

ENBRIDGE INC
Form CB
November 15, 2018
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form CB

TENDER OFFER/RIGHTS OFFERING NOTIFICATION FORM

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to file this Form:

| | |
|---|----------------------------------|
| Securities Act Rule 801 (Rights Offering) | <input type="radio"/> |
| Securities Act Rule 802 (Exchange Offer) | <input checked="" type="radio"/> |
| Exchange Act Rule 13e-4(h)(8) (Issuer Tender Offer) | <input type="radio"/> |
| Exchange Act Rule 14d-1(c) (Third Party Tender Offer) | <input type="radio"/> |
| Exchange Act Rule 14e-2(d) (Subject Company Response) | <input type="radio"/> |
| Filed or submitted in paper if permitted by Regulation S-T Rule 101(b)(8) | <input type="radio"/> |

Enbridge Income Fund

(Name of Subject Company)

N/A

(Translation of Subject Company's Name into English (if applicable))

Alberta, Canada

(Jurisdiction of Subject Company's Incorporation or Organization)

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Enbridge Inc.

(Name of Person(s) Furnishing Form)

4.85% MEDIUM TERM NOTES, SERIES 4, DUE NOVEMBER 12, 2020
4.10% MEDIUM TERM NOTES, SERIES 6, DUE FEBRUARY 22, 2019
4.85% MEDIUM TERM NOTES, SERIES 7, DUE FEBRUARY 22, 2022
3.94% MEDIUM TERM NOTES, SERIES 10, DUE JANUARY 13, 2023
3.95% MEDIUM TERM NOTES, SERIES 12, DUE NOVEMBER 19, 2024
4.87% MEDIUM TERM NOTES, SERIES 13, DUE NOVEMBER 21, 2044

(Title of Class of Subject Securities)

29254ZAD6

29254ZAF1

29254ZAG9

29254ZAK0

29254ZAM6

29254ZAN4

(CUSIP Number of Class of Securities (if applicable))

Tyler W. Robinson

Vice President & Corporate Secretary

Enbridge Inc.

200, 425-1st Street S.W.

Calgary, Alberta T2P 3L8, Canada

Telephone Number: 1-403-231-3900

with a copy to:

Robert E. Buckholz

Sullivan & Cromwell LLP

125 Broad Street

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New York, New York 10004

Telephone Number: (212) 558-4000

(Name, Address (including zip code) and Telephone Number (including area code) of Person(s) Authorized to Receive Notices and Communications on Behalf of Subject Company)

November 14, 2018

(Date Tender Offer/Rights Offering Commenced)

This Form CB is being furnished by Enbridge Inc. ("Enbridge"), a company governed by the laws of Canada, in connection with (i) the meeting (the "Meeting") of the holders of issued and outstanding 4.85% medium term notes, series 4, due November 12, 2020, 4.10% medium term notes, series 6, due February 22, 2019, 4.85% medium term notes, series 7, due February 22, 2022, 3.94% medium term notes, series 10, due January 13, 2023, 3.95% medium term notes, series 12, due November 19, 2024 and 4.87% medium term notes, series 13, due November 21, 2044 (collectively, the "Fund Notes") of Enbridge Income Fund to facilitate the proposed exchange of the Fund Notes for an equal principal amount of newly issued medium term notes of Enbridge (the "Enbridge Notes") having financial terms that are the same as the financial terms of the Fund Notes and (ii) the proposed exchange of the Fund Notes for the Enbridge Notes in the manner, and subject to the conditions precedent, described in the Circular (as defined below) included as Appendix A to this form.

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PART I INFORMATION SENT TO SECURITY HOLDERS

Item 1. *Home Jurisdiction Documents*

(a) The following documents have been published in the home jurisdiction of Enbridge and are attachments to this Form CB:

- Appendix A: Management Information Circular and Consent Solicitation Statement with respect to Amendments to the Trust Indenture Governing the Fund Notes (the Circular).
- Appendix B: Form of Proxy and Consent Solicitation Form for the Meeting.

(b)

Not Applicable.

Item 2. *Informational Legends*

A legend complying with Rule 802(b) under the Securities Act of 1933, as amended, has been included on page 1 of the Circular, under the heading Notice to Noteholders in the United States .

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PART II INFORMATION NOT REQUIRED TO BE SENT TO SECURITY HOLDERS

Exhibit Index

- 2.1 The Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission (the SEC) on Form 10-K on February 16, 2018 (the Enbridge Annual Report).
- 2.2 The audited consolidated financial statements of Enbridge as at and for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditor's report thereon (incorporated by reference to the Enbridge Annual Report).
- 2.3 The unaudited interim consolidated financial statements of Enbridge as at and for the interim period ended September 30, 2018 (incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, filed with the SEC on Form 10-Q on November 2, 2018).
- 2.4 The management's discussion and analysis of Enbridge for the year ended December 31, 2017 (incorporated by reference to the Enbridge Annual Report).
- 2.5 The management's discussion and analysis of Enbridge for the three and nine month periods ended September 30, 2018 (incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, filed with the SEC on Form 10-Q on November 2, 2018).
- 2.6 The Current Report on Form 8-K, filed with the SEC on May 17, 2018.
- 2.7 Enbridge Definitive Proxy Statement on Schedule 14A filed with the SEC on Schedule 14A on April 5, 2018.

PART III CONSENT TO SERVICE OF PROCESS

Enbridge is also filing an irrevocable consent and power of attorney on Form F-X with the Securities and Exchange Commission on the date hereof. Enbridge will promptly communicate any change in the name or address of the agent for service to the Commission by amendment of the Form F-X.

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SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Enbridge Inc.
Filer

By: /s/ Maximillian G. Chan
Name: Maximillian G. Chan
Title: Vice President, Treasury
Date: November 15, 2018

By: /s/ Tyler W. Robinson
Name: Tyler W. Robinson
Title: Vice President & Corporate
Secretary
Date: November 15, 2018

These materials are important and require your immediate attention. They require holders of certain medium term notes of Enbridge Income Fund to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. Noteholders with questions may contact the information agent, D.F. King Canada, by calling toll free in North America at 1-800-294-5107 (1-212-771-1133 by collect call) or by email at inquiries@dfking.com.

The transactions described in this document have not been approved by any securities regulatory authority nor has any securities regulatory authority expressed an opinion about the fairness or merits of such transactions, the securities offered pursuant to such transactions or the adequacy of the information contained in this document. Any representation to the contrary is an offence. Securityholders in the United States should read the Notice to Noteholders in the United States on page 1 of the enclosed Circular.

Information has been incorporated by reference in the enclosed Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Enbridge Income Fund at 200, 425 1st Street S.W., Calgary, Alberta, T2P 3L8 and are also available electronically on SEDAR at www.sedar.com.

