and prospects of ICDU and GBPC, including financial forecasts for GBPC, which were provided by Management;
- e. Reviewed the regulatory framework and conditions attaching to GBPC;
- f. Reviewed publicly available financial and stock market data with respect to ICDU and Emera; and
- g. Took into account such other financial, market, and industry information and such other analyses that we considered relevant and appropriate in the circumstances, including our assessment of general market data and economic, governmental, and environmental forces that may affect the business interest being valued.

Restrictions and Qualifications

The Fairness Opinion is subject to the following restrictions, limitations, and qualifications, changes to which could have a significant impact on KPMG’s assessment of the fairness from a financial perspective of the Consideration:

- a. KPMG has relied on the completeness, accuracy, and fair presentation of all the financial and other factual information, data, advice, opinions, or presentations obtained by it from the Special Committee, Management, and public sources (collectively, the “Information”). Our conclusions are conditional upon the completeness, accuracy, and fair presentation of



such Information. Subject to exercise of professional judgement, KPMG has not attempted to verify independently the completeness, accuracy, or fair presentation of any the Information. Moreover, our procedures did not encompass an audit or review of the financial position or operating results of ICDU or GBPC.

- b. KPMG has further assumed that financial forecasts provided by Management have been reasonably prepared and reflect the best currently available estimates and good faith judgement of Management as to the expected future financial performance of GBPC.
- c. In its analysis and in preparing the Fairness Opinion, KPMG made various assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of KPMG, the Special Committee, ICDU, GBPC, and Emera.
- d. The Special Committee has represented to us, in a written letter of representation that, among other things, we have been supplied with all significant and relevant information of which they are aware and that they have no reason to dispute the information on which our analyses are based.
- e. KPMG's conclusions are rendered on the basis of securities markets, economic, financial, and general business conditions prevailing as at the Agreement Date and as at the date of this Fairness Opinion, October 12, 2017.
- f. The Fairness Opinion is given as of the date and time that this letter is issued. KPMG disclaims any undertaking of obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion which may come or be brought to KPMG's attention after this date and time. Without limiting the foregoing, in the event that there is a material change in any fact or matter affecting this Fairness Opinion that is brought to KPMG's attention between the date and time hereof and the Redemption Date, KPMG reserves the right to change, modify, or withdraw this Fairness Opinion.
- g. No opinion, counsel, or interpretation is intended in matters that require legal or appropriate professional advice. It is assumed that such opinions, counsel, or interpretations have been or will be obtained from the appropriate professional sources.
- h. This Fairness Opinion is not to be construed as a recommendation to any member of the Special Committee or to any Shareholder to support or reject the Agreement or form of Consideration. This Fairness Opinion does not provide assurance that the best possible price was obtained. KPMG has not been retained to comment on the investment or strategic merit of the Agreement, Plan of Merger, or the future operation of ICDU or Emera. Future business conditions are subject to change and are beyond the control of KPMG, ICDU, and GBPC.

- i. Our Fairness Opinion is solely for the use and benefit of the Special Committee and may not be relied upon by any other person or for any other purpose or published without the express prior written consent of KPMG. We consent to the inclusion of our Fairness Opinion in the Circular related to the Agreement, although KPMG does not intend that any other person other than the Special Committee shall be entitled to rely on our opinion. KPMG will assume no responsibility for losses incurred by ICDU, Shareholders, directors, or any other parties as a result of the circulation, publication, reproduction, or use of this Fairness Opinion contrary to the provisions of this paragraph.
- j. We do not express any opinion as to the price at which ICDU's or Emera's shares or the Emera BDR's will trade at any time.
- k. The Fairness Opinion should be considered as a whole and must be read in its entirety, as selecting and relying on specific portions of the analyses or factors considered by us could create a misleading view of the methodologies and approaches underlying our conclusions. The preparation of a Fairness Opinion is a complex process and not susceptible to a partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Valuation Analyses

In preparing our valuation analyses of ICDU and GBPC, KPMG has been guided by widely accepted and practiced valuation theory, techniques, and assumptions that it considered appropriate and necessary in the circumstances.

Standard of Value

The standard of value used in our assessment was fair market value. For the purposes of our assessment, fair market value was defined as the price at which the subject property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts.

Our assessment of fair market value in a notional market must be differentiated from the concept of price. There may be many different prices for a particular business or shares due to such factors as: differing negotiating strengths, the perception of the parties as to the future prospects of the business, cost savings or other benefits peculiar to a particular purchaser, and purchase consideration being other than cash. As a result, the price at which a sale of a business or shares might take place may be higher or lower than the notional fair market value assessment.

Our analysis is based on an assessment of the operations of ICDU and GBPC and on rates of return on invested capital considered reasonable, having regard to certain factors. These factors include external industry, regulatory, and economic conditions, which influence risks associated with the business, and internal corporate factors, which affect the future profitability of the



business. However, we are not aware of any exposure of the ICDU shares for sale in the open market.