NOTICE OF MEETING OF NOTEHOLDERS OF ENBRIDGE INCOME FUND

4.85% MEDIUM TERM NOTES, SERIES 4, DUE NOVEMBER 12, 2020 (CUSIP: 29254ZAD6)
4.10% MEDIUM TERM NOTES, SERIES 6, DUE FEBRUARY 22, 2019 (CUSIP: 29254ZAF1)
4.85% MEDIUM TERM NOTES, SERIES 7, DUE FEBRUARY 22, 2022 (CUSIP: 29254ZAG9)
3.94% MEDIUM TERM NOTES, SERIES 10, DUE JANUARY 13, 2023 (CUSIP: 29254ZAK0)
3.95% MEDIUM TERM NOTES, SERIES 12, DUE NOVEMBER 19, 2024 (CUSIP: 29254ZAM6)
4.87% MEDIUM TERM NOTES, SERIES 13, DUE NOVEMBER 21, 2044 (CUSIP: 29254ZAN4)

to be held on December 10, 2018

and

**MANAGEMENT INFORMATION CIRCULAR
AND CONSENT SOLICITATION STATEMENT
WITH RESPECT TO
AMENDMENTS TO THE TRUST INDENTURE GOVERNING
THE ENBRIDGE INCOME FUND MEDIUM TERM NOTES**

November 9, 2018

**AN AMENDMENT REVIEW FEE OF \$0.25 PER \$1,000 PRINCIPAL AMOUNT OF NOTES WILL BE PAID TO EACH
NOTEHOLDER WHO VOTES ON THE NOTE EXCHANGE RESOLUTION (REGARDLESS FOR OR AGAINST) SHOULD THE
NOTE EXCHANGE RESOLUTION BE APPROVED AND THE NOTE EXCHANGE TRANSACTION BE COMPLETED**

Table of Contents**ELIGIBLE OUTSTANDING MEDIUM TERM NOTES OF ENBRIDGE INCOME FUND**

Below is certain information regarding Enbridge Income Fund's medium term notes that are subject to the matters to be considered at the meeting of noteholders contemplated hereby. Capitalized terms used herein are as defined in the glossary of the accompanying management information circular and consent solicitation statement.

| Series | Principal Amount | Coupon | Maturity Date | CUSIP |
|-----------|------------------|--------|-------------------|-----------|
| Series 4 | \$ 100,000,000 | 4.85% | November 12, 2020 | 29254ZAD6 |
| Series 6 | \$ 300,000,000 | 4.10% | February 22, 2019 | 29254ZAF1 |
| Series 7 | \$ 200,000,000 | 4.85% | February 22, 2022 | 29254ZAG9 |
| Series 10 | \$ 275,000,000 | 3.94% | January 13, 2023 | 29254ZAK0 |
| Series 12 | \$ 500,000,000 | 3.95% | November 19, 2024 | 29254ZAM6 |
| Series 13 | \$ 250,000,000 | 4.87% | November 21, 2044 | 29254ZAN4 |

Due to their upcoming maturity date, Enbridge Income Fund's 4.00% medium term notes, series 5, due December 20, 2018 (Series 5 Notes) are not eligible to participate in the meeting of noteholders or consent solicitation contemplated hereby and will not be eligible to vote on the Note Exchange Transaction. Holders of the Series 5 Notes will continue to be governed under Enbridge Income Fund's current trust indenture until the maturity of the Series 5 Notes.

A PROXY AND CONSENT WILL NOT BE VALID UNLESS THE COMPLETED PROXY AND CONSENT SOLICITATION FORM IS RECEIVED BY AST TRUST COMPANY (CANADA) BY MAIL AT P.O. BOX 721, AGINCOURT, ONTARIO, M1S 0A1, ATTENTION: PROXY DEPARTMENT OR BY FAX AT 1-866-781-3111 (TOLL FREE) OR 416-368-2502 (WITHIN THE 416 AREA CODE) OR BY EMAIL AT PROXYVOTE@ASTFINANCIAL.COM BY NO LATER THAN 10:00 A.M. (CALGARY TIME) ON DECEMBER 5, 2018, UNLESS THE MEETING IS OTHERWISE CANCELLED, ADJOURNED OR POSTPONED (IN WHICH CASE THE DEADLINE FOR SUBMITTING A PROXY AND CONSENT SOLICITATION FORM SHALL BE NO LATER THAN 72 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME FOR HOLDING SUCH ADJOURNED OR POSTPONED MEETING). THE TIME LIMIT FOR THE DEPOSIT OF PROXIES MAY BE WAIVED OR EXTENDED BY THE CHAIR OF THE MEETING AT HIS OR HER DISCRETION WITHOUT NOTICE.

If you: (a) execute and deliver a valid proxy and consent solicitation form to AST Trust Company (Canada) by the proxy cut-off time of 10:00 a.m. (Calgary Time) on December 5, 2018; or (b) you vote in person at the Meeting (if the Meeting is held), and the transactions contemplated in the accompanying management information circular and consent solicitation statement are approved by eligible noteholders and subsequently completed, you may be eligible to receive an amendment review fee of \$0.25 for each \$1,000 principal amount of medium term notes represented by such proxy and consent or voted in person at the Meeting. Further information regarding the payment of such amendment review fee can be found in the accompanying management information circular and consent solicitation statement.

The Fund Notes have been issued in the form of global certificates registered in the name of CDS or its nominee and, as such, CDS is the sole registered Fund Noteholder. Only registered Fund Noteholders, or their duly appointed proxyholders, have the right to vote at the

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Meeting, or to appoint or revoke a proxy. However, CDS, or its duly appointed proxyholder(s), may only vote the Fund Notes in accordance with instructions received from the beneficial Fund Noteholders. Beneficial Fund Noteholders as of the Record Date wishing to vote their Fund Notes at the Meeting must provide instructions to their broker or other intermediary through which they hold their Fund Notes in sufficient time prior to the deadline for depositing proxies for the Meeting to

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permit their broker or other nominee to instruct CDS, or its duly appointed proxyholder(s), as to how to vote their Fund Notes at the Meeting.

YOUR VOTE IS IMPORTANT

THE MEETING (IF THE MEETING IS HELD) WILL BE HELD AT MCCARTHY TETRAULT LLP, SUITE 4000, 421 - 7TH AVENUE S.W., CALGARY, ALBERTA ON DECEMBER 10, 2018 AT THE TIME SET OUT IN THE NOTICE OF MEETING. THE RECORD DATE FOR ENTITLEMENT TO NOTICE OF, AND TO VOTE AT, THE MEETING IS NOVEMBER 7, 2018 (THE RECORD DATE).

EXERCISE OF PROXY VOTING AND CONSENT: A PROXY AND CONSENT SOLICITATION FORM MUST BE COMPLETED AND RETURNED BY 10:00 A.M. (CALGARY TIME) ON DECEMBER 5, 2018 TO AST TRUST COMPANY (CANADA). NOTEHOLDERS ARE INSTRUCTED TO PROVIDE INSTRUCTIONS TO THEIR BROKER OR INTERMEDIARY THROUGH WHICH THEY HOLD THEIR FUND NOTES TO COMPLETE, EXECUTE AND DELIVER THIS FORM.

OTHER OPTION FOR EXERCISE OF PROXY VOTING (BENEFICIAL/NON-REGISTERED FUND NOTEHOLDERS): A BENEFICIAL FUND NOTEHOLDER CAN ALSO PROVIDE ITS PROXY VOTE FOR THE MEETING (BUT NOT CONSENT) VIA THE VOTING INSTRUCTION FORM. THE VOTING INSTRUCTION FORM MUST BE RECEIVED BY BROADRIDGE AT LEAST ONE BUSINESS DAY BEFORE THE PROXY CUT-OFF TIME (I.E. 10:00 A.M. (CALGARY TIME) ON DECEMBER 4, 2018).

NOTEHOLDERS WITH QUESTIONS MAY CONTACT THE INFORMATION AGENT, D.F. KING CANADA, BY CALLING TOLL FREE IN NORTH AMERICA AT 1-800-294-5107 (1-212-771-1133 BY COLLECT CALL) OR BY EMAIL AT INQUIRIES@DFKING.COM.

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November 9, 2018

Dear Enbridge Income Fund Noteholder:

You are invited to attend a meeting (the **Meeting**) of the holders (**Fund Noteholders**) of issued and outstanding 4.85% medium term notes, series 4, due November 12, 2020, 4.10% medium term notes, series 6, due February 22, 2019, 4.85% medium term notes, series 7, due February 22, 2022, 3.94% medium term notes, series 10, due January 13, 2023, 3.95% medium term notes, series 12, due November 19, 2024 and 4.87% medium term notes, series 13, due November 21, 2044 (collectively, the **Fund Notes**) of Enbridge Income Fund (the **Fund**), voting together as a single class, as set forth in the Notice of Meeting included with this letter.

The Meeting has been called to consider, and if thought advisable, pass, with or without alteration or modification, an extraordinary resolution (the **Note Exchange Resolution**), the full text of which is set forth as Appendix A to the accompanying management information circular and consent solicitation statement (the **Circular**), to authorize the Fund and the Fund Note Trustee (as defined below), at the Fund's option, to enter into a supplemental indenture amending the terms of the trust indenture dated November 29, 2004 between the Fund and Computershare Trust Company of Canada, as trustee (the **Fund Note Trustee**), as amended or supplemented from time to time (the **Fund MTN Indenture**), such that, in accordance with the steps described in the Circular, all of issued and outstanding Fund Notes will be exchanged for an equal principal amount of newly issued medium term notes (the **Enbridge Notes**) of Enbridge Inc. (**Enbridge**) having financial terms that are the same as the financial terms of the Fund Notes (the **Note Exchange Transaction**).

The timing of the Note Exchange Transaction follows the closing of Enbridge's acquisition of all the issued and outstanding common shares of Enbridge Income Fund Holdings Inc., not already owned by Enbridge, on November 8, 2018. The Note Exchange Transaction is being undertaken to simplify the organizational structure and reporting obligations of the Fund. Allowing the Fund to apply to cease to be a reporting issuer in each of the provinces of Canada, as well as the transition of long-term credit ratings to Enbridge, will result in administrative efficiencies and will reduce costs associated with the administration of the Fund, including audit, legal and board expenses.

The Fund believes the Note Exchange Transaction may have the following benefits for the Fund Noteholders:

- Fund Noteholders will benefit from holding medium term notes of Enbridge, the largest energy infrastructure company in North America with significant diversification across businesses that generate diverse, safe and reliable cash flows;

- Enbridge provides superior financial strength with a significantly larger revenue and cash flow base;
- the Note Exchange Transaction will provide Fund Noteholders with exposure to Enbridge credit enhancement through reduced complexity and structural subordination;
- Fund Noteholders will receive Enbridge Notes that will rank *pari passu* with Enbridge's other senior unsecured public debt securities; and

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- the completion of the Note Exchange Transaction will reduce the number of public debt issuers in the Enbridge group and concentrate activity at Enbridge, one of the largest and most active issuers in Canada.

The Meeting will be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, on December 10, 2018 at the time set out in the Notice of Meeting. The record date for entitlement to notice of, and to vote at, the Meeting is November 7, 2018 (the Record Date).

Pursuant to the Fund MTN Indenture, each Fund Noteholder as of the Record Date will have one vote for each \$1,000 principal amount of Fund Notes of which such Fund Noteholder is the holder as of the Record Date with respect to the Note Exchange Resolution. To be effective, the Note Exchange Resolution must be approved, subject to the terms of the Fund MTN Indenture, by holders of not less than 66 2/3% of the principal amount of the Fund Notes, voting together as a single class, present in person or by proxy at the Meeting and voted on a poll upon such resolution.

Holders of at least 25% of the principal amount of the outstanding Fund Notes present in person or by proxy will constitute a quorum for the Meeting. In the absence of a quorum, the Meeting shall be adjourned to such date, being not less than seven days later, and to such place and time as may be appointed by the chairman of the Meeting, and two clear days' notice shall be given of such adjourned meeting in the manner in which notices are by the Fund MTN Indenture authorized to be given (but it shall not be necessary to specify in such notice the business to be transacted at such adjourned meeting). At the adjourned meeting, the Fund Noteholders present in person or by proxy shall form a quorum and may transact the business for which the Meeting was originally called.

The Fund MTN Indenture provides that the Note Exchange Resolution may also be passed by the written consent of the Fund Noteholders holding 66 2/3% of the principal amount of all of the outstanding Fund Notes as of the Record Date. Accordingly, pursuant to the Circular, the Fund is simultaneously soliciting the written consent of Fund Noteholders to the passing of the Note Exchange Resolution (the **Consent Solicitation**). Fund Noteholders who execute and deliver a valid proxy and consent solicitation form voting FOR the approval of the Note Exchange Resolution (and who do not validly revoke such proxy and consent) prior to the proxy cut-off time shall be considered to have provided written consent to the Note Exchange Resolution for the purposes of the Consent Solicitation. If Fund Noteholders representing not less than 66 2/3% of the principal amount of all of the outstanding Fund Notes have delivered valid proxies voting FOR the approval of the Note Exchange Resolution by the proxy cut-off time (and have not validly revoked such proxies and consents), the Note Exchange Resolution will be passed by the written consent of the Fund Noteholders and the Meeting will be unnecessary and therefore cancelled. The Fund will notify Fund Noteholders of any such approval and cancellation of the Meeting prior to the commencement of the Meeting. The Fund reserves the right to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

If the Note Exchange Resolution is approved by the Fund Noteholders and the Note Exchange Transaction is completed, Fund Noteholders who: (a) execute and deliver a valid proxy and consent solicitation form to AST Trust Company (Canada) by 10:00 a.m. (Calgary time) on December 5, 2018 (or by the deadline for the deposit of proxies for any postponed or adjourned Meeting) voting on the Note Exchange Resolution, with such proxy and consent solicitation form being accepted by AST Trust Company (Canada) by the proxy cut-off time; or (b) vote on the Note Exchange Resolution in person at the Meeting, if the Meeting is held, will receive \$0.25 for each \$1,000 principal amount of Fund Notes represented by such proxy and consent or voted in person at the Meeting (collectively, the **Amendment Review Fees**). Interest will not accrue on or be payable with respect to the Amendment Review Fees. The Amendment Review Fees will be paid to AST Trust Company (Canada), as tabulation agent for the Fund Noteholders entitled to Amendment Review Fees, on the first business day following the

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Effective Date (as defined in the Circular) who will then pay the Amendment Review Fees to CDS (as defined below) participants for distribution to the Fund Noteholders entitled to Amendment Review Fees no later than the fourth business day following the Effective Date. No Amendment Review Fees will be paid to

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those Fund Noteholders who, prior to the commencement of the Meeting, revoke any proxies and consents previously delivered by them prior to the proxy cut-off time.

The Fund Notes have been issued in the form of global certificates registered in the name of CDS Clearing and Depository Services Inc. or its nominee (**CDS**) and, as such, CDS is the sole registered Fund Noteholder. Only registered Fund Noteholders, or their duly appointed proxyholders, have the right to vote at the Meeting (or as part of the Consent Solicitation), or to appoint or revoke a proxy. However, CDS, or its duly appointed proxyholder(s), may only vote the Fund Notes in accordance with instructions received from the beneficial Fund Noteholders. Beneficial Fund Noteholders as of the Record Date wishing to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation) must provide instructions to their broker or other intermediary through which they hold their Fund Notes in sufficient time prior to the deadline for depositing proxies for the Meeting (or as part of the Consent Solicitation) to permit their broker or other nominee to instruct CDS, or its duly appointed proxyholder(s), as to how to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation).

Please give this material your careful consideration. If you require assistance, consult your financial, tax, legal or other professional advisors. **If you have any questions or require more information with regard to voting your Fund Notes, please contact the Information Agent (as defined in the Circular), the Solicitation Agent (as defined in the Circular) or the Fund using the information provided on the back cover of the Circular.** Additional copies of this document and related materials may be obtained without charge on request from the Information Agent at its offices specified on the back cover of the Circular. Copies of this document and related materials are also available electronically on SEDAR at www.sedar.com.