Special purchasers are parties who, for a particular reason, may pay a premium to purchase the shares of a company. Unless a business is exposed for sale in the open market, it is often speculative as to whether any purchaser exists who would specifically benefit from the acquisition or whether such a purchaser would be willing to pay for this benefit. Moreover, a prospective purchaser typically is in a better position to quantify the value to it of synergies and strategic advantage than is a vendor. Accordingly, unless synergistic benefits and other factors can be specifically identified and quantified through negotiation with a prospective purchaser, we are of the view that a notional fair market value must be based on the approach described above. Consequently, our analyses did not incorporate any additional value that may accrue to a special purchaser.

Valuation Approach

For the purposes of determining the fair market value of the Shares, we relied on an asset-based valuation approach, specifically the adjusted net asset value method, given that ICDU is a holding company with all its revenue derived from GBPC. Our analysis included a separate valuation of GBPC, which was conducted using the income and market approaches.

In preparing our valuation analyses, we have necessarily relied on information provided by, and representations made by, the Special Committee and Management regarding the operations of ICDU and GBPC. Our reliance on this information is based on the Special Committee's representations that we have been supplied with all significant and relevant information of which they are aware and that they have no reason to dispute the information on which our analyses are based.

Fairness Approach

The assessment of fairness from a financial perspective must be determined in the context of the Agreement. In preparing the Fairness Opinion, we have been guided by methods, techniques, and assumptions considered appropriate and necessary in the circumstances.

We performed our valuation analyses as at June 30, 2017, which was the most recently completed financial reporting date. As previously mentioned, our assessment of fair market value in a notional market must be differentiated from price.

We also considered the closing trading price of ICDU which was B\$7.01 per share as at October 11, 2017. Since the ICDU shares are very thinly traded, the trading price is not necessarily a reliable indicator of fair market value. The Consideration per share represents a 26.2 percent premium to the closing price on October 11, 2017.

We understand the Consideration will constitute, at the election of each Shareholder, either cash at B\$8.85 per share, an equivalent value in Emera BDRs, or a combination of cash and Emera BDRs.

As the Shareholders have an option of how to receive the Consideration at the date of Redemption, in reviewing the Agreement we analyzed the Consideration’s potential components, namely cash and Emera BDRs.

Cash

Based on our analyses, we consider the cash consideration offered to be fair.

Emera BDRs

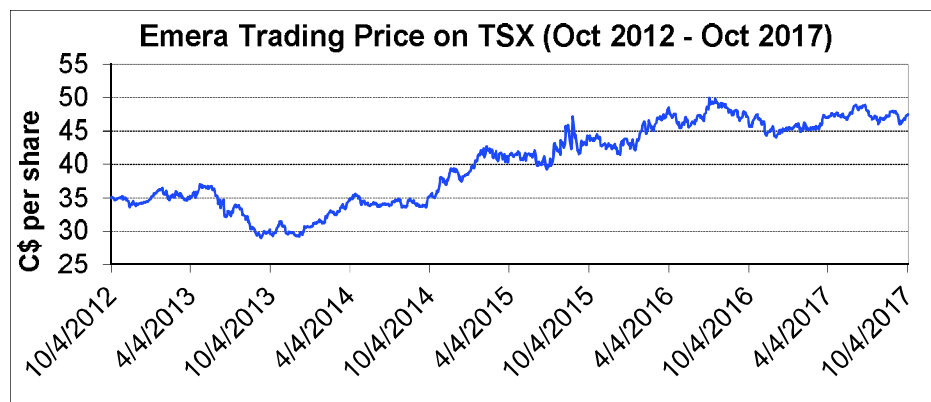
Depository receipts are financial instruments traded on a local exchange that represent a foreign company’s publicly traded shares.

We understand that the Emera BDRs will be listed on BISX and will be linked directly to an equivalent value of issued Emera Inc. common shares which are publicly traded on the Toronto Stock Exchange (“TSX”) under the symbol “EMA”. The Agreement indicates that four Emera BDRs will be issued for each EMA share.

As KPMG understands that the Emera BDRs will have an equivalent value to the B\$8.85 cash consideration offered as at the Agreement Date, we consider the Emera BDR consideration offered to be fair as at the Agreement Date. However we note that there are additional considerations for Shareholders when evaluating whether or not to elect to receive the Consideration in part or in whole in Emera BDRs.

Emera shares:

As the Emera BDRs will be tied to issued Emera shares traded on TSX, a key consideration is the strength of the underlying shares. As at the Agreement Date the closing trading price of Emera was C\$48.36 per share.