Yours very truly,

(signed) John K. Whelen
John K. Whelen, Director
Enbridge Management Services Inc.,
as administrator of Enbridge Income Fund

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NOTICE OF MEETING OF HOLDERS OF THE FUND NOTES

NOTICE IS HEREBY GIVEN that a meeting (the **Meeting**) of the holders (**Fund Noteholders**) of 4.85% medium term notes, series 4, due November 12, 2020, 4.10% medium term notes, series 6, due February 22, 2019, 4.85% medium term notes, series 7, due February 22, 2022, 3.94% medium term notes, series 10, due January 13, 2023, 3.95% medium term notes, series 12, due November 19, 2024 and 4.87% medium term notes, series 13, due November 21, 2044 (collectively, the **Fund Notes**) of Enbridge Income Fund (the **Fund**), voting together as a single class, will be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) on December 10, 2018 for the following purposes:

1. to consider and, if thought advisable, to pass, with or without alteration or modification, an extraordinary resolution (the **Note Exchange Resolution**), the full text of which is set forth as Appendix A to the accompanying management information circular and consent solicitation statement (the **Circular**), to authorize the Fund and the Fund Note Trustee (as defined below), at the Fund's option, to enter into a supplemental indenture amending the terms of the trust indenture dated November 29, 2004 between the Fund and Computershare Trust Company of Canada, as trustee (the **Fund Note Trustee**), as amended or supplemented from time to time (the **Fund MTN Indenture**), such that, in accordance with the steps described in the Circular, all issued and outstanding Fund Notes will be exchanged for an equal principal amount of newly issued medium term notes of Enbridge Inc. (**Enbridge Notes**) governed by the terms of the trust indenture dated as of October 20, 1997 between Enbridge Inc. and the Fund Note Trustee, as supplemented and amended, having financial terms that are the same as the financial terms of the Fund Notes; and

2. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Meeting has been called by the Fund. The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting of Fund Noteholders.

Due to their upcoming maturity date, the Fund's 4.00% medium term notes, series 5, due December 20, 2018 (**Series 5 Notes**) are not eligible to participate in the Meeting or consent solicitation contemplated hereby and will not be eligible to vote on the Note Exchange Resolution. Holders of the Series 5 Notes will continue to be governed under the Fund's current trust indenture until the maturity of the Series 5 Notes.

The record date for entitlement to notice of, and to vote at, the Meeting is November 7, 2018 (the **Record Date**). Each Fund Noteholder as of the Record Date will have one vote for each \$1,000 principal amount of Fund Notes of which such Fund Noteholder is the holder as of the Record Date with respect to the Note Exchange Resolution. Pursuant to the provisions of the Fund MTN Indenture, any extraordinary resolution passed by holders of not less than 66 2/3% of the principal amount of Fund Notes, voting together as a single class, present in person or by proxy at the Meeting and voted on a poll upon such resolution at the Meeting or any adjournment thereof will, if passed in accordance with the provisions contained in the Fund MTN Indenture, be binding upon all Fund Noteholders, whether present at or absent from the Meeting and whether or not they vote at the Meeting. Holders of at least 25% of the principal amount of the outstanding Fund Notes present in person or by proxy will constitute a quorum for the Meeting.

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The Fund MTN Indenture provides that the Note Exchange Resolution may also be passed by the written consent of the Fund Noteholders holding 66 2/3% of the principal amount of all of the outstanding Fund Notes as of the Record Date. Accordingly, pursuant to the Circular, the Fund is simultaneously soliciting the written consent of Fund Noteholders to the passing of the Note Exchange Resolution (the **Consent Solicitation**). Fund Noteholders who execute and deliver a valid proxy and consent solicitation form voting FOR the approval of the Note Exchange Resolution (and who do not validly revoke such proxy and consent) prior to the proxy cut-off time shall be considered to have provided written consent to the Note Exchange Resolution for the purposes of the Consent Solicitation. **If Fund Noteholders representing not less than 66 2/3% of the principal amount of all of the outstanding Fund Notes have delivered valid proxies voting FOR the approval of the Note Exchange Resolution by the proxy cut-off time (and have not validly revoked such proxies and consents), the Note Exchange Resolution will be passed by the written consent of the Fund Noteholders and the Meeting will be unnecessary and therefore cancelled.** The Fund will notify Fund Noteholders of any such approval and cancellation of the Meeting prior to the commencement of the Meeting. The Fund reserves the right to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

If the Note Exchange Resolution is approved by the Fund Noteholders and the Note Exchange Transaction is completed, Amendment Review Fees (as such term is defined below) will be paid only to eligible Fund Noteholders who: (a) executed and delivered a valid proxy and consent solicitation form to AST Trust Company (Canada) by 10:00 a.m. (Calgary time) on December 5, 2018 (or by the deadline for the deposit of proxies and consents for any postponed or adjourned Meeting) voting on the Note Exchange Resolution, with such proxy and consent solicitation form being accepted by AST Trust Company (Canada) by the proxy cut-off time; or (b) voted on the Note Exchange Resolution in person at the Meeting, if the Meeting is held.

The Fund Notes have been issued in the form of global certificates registered in the name of CDS Clearing and Depository Services Inc. or its nominee (**CDS**) and, as such, CDS is the sole registered Fund Noteholder. Only registered Fund Noteholders, or their duly appointed proxyholders, have the right to vote at the Meeting (or as part of the Consent Solicitation), or to appoint or revoke a proxy. However, CDS, or its duly appointed proxyholder(s), may only vote the Fund Notes in accordance with instructions received from the beneficial Fund Noteholders. **Beneficial Fund Noteholders as of the Record Date wishing to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation) must provide instructions to their broker or other intermediary through which they hold their Fund Notes in sufficient time prior to the deadline for depositing proxies for the Meeting (or as part of the Consent Solicitation) to permit their broker or other nominee to instruct CDS, or its duly appointed proxyholder(s), as to how to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation).**

If you have any questions or require more information with regard to voting your Fund Notes, please contact the Information Agent (as defined in the Circular), the Solicitation Agent (as defined in the Circular) or the Fund using the information provided on the back cover of the Circular.

DATED at Calgary, Alberta this 9th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF
ENBRIDGE MANAGEMENT SERVICES INC., AS
ADMINISTRATOR OF ENBRIDGE INCOME FUND**

(signed) John K. Whelen

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John K. Whelen, Director
Enbridge Management Services Inc.,
as administrator of Enbridge Income Fund

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NOTICE TO NOTEHOLDERS IN THE UNITED STATES

THE ENBRIDGE NOTES WILL BE ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, PROVIDED BY RULE 802 THEREUNDER.

THE ENBRIDGE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The solicitation of proxies for the Note Exchange Resolution is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable disclosure requirements in Canada. Fund Noteholders in the United States should be aware that the foregoing disclosure requirements are different from those of the United States. The financial statements or selected summary financial information of the Fund included or incorporated by reference herein have been prepared in accordance with IFRS, which differs from U.S. GAAP, and may not be comparable to the financial statements or selected summary financial information of United States companies.

Fund Noteholders in the United States should be aware that the disposition of Fund Notes and acquisition of Enbridge Notes by them in the Note Exchange Transaction may have tax consequences both in the United States and in Canada. Such consequences may not be fully described herein and such Fund Noteholders are encouraged to consult their tax advisors. See the Section of this Circular entitled *Certain Canadian Federal Income Tax Considerations* and the Section of this Circular entitled *Certain U.S. Federal Income Tax Considerations* .

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws since the Fund and Enbridge are located in Canada and many of their officers and directors are residents of Canada. You may not be able to sue a foreign company or partnership or its officers or directors in a foreign court for violations of U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

Fund Noteholders should be aware that, prior to the consummation of the Note Exchange Transaction, the Fund, Enbridge or their respective affiliates, directly or indirectly, may bid for or make purchases of Fund Notes or certain related securities, as permitted by applicable laws and regulations of the United States or Canada or its provinces or territories. All capitalized terms used in this Section have the meanings assigned to them in the Section of this Circular entitled *Glossary of Terms* .

NOTICE REGARDING INFORMATION

Certain information in this Circular has been taken from or is based on documents that are expressly referred to in this Circular. All summaries of, and references to, documents that are specified in this Circular as having been filed, or that are contained in documents specified as having been filed, on SEDAR are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, under the Fund's or Enbridge's SEDAR profile at www.sedar.com. Fund Noteholders are urged to read carefully the full text of those documents, which may also be obtained on request without charge from 200, 425 1st Street S.W., Calgary, Alberta, T2P 3L8.

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The information concerning Enbridge contained in this Circular, including but not limited to the section of this Circular entitled *Information Concerning Enbridge*, has been provided by Enbridge. Although the Fund has no knowledge that would indicate that any of such information is untrue or incomplete, the Fund does not assume any responsibility for the accuracy or completeness of such information or the failure by Enbridge to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Fund.

All dollar amounts set forth in this Circular, including the Appendices hereto, are expressed in Canadian dollars, except where otherwise indicated.

Information contained in this Circular is given as of November 9, 2018, unless otherwise specifically stated.

FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular and in the documents incorporated by reference herein constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as seek, anticipate, plan, continue, estimate, expect, may, will, project, predict, potential, targeting, intend, could, might, should, believe and similar expressions thereof.

In particular, this Circular contains forward-looking statements pertaining to:

- the tax treatment of Fund Noteholders;
- the anticipated timing, mechanics, completion and settlement of the Note Exchange Transaction;
- certain strategic and financial benefits that may result from the completion of the Note Exchange Transaction;
- the ability of the Fund and Enbridge to complete the transactions contemplated by the Note Exchange Transaction;
- statements relating to anticipated credit ratings applicable to the Enbridge Notes; and

- the anticipated timing of the closing of Enbridge's transactions with each of SEP, EEP and EEQ.

These forward-looking statements are based on certain expectations and assumptions, including expectations and assumptions respecting:

- the perceived benefits of the Note Exchange Transaction, which are based upon a number of facts, including the terms and conditions contained within the Enbridge MTN Indenture and the Fund MTN Indenture and current industry, economic and market conditions.
- the satisfaction of all conditions to the proposed Note Exchange Transaction;
- the treatment of Fund Noteholders under tax laws, which is subject to the statements made under *Certain Canadian Federal Income Tax Considerations* and *Certain U.S. Federal Income Tax Considerations*; and
- the effects of the Note Exchange Transaction on the Fund and Enbridge, which are based on the Fund's current expectations regarding the intentions of Enbridge.

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By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Fund believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Circular and in the documents incorporated by reference herein should not be unduly relied upon. These statements speak only as of the date of this Circular.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include:

- the market value of the Enbridge Notes;
- conditions to the completion of the Note Exchange Transaction and the Fund's discretion as to the completion of the Note Exchange Transaction;
- risks related to the realization of any possible benefits of the Note Exchange Transaction; and
- the other factors discussed under *Risk Factors* in this Circular.

With regard to the forward-looking statements in the Fund's and Enbridge's documents incorporated by reference herein, please refer to the forward-looking statements advisories in such documents in respect of the forward-looking statements contained therein, the assumptions upon which they are based and the risk factors in respect of such forward-looking statements.

Readers are cautioned that the foregoing lists of factors are not exhaustive and are made as of the date hereof. The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement. Except as required by law, the Fund does not undertake any obligation to publicly update or revise any forward-looking statements.

NON-IFRS AND NON-U.S. GAAP MEASURES

This Circular and certain of Enbridge's documents incorporated by reference in this Circular use and refer to financial measures which do not have any standardized meaning prescribed by IFRS or U.S. GAAP, respectively. Please refer to the non-IFRS and non-U.S. GAAP measures advisories in such documents incorporated by reference or in the respective management discussions and analysis documents for the definitions and descriptions of such terms.

GLOSSARY OF TERMS

In this Circular, unless the context otherwise requires, the following terms have the meanings indicated:

ABCA means the *Business Corporations Act* (Alberta);

Adjusted EBITDA means Enbridge's earnings before interest, income taxes and depreciation and amortization, adjusted for unusual, non-recurring or non-operating factors on a consolidated basis;

allowable capital loss has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations Residents of Canada* ;

Amendment Review Fees has the meaning set out in the section of this Circular entitled *Information Regarding the Note Exchange Transaction Amendment Review Fees* ;

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Arrangement means the plan of arrangement completed November 8, 2018 between ENF and Enbridge pursuant to which Enbridge acquired all the issued and outstanding common shares of ENF not already owned by Enbridge;

Arrangement Agreement means the arrangement agreement dated effective as of September 17, 2018, between ENF and Enbridge, as modified by the amending agreement dated as of September 27, 2018, with respect to the Arrangement;

BMO Capital Markets means BMO Nesbitt Burns Inc.;

Broadridge has the meaning set out in the section of the Circular entitled *General Information Regarding the Meeting and Consent Solicitation - Beneficial Fund Noteholders* ;

Business Day means any day, other than a Saturday, a Sunday or a statutory or civic holiday observed in Calgary, Alberta and Toronto, Ontario;

CBCA means the *Canada Business Corporations Act*;

CDS means CDS Clearing and Depository Services Inc. or its nominee;

Circular means this management information circular and consent solicitation statement dated November 9, 2018;

Code has the meaning set out in the section of the Circular entitled *Certain U.S. Federal Income Tax Considerations* ;

Consent Solicitation has the meaning set out in the section of this Circular entitled *General Information Regarding the Meeting and Consent Solicitation - Consent Solicitation* ;

CRA has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

DBRS means DBRS Limited;

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Debentures has the meaning set out in the section of this Circular entitled *Description of the Enbridge Notes - General* ;

Definitive Notes has the meaning set out in the section of this Circular entitled *Description of the Enbridge Notes - Global Notes* ;

Depository means CDS Clearing & Depository Services Inc.;

DPSP has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

ECT means Enbridge Commercial Trust, an unincorporated trust established under the laws of Alberta;

EEP means Enbridge Energy Partners, L.P., a publicly traded Delaware limited partnership;

EEP Class A Common Unit means each Class A common unit representing a fractional part of the limited partner interests in EEP;

EEQ means Enbridge Energy Management, L.L.C., a publicly traded Delaware limited liability company;

Effective Date means the date specified as such in the Effectiveness Notice and Undertaking;

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Effectiveness Notice and Undertaking means a written notice from the Fund and Enbridge given to the Fund Note Trustee pursuant to the Fund Second MTN Supplemental Indenture notifying the Fund Note Trustee that the Note Exchange Transaction shall occur on the date of the Effectiveness Notice and Undertaking, or such other date as may be specified therein, together with an undertaking of Enbridge to issue the Enbridge Notes required to be issued in connection with the Note Exchange Transaction pursuant to the Enbridge MTN Indenture;

EIPGP means Enbridge Income Partners GP Inc., a corporation existing under the laws of Canada;

EIPGP Common Shares mean the common shares in the capital of EIPGP;

EIPLP means Enbridge Income Partners L.P., a limited partnership established under the laws of Alberta;

EMSI means Enbridge Management Services Inc., a corporation existing under the laws of Canada, in its role as administrator of the Fund, pursuant to an amended and restated administrative services agreement between EMSI, the Fund, AST Trust Company (Canada) and ECT dated effective as of November 8, 2018, as amended from time to time;

Enbridge means Enbridge Inc., a corporation existing under the laws of Canada;

Enbridge Annual MD&A means the management's discussion and analysis of Enbridge for the year ended December 31, 2017 dated February 16, 2018;

Enbridge Annual Report means the annual report on Form 10-K of Enbridge in respect of the financial year ended December 31, 2017 dated February 16, 2018;

Enbridge Financial Statements means the audited consolidated financial statements of Enbridge as at and for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditor's report thereon, and the unaudited interim consolidated financial statements of Enbridge as at and for the interim period ended September 30, 2018;

Enbridge First MTN Supplemental Indenture means the first supplemental trust indenture to the Enbridge MTN Indenture dated as of November 28, 2001 between Enbridge and the Enbridge Note Trustee;

Enbridge Fourth MTN Supplemental Indenture means the fourth supplemental trust indenture to the Enbridge MTN Indenture dated as of April 12, 2018 between Enbridge and the Enbridge Note Trustee;

Enbridge Interim MD&A means the management's discussion and analysis of Enbridge for the three and six month periods ended September 30, 2018;