Source: CapitalIQ



Additional information on Emera's performance as at the Agreement Date is provided below:

Overview of Emera trading activity as at Agreement Date	
Credit rating (Moody's June 2016)	Baa3
Credit outlook	Stable
Closing price on Agreement Date (CAD)	C\$48.36
52 week high / low trading price (CAD)	C\$49.24 / C\$43.76
Average 5 year daily trading volume	410,225
Average 3 month daily trading volume	497,635
Average analyst target price (CAD)	C\$53.25
Implied target price premium to EMA TSX trading price	10.1%

Source: CapitalIQ; KPMG analysis

Emera BDRs:

Although depository receipts may represent a foreign company's publicly traded shares, there are some factors specific to depository receipts and the relevant local market that must be considered separately from the underlying shares. We list some of the more important factors below.

- a. **Different instrument:** While we understand that the Emera BDRs would be supported by an equivalent value of issued Emera shares listed on the TSX, the Emera BDRs are a different instrument and have certain unique risks.
- b. **Liquidity:** Although the EMA shares on TSX appear to be relatively liquid based on recent trading volumes, the Emera BDRs would be traded solely on BISX, and limited to trading by Bahamians and qualified residents for exchange control purposes, representing a much smaller pool of investors. Shares on BISX are generally not as frequently traded as on larger exchanges such as the TSX. As such, it could take longer for Shareholders to dispose of a position in Emera BDRs than an equivalent holding in the underlying EMA shares. Further we understand that the Emera BDRs would be subject to certain exchange control provisions by the Central Bank of The Bahamas that may restrict the amount and timing of any liquidation of the underlying Emera shares.
- c. **Withholding tax:** KPMG understands that dividend distributions received by Emera BDR holders may be net of a 25.0 percent Canadian withholding tax. While the value of the Emera BDRs would be tied to the traded value of the Emera shares, Emera BDR holders could therefore be subject to a different dividend yield to any Emera shareholders in Canada or in other countries.
- d. **Diversification:** Emera BDRs may provide an opportunity for diversification to Shareholders which is not otherwise readily available in The Bahamas.

Our fairness opinion does not constitute a recommendation as to whether or not any Shareholder should accept the Consideration if so elected. KPMG expresses no opinion as to the tax, legal, or other particulars involved with the Agreement.



Fairness Opinion Conclusion

Based on the scope of our review and subject to the assumptions and restrictions noted herein and such other matters as we consider relevant, it is our opinion that as of October 12, 2017, the Consideration is fair, from a financial perspective, to the Shareholders.

Yours faithfully,

For and on behalf of KPMG:

A handwritten signature in blue ink, appearing to read 'S. Townend', written over a horizontal blue line.

Simon Townend
Director

EXHIBIT “D”

SUMMARY OF PROCEDURE TO EXERCISE DISSENT RIGHTS

The following is a summary of the procedure set out in section 159 of the Companies Act to be followed by a member of a company who intends to dissent from a vote on a merger and who wishes to require the acquisition of his, her or its shares for the fair value thereof.

Section 159(6) of the Companies Act provides that a Shareholder who exercises Dissent Rights in respect of the Merger must do so in respect of all of the Common Shares held by him, her or it.

A Shareholder wishing to invoke the provisions of section 159 must send to ICDU a written objection to the Merger (the “**Notice of Objection**”) before the Meeting. Alternatively, the Notice of Objection can be given at the Meeting prior to the vote on the Merger Resolution. A Notice of Objection is to include a statement that the member proposes to demand payment for his, her or its Common Shares if the Merger occurs.

Within 20 days after the Meeting, ICDU is required to notify in writing any Shareholder who has provided a Notice of Objection and has not voted for the Merger or from whom no written objection was required that the Merger has been authorized and adopted (a “**Dissenting Shareholder**”). A Dissenting Shareholder shall, within 20 days after he or she receives notice of adoption of the Merger give to ICDU a written notice of his or her decision to elect to dissent (“**Notice of Dissent**”) containing his, her or its name and address, the number and class of shares in respect of which he, she or it dissents, and a demand for payment of the fair value of such Common Shares.

Within 7 days following the period during which a Shareholder may give Notice of Dissent or within 7 days of the date on which the proposed action is put in place (whichever is later) Mergeco (as the surviving company) shall make a written offer to each Dissenting Shareholder to purchase his, her or its Common Shares at a specified price as determined by Mergeco. If within 30 days of the date on which the offer is made the Dissenting Shareholder and Mergeco agree to the price offered by Mergeco, Mergeco shall pay such amount to the Dissenting Shareholder in money upon the surrender of the certificates or other evidence of ownership representing the Common Shares of the Dissenting Shareholder.