Enbridge MTN Indenture means the trust indenture dated as of October 20, 1997 between Enbridge and Fund Note Trustee as supplemented and amended by the Enbridge Supplemental Indentures and as may be further supplemented and amended from time to time;

Enbridge Note Trustee means Computershare Trust Company of Canada (including any successor trustee), in its capacity as trustee under the Enbridge MTN Indenture;

Enbridge Notes means the medium term notes of Enbridge to be issued under the Enbridge MTN Indenture in connection with the Note Exchange Transaction;

Enbridge Second MTN Supplemental Indenture means the second supplemental trust indenture to the Enbridge MTN Indenture dated as of December 21, 2011 between Enbridge and the Enbridge Note Trustee;

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Enbridge Shares means the common shares in the capital of Enbridge;

Enbridge Supplemental Indentures means, collectively, the Enbridge First MTN Supplemental Indenture, the Enbridge Second MTN Supplemental Indenture, the Enbridge Third MTN Supplemental Indenture and the Enbridge Fourth MTN Supplemental Indenture;

Enbridge Third MTN Supplemental Indenture means the third supplemental trust indenture to the Enbridge MTN Indenture dated as of September 26, 2017 between Enbridge and the Enbridge Note Trustee;

ENF means Enbridge Income Fund Holdings Inc., a corporation existing under the laws of Alberta;

ENF Shares means the common shares in the capital of ENF;

Fitch means Fitch Ratings, Inc.;

Fund means Enbridge Income Fund, an unincorporated trust established under the laws of Alberta;

Fund and Enbridge Notes has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

Fund First MTN Supplemental Indenture means the supplemental trust indenture to the Fund MTN Indenture dated as of December 21, 2011 between the Fund and the Fund Note Trustee;

Fund Group Entities means the Fund, ECT, EIPGP, EIPLP and their respective subsidiaries, and **Fund Group Entity** means any one of them.

Fund MTN Indenture means the trust indenture dated as of November 29, 2004 between the Fund and the Fund Note Trustee, as supplemented and amended by the Fund First MTN Supplemental Indenture and as may be further supplemented and amended from time to time;

Fund Note Trustee means Computershare Trust Company of Canada (including any successor trustee), in its capacity as trustee under the Fund MTN Indenture;

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Fund Noteholder means each holder of Fund Notes;

Fund Notes means, collectively, the Series 4 Notes, Series 6 Notes, Series 7 Notes, Series 10 Notes, Series 12 Notes and Series 13 Notes of the Fund;

Fund Second MTN Supplemental Indenture means the supplemental indenture amending the terms of the Fund MTN Indenture, as more particularly described in the Note Exchange Resolution;

Global Note has the meaning set out in the section of the Circular entitled *Description of Enbridge Notes - Global Notes* ;

Holder has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

IFRS means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Accounting Standards Board;

Information Agent means D.F. King Canada;

Intermediary means an investment advisor, stockbroker, bank, trust company or other nominee;

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IRS has the meaning set out in the section of the Circular entitled *Certain U.S. Federal Income Tax Considerations – Taxation of the Ownership of the Enbridge Notes* ;

Meeting means the meeting of the holders of the Fund Notes, voting together as a single class, to be held at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) on December 10, 2018, and any adjournment or postponement thereof;

Minister has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

Moody's means Moody's Investors Services Inc.;

Non-Resident Holder has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada* ;

Note Exchange Resolution means the resolution to be considered at the Meeting, the full text of which is set forth as Appendix A to the Circular;

Note Exchange Transaction has the meaning set out in the section of the Circular entitled *Information Regarding the Note Exchange Transaction – Fund Second MTN Supplemental Indenture* ;

Notice of Meeting means the notice of Meeting dated November 9, 2018, accompanying the Circular;

NYSE means the New York Stock Exchange;

OID has the meaning set out in the section of the Circular entitled *Certain U.S. Federal Income Tax Considerations – Taxation of the Ownership of the Enbridge Notes* ;

participant has the meaning set out in the section of this Circular entitled *Description of the Enbridge Notes – Global Notes* ;

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Proposed Legislative Amendments has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

Rating Agencies means, collectively, DBRS, S&P, Moody's and Fitch and **Rating Agency** means any one of them;

RDSPs has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

Record Date means November 7, 2018;

Registered Plans has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

Resident Holder has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

RESPs has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

RRIFs has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

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RRSPs has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations – Residents of Canada* ;

Rule 144 has the meaning set out in the section of the Circular entitled *Information Regarding the Note Exchange Transaction – Considerations Relevant to the Evaluation of the Note Exchange Transaction – U.S. Securities Laws Considerations* ;

S&P means Standard and Poor's Rating Service, a division of the McGraw-Hill Companies, Inc.;

SEC means the United States Securities and Exchange Commission;

Securities Authorities means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces of Canada;

SEDAR means the System for Electronic Document Analysis and Retrieval, a filing system developed for the Canadian Securities Administrators and accessible at www.sedar.com;

SEP means Spectra Energy Partners, LP, a publicly traded Delaware master limited partnership

Series 4 Notes means the 4.85% Medium Term Notes, Series 4, due November 12, 2020 issued pursuant to the Fund MTN Indenture;

Series 5 Notes means the 4.00% Medium Term Notes, Series 5, due December 20, 2018 issued pursuant to the Fund MTN Indenture;

Series 6 Notes means the 4.10% Medium Term Notes, Series 6, due February 22, 2019 issued pursuant to the Fund MTN Indenture;

Series 7 Notes means the 4.85% Medium Term Notes, Series 7, due February 22, 2022 issued pursuant to the Fund MTN Indenture;

Series 10 Notes means the 3.94% Medium Term Notes, Series 10, due January 13, 2023 issued pursuant to the Fund MTN Indenture;

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Series 12 Notes means the 3.95% Medium Term Notes, Series 12, due November 19, 2024 issued pursuant to the Fund MTN Indenture;

Series 13 Notes means the 4.87% Medium Term Notes, Series 13, due November 21, 2044 issued pursuant to the Fund MTN Indenture;

Solicitation Agent has the meaning set out in the section of the Circular entitled *General Information Regarding the Meeting and Consent Solicitation Solicitation Agent* ;

Stub Period Accrued Interest has the meaning set out in the section of the Circular entitled *Certain U.S. Federal Income Tax Considerations Taxation of the Note Exchange Transaction* ;

Tabulation Agent means AST Trust Company (Canada);

Tax Act means the *Income Tax Act* (Canada) and all regulations promulgated thereunder from time to time;

taxable capital gain has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations* ;

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TFSA has the meaning set out in the section of the Circular entitled *Certain Canadian Federal Income Tax Considerations - Residents of Canada* ;

TSX means the Toronto Stock Exchange;

U.S. or **United States** means the United States of America;

U.S. Exchange Act has the meaning set out in the section of the Circular entitled *Notice to Noteholders in the United States* ;

U.S. GAAP means generally accepted accounting principles of the United States;

U.S. Holder has the meaning set out in the section of the Circular entitled *Certain U.S. Federal Income Tax Considerations* ; and

U.S. Securities Act has the meaning set out in the section of the Circular entitled *Notice to Noteholders in the United States* .

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SUMMARY OF CIRCULAR

The following is a summary of certain information contained in this Circular and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing in this Circular. Fund Noteholders are urged to read this Circular and the appendices attached hereto carefully and in their entirety. Certain capitalized terms used in this summary are defined in the Glossary of Terms above.

Background to the Note Exchange Transaction

On May 17, 2018, Enbridge made four separate non-binding all share proposals to the respective boards of directors of its sponsored vehicles, SEP, EEP, EEQ and ENF, to acquire, in separate combination transactions, all of the outstanding equity securities of those entities not beneficially owned by Enbridge.

On August 24, 2018, Enbridge announced that it had entered into a definitive agreement with SEP to acquire all the outstanding public units of SEP on the basis of 1.111 Enbridge Shares for each common unit of SEP. On September 18, 2018, Enbridge announced that it had also entered into definitive agreements with each of EEP and EEQ under which Enbridge agreed to acquire all of the outstanding public class A common units of EEP and all of the outstanding public listed shares of EEQ. Under such agreements, EEP public unitholders will receive 0.335 of an Enbridge Share for each class A common unit of EEP, and EEQ public shareholders will receive 0.335 of an Enbridge Share for each listed share of EEQ. Assuming timely satisfaction of the necessary closing conditions, Enbridge expects its transactions with each of SEP, EEP and EEQ to close in the fourth quarter of 2018.

On September 17, 2018, following a period of negotiations between Enbridge and a special committee of the board of directors of ENF, Enbridge and ENF entered into the Arrangement Agreement, providing for the implementation of the Arrangement. On November 8, 2018, Enbridge and ENF completed the Arrangement. Pursuant to the Arrangement, Enbridge acquired all of the issued and outstanding ENF Shares not already owned by Enbridge and ENF became an indirect wholly-owned subsidiary of Enbridge. On November 9, 2018, ENF was dissolved pursuant to section 211 of the ABCA and all its liabilities were assumed by its parent corporation, Enbridge.

Following the Arrangement, Enbridge reviewed the structure of the Fund Group Entities to simplify and streamline the Enbridge group to increase the transparency of the Fund Group Entities' cash generating assets. As a result of such review, Enbridge and the Fund have determined that they should proceed with the Note Exchange Transaction to effectively transfer the Fund Notes to Enbridge, which will result in the benefits described in this Circular. For a description of the benefits of the Note Exchange Transaction, see the section entitled *Information Regarding the Note Exchange Transaction – Considerations Relevant to the Evaluation of the Note Exchange Transaction*.

Summary of the Note Exchange Transaction

Pursuant to the Note Exchange Transaction, the Fund Notes will be exchanged for an equal principal amount of newly issued Enbridge Notes, having financial terms that are the same as the financial terms of the Fund Notes. Payment obligations for the Enbridge Notes will not be

guaranteed by any corporate entity, as is the case for all of Enbridge's current medium term notes.

Rationale for the Note Exchange Transaction

The Note Exchange Transaction is part of Enbridge's strategy to simplify and streamline its corporate structure, to provide increased transparency by reducing the number of public debt issuers within the Enbridge group, to reduce administrative inefficiencies, including by, among other things, implementing simplified accounting and financial reporting procedures, and to reduce structural subordination at Enbridge.

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Conditions to Completion of the Note Exchange Transaction

The completion of the Note Exchange Transaction is subject to the following conditions: (a) the requisite approval of the Note Exchange Resolution being obtained at the Meeting or pursuant to the Consent Solicitation; (b) delivery to the Fund Note Trustee of a fully executed Effectiveness Notice and Undertaking; and (c) the absence of any law or regulation, and the absence of any injunction or action or other proceeding (actual, pending or threatened), that (in the case of any injunction, action or proceeding if adversely determined) would make unlawful or invalid or enjoin the implementation of the Note Exchange Transaction. The Fund reserves the right, subject to applicable law, to waive the condition in (c) above.

In addition, the Note Exchange Resolution authorizes the Fund, without further notice to or approval of the Fund Noteholders, to revoke the Note Exchange Resolution at any time prior to the transactions contemplated by the Note Exchange Resolution being completed. The Fund also reserves the right to cancel the Meeting at any time prior to commencement thereof and/or to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

See the section of this Circular entitled *Information Regarding the Note Exchange Transaction – Conditions to Completion of the Note Exchange Transaction* .

For risks related to the completion of the Note Exchange Transaction, see the section of this Circular entitled *Risks Relating to the Note Exchange Transaction and the Enbridge Notes – Completion of the Note Exchange Transaction* .

Fund Second MTN Supplemental Indenture

By approving the Note Exchange Resolution, the holders of the Fund Notes will be authorizing the Fund and the Fund Note Trustee, at the Fund's option, to enter into and execute and deliver the Fund Second MTN Supplemental Indenture containing the terms described below and will be authorizing and directing the Fund and the Fund Note Trustee, as applicable, to take such actions and execute and deliver such documents as may be necessary to carry out the intent of the Note Exchange Resolution.

The Fund Second MTN Supplemental Indenture will amend the terms of the Fund MTN Indenture such that, among other things, on the Effective Date (and in the following sequence):

- (a) all of the issued and outstanding Fund Notes, including the entitlement to interest accrued thereon, shall be transferred from the Fund Noteholders to Enbridge in exchange for an equal principal amount of newly issued Enbridge Notes, together with an entitlement to an amount equal to the interest accrued on the Fund Notes, having the terms, conditions and other attributes set forth in the Enbridge MTN Indenture and Appendix B to this Circular; and

(b) the Fund shall be released and discharged from all obligations under or in respect of the Fund MTN Trust Indenture and the Fund Notes.

After the execution of the Fund Second MTN Supplemental Indenture, but prior to the Note Exchange Transaction taking effect, the Fund and Enbridge will be required under the Fund Second MTN Supplemental Indenture to deliver to the Fund Note Trustee the Effectiveness Notice and Undertaking. The Effectiveness Notice and Undertaking will specify the day that will be the Effective Date and will also include the undertaking of Enbridge to issue the required Enbridge Notes to the existing Fund Noteholders in exchange for the Fund Notes. On the Effective Date, the Fund Notes will be transferred to Enbridge in exchange for the applicable Enbridge Notes. The result of the Note Exchange Transaction is that holders of Fund Notes will own Enbridge Notes in the place of the Fund Notes. The Fund anticipates that the Effectiveness Notice and Undertaking will be executed and delivered on the same day that the

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Fund Second MTN Supplemental Indenture is executed and that the Effective Date will also occur on such date.

Upon request to the Corporate Secretary of EMSI or the Information Agent, copies of the proposed form of Fund Second MTN Supplemental Indenture will be sent to any Fund Noteholder.

See the section entitled *Information Regarding the Note Exchange Transaction Fund Second MTN Supplemental Indenture* .

Considerations Relevant to the Evaluation of the Note Exchange Transaction

The Fund believes the Note Exchange Transaction may have the following benefits for the Fund Noteholders, and that Fund Noteholders should consider the following factors, among others, in making a decision whether to vote in favour of the Note Exchange Resolution:

- **Same Financial Terms:** Fund Noteholders will receive Enbridge Notes having financial terms (including with respect to coupon, maturity and redemption price) that are the same as those of the Fund Notes for which they are being exchanged. The Fund MTN Indenture and the Enbridge MTN Indenture are substantively similar.
- **Superior Credit Profile:**
- **Stronger Business Profile:** Upon completion of the Note Exchange Transaction, Fund Noteholders will hold medium term notes in Enbridge, the largest energy infrastructure company in North America with significant diversification across businesses that generate diverse, safe and reliable cash flows. The stronger business profile will be driven by direct ownership in Enbridge's core businesses comprised of premium liquids transportation, natural gas transmission and natural gas distribution utility franchises.
- **Stronger Financial Profile:** Fund Noteholders will benefit from a consolidated Enbridge entity that is financially superior to the Fund, with a consolidated revenue base of approximately \$34.8 billion, Adjusted EBITDA of \$9.5 billion and an asset base of \$163.2 billion for the nine months ended September 30, 2018. Fund Noteholders will also benefit from ongoing improvement in the financial strength and overall credit profile of Enbridge through the simplification of its corporate structure, higher retention of cash flow generated from its subsidiaries and reduction in structural subordination.

- **Stronger Credit Ratings:** Enbridge's stronger business and financial profile is illustrated in the comparison of the credit ratings of each of Enbridge and the Fund. As of the date of this Circular, Enbridge's medium term notes are rated BBB (high) (with stable trend) by DBRS, Baa3 (with positive outlook) by Moody's, BBB+ (with stable outlook) by S&P and BBB+ (with stable outlook) by Fitch. The Enbridge Notes will have the same ratings as Enbridge's current medium term notes. Accordingly, the rating applicable to the Enbridge Notes by S&P is currently stronger than the rating of BBB (with stable outlook) assigned by S&P to the Fund Notes. DBRS currently rates the Fund Notes the same credit rating of BBB (high) (with stable trend) and Moody's rates the Fund Notes the same credit rating of Baa3 (with positive outlook). Fitch does not currently rate the Fund Notes.

- **Structural Enhancement:** Fund Noteholders will receive Enbridge Notes that will rank *pari passu* with Enbridge's other senior unsecured debt securities, will benefit from Enbridge's diversified asset base (which includes the Fund's asset base), and will benefit from reporting consistent with Enbridge's publicly traded equity and debt. The Enbridge Notes received by Fund Noteholders will be governed by the Enbridge MTN Indenture.

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- **Addition of Stricter Financial Covenants:** The Enbridge Notes will be governed by the existing Enbridge MTN Indenture which includes covenants that provide greater credit protection than the current Fund MTN Indenture. The Enbridge MTN Indenture contains an issue test requirement which prohibits Enbridge from issuing Funded Obligations unless the aggregate principal amount of Consolidated Funded Obligations does not exceed 75% of the Total Consolidated Capitalization as well as a negative pledge covenant which includes a Permitted Encumbrance general basket carve-out that cannot exceed 5% of Consolidated Net Tangible Assets (such terms are defined in the Enbridge MTN Indenture). Upon completion of the Note Exchange Transaction, Fund Noteholders will receive Enbridge Notes that will have the benefit of this issue test, as well as the Permitted Encumbrance general carve-out basket of 5% of Consolidated Net Tangible Assets (versus 10% in the Fund MTN Indenture). Attached as Appendix C to this Circular is a comparison of the material terms of the Fund MTN Indenture and the Enbridge MTN Indenture.
- **Greater Liquidity and Simplicity:** Enbridge is one of Canada's largest and most well-known corporate issuers in the debt capital markets, with approximately \$6.45 billion of senior public debt outstanding. Enbridge is also one of the most active issuers in Canada, having issued approximately \$3.48 billion of senior public debt over the last five years. By comparison, the Fund has only \$1.75 billion of senior public debt outstanding and has not issued senior public debt in Canada since 2014. Fund Noteholders will benefit from the enhanced liquidity of holding new Enbridge Notes as well as increased transparency by reducing the number of public debt issuers within the Enbridge group and concentrating activity into one active issuer.

See the section entitled *Information Regarding the Note Exchange Transaction – Considerations Relevant to the Evaluation of the Note Exchange Transaction*.

Approval of Fund Noteholders

Through the Note Exchange Resolution, the Fund Noteholders have the opportunity to vote on a transaction to exchange all outstanding Fund Notes for Enbridge Notes with the same financial terms as the Fund Notes.

Required Approval at the Meeting

To be effective, the Note Exchange Resolution must be approved by holders of not less than 66 2/3% of the principal amount of the Fund Notes, voting together as a single class, present in person or by proxy at the Meeting, and voted on a poll upon such resolution. A copy of the Note Exchange Resolution is set out in Appendix A of this Circular.

Quorum at the Meeting

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Holders of at least 25% of the principal amount of the outstanding Fund Notes present in person or by proxy will constitute a quorum for the Meeting. In the absence of a quorum, the Meeting shall be adjourned to such date, being not less than seven days later, and to such place and time as may be appointed by the chairman of the Meeting, and two clear days' notice shall be given of such adjourned meeting in the manner in which notices are by the Fund MTN Indenture authorized to be given (but it shall not be necessary to specify in such notice the business to be transacted at such adjourned meeting). At the adjourned meeting, the Fund Noteholders present in person or by proxy shall form a quorum and may transact the business for which the Meeting was originally called.

See the section entitled *Information Regarding the Note Exchange Transaction - Approval of the Fund Noteholders* .

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General

The proxy and consent solicitation form delivered with this Circular provides a means for a registered Fund Noteholder to vote for or against the Note Exchange Resolution. The proxy and consent solicitation form further provides that if a registered Fund Noteholder using the proxy and consent solicitation form does not specify whether such Fund Notes are to be voted for or against a resolution, the proxyholder will be deemed to vote FOR the Note Exchange Resolution.

The Fund Notes have been issued in the form of global certificates registered in the name of CDS and, as such, CDS is the sole registered Fund Noteholder. Only registered Fund Noteholders, or their duly appointed proxyholders, have the right to vote at the Meeting (or as part of the Consent Solicitation), or to appoint or revoke a proxy. However, CDS, or its duly appointed proxyholder(s), may only vote the Fund Notes in accordance with instructions received from the beneficial Fund Noteholders. Beneficial Fund Noteholders as of the Record Date wishing to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation) must provide instructions to their broker or other intermediary through which they hold their Fund Notes in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS, or its duly appointed proxyholder(s), as to how to vote their Fund Notes at the Meeting (or as part of the Consent Solicitation).

Notwithstanding the foregoing, the Note Exchange Resolution authorizes the Fund, without further notice to or approval of the Fund Noteholders, to revoke the Note Exchange Resolution at any time prior to the completion of the Note Exchange Transaction. The Fund also reserves the right to cancel the Meeting at any time prior to commencement of the Meeting and/or to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

See the sections entitled *General Information Regarding the Meeting and Consent Solicitation*, *Appointment of Proxies* and *General Information Regarding the Meeting and Consent Solicitation - Voting at Meeting and Quorum*.

Consent Solicitation

The Fund MTN Indenture provides that the Note Exchange Resolution may also be passed by the written consent of the Fund Noteholders holding 66 2/3% of the principal amount of all of the outstanding Fund Notes as of the Record Date. Accordingly, pursuant to the Circular, the Fund is simultaneously soliciting the written consent of Fund Noteholders to the passing of the Note Exchange Resolution. Fund Noteholders who execute and deliver a valid proxy voting FOR the approval of the Note Exchange Resolution (and who do not validly revoke such proxy and consent) prior to the proxy cut-off time shall be considered to have provided written consent to the Note Exchange Resolution for the purposes of the Consent Solicitation. If Fund Noteholders representing not less than 66 2/3% of the principal amount of all of the outstanding Fund Notes have delivered valid proxies voting FOR the approval of the Note Exchange Resolution by the proxy cut-off time (and have not validly revoked such proxies and consents), the Note Exchange Resolution will be passed by the written consent of the Fund Noteholders and the Meeting will be unnecessary and therefore cancelled. The Fund will notify Fund Noteholders of any such approval and cancellation of the Meeting prior to the commencement of the Meeting. The Fund reserves the right to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

See the section entitled *General Information Regarding the Meeting and Consent Solicitation* *Consent Solicitation* .

Amendment Review Fees

If the Note Exchange Resolution is approved by the Fund Noteholders and the Note Exchange Transaction is completed, Amendment Review Fees will be payable to eligible Fund Noteholders who: (a) executed and delivered a valid proxy and consent solicitation form to AST Trust Company (Canada) by

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10:00 a.m. (Calgary time) on December 5, 2018 (or by the deadline for the deposit of proxies for any postponed or adjourned Meeting) voting on the Note Exchange Resolution, with such proxy and consent solicitation form being accepted by AST Trust Company (Canada) by the proxy cut-off time; or (b) voted on the Note Exchange Resolution in person at the Meeting, if the Meeting is held. Enbridge will pay the Amendment Review Fees to the Tabulation Agent, as tabulation agent for the Fund Noteholders, on the first Business Day following the Effective Date and the Tabulation Agent will pay the Amendment Review Fees to the CDS participants for distribution to Fund Noteholders entitled to Amendment Review Fees no later than the fourth Business Day following the Effective Date. Enbridge will pay to the Tabulation Agent \$0.25 for each \$1,000 principal amount of Fund