In the event that Mergeco and the Dissenting Shareholder fail to agree a price, section 159(9) of the Companies Act outlines the procedure to be followed in appointing appraisers to fix the fair value of the Common Shares owned by the Dissenting Shareholder as of the close of business on the day prior to the date on which the Meeting took place. This price is to exclude any appreciation or depreciation occasioned by the action and the determined value will be binding on Mergeco and the Dissenting Shareholder. Upon the surrender of the certificates or other evidence of ownership representing the relevant Common Shares, Mergeco will pay to the Dissenting Shareholder the determined value in money.

The above is only a summary of the dissent right provisions of the Companies Act, which are technical and which must be strictly complied with in order for Dissent Rights to be validly exercised by a Shareholder. The full text of section 159 of the Companies Act is attached as Exhibit "E" to the Circular. Any Shareholder wishing to exercise his, her or its Dissent Rights should seek legal advice.

EXHIBIT “E”

SECTION 159 OF THE COMPANIES ACT

Rights of Dissenters

159. (1) *A member of a company shall be entitled to payment of the fair value of his shares upon dissenting from —*

- (a) a merger, if the company is a constituent company, unless the company is the surviving company and the member continues to hold the same or similar shares;*
- (b) a consolidation if the company is a constituent company;*
- (c) any sale, transfer, lease, exchange or other disposition of more than fifty per cent of the assets or business of the company, if not made in the usual or regular course of the business carried on by the company, but not including —*
 - (i) a disposition pursuant to an order of the court having jurisdiction in the matter,*
 - (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the members in accordance with their respective interests within one year after the date of disposition, or*
 - (iii) a transfer pursuant to the power described in section 36;*
- (d) a redemption of his shares by the company pursuant to section 157; and*
- (e) an arrangement, if permitted by the court.*

(2) A member who desires to exercise his entitlement under subsection (1) shall give to company, before the meeting of members at which the action is submitted to a vote, or at the meeting before the vote, written objection to the action; but an objection shall not be required from a member to whom the company did not give notice of the meeting in accordance with this Act or where the proposed action is authorized by written consent of members without a meeting.

(3) An objection under subsection (2) shall include a statement that the member proposes to demand payment for his shares if the action is taken.

(4) Within twenty days immediately following the date on which the vote of members authorizing the action is taken, or the date on which written consent of members without a meeting is obtained, the company shall give written notice of the authorization or consent to each member who gave written objection or from whom written objection was not required, except those members who voted for, or consented to in writing, the proposed action.

(5) A member to whom the company was required to give notice and who elects to dissent shall, within twenty days immediately following the date on which the notice referred to in subsection (4) is given, give to the company a written notice of his decision to elect to dissent, stating —

- (a) his name and address;*
- (b) the number and classes or series of shares in respect of which he dissents; and*
- (c) a demand for payment of the fair value of his shares,*

and a member who elects to dissent from a merger under section 154 shall give to the company a written notice of his decision to elect to dissent within twenty days immediately following the date

on which the copy of the plan of merger or an outline thereof is given to him in accordance with section 153.

(6) A member who dissents shall do so in respect of all shares that he holds in the company.

(7) Upon the giving of a notice of election to dissent, the member to whom the notice relates shall cease to have any of the rights of a member except the right to be paid the fair value of his shares.

(8) Within seven days immediately following the date of the expiration of the period within which members may give their notices of election to dissent, or within seven days immediately following the date on which the proposed action is put into effect, whichever is later, the company or, in the case of a merger or consolidation, the surviving company or the consolidated company, shall make a written offer to each dissenting member to purchase his shares at a specified price that the company determines to be their fair value; and if, within thirty days immediately following the date on which the offer is made the company making the offer and the dissenting member agree upon the price to be paid for his shares the company shall pay to the member the amount in money upon the surrender of the certificates representing his shares.

(9) If the company and a dissenting member fail, within the period of thirty days referred to in subsection (8), to agree on the price to be paid for the shares owned by the member, within twenty days immediately following the date on which the period of thirty days expire, the following shall apply —

- (a) the company and the dissenting member shall each designate an appraiser;
- (b) the two designated appraiser together shall designate a third appraiser;
- (c) the three appraisers shall fix the fair value of the shares owned by the dissenting member as of the close of business on the day prior to the date on which the vote of members authorizing the action was taken or the date on which written consent of members without a meeting was obtained, excluding any appreciation or depreciation directly or indirectly induced by the action or its proposal, and that value is binding on the company and the dissenting member for all purposes; and
- (d) the company shall pay to the member the amount in money upon the surrender by him of the certificates representing his shares.

(10) Shares acquired by the company pursuant to subsection (8) or (9) shall be cancelled, but if the shares are shares of a surviving company, they shall be available for reissue.

(11) The enforcement by a member of his entitlement under this section shall exclude the enforcement by the member of a right to which he would otherwise be entitled by virtue of his holding shares, except that this section shall not exclude the right of the member to institute proceedings to obtain relief on the ground that the action is illegal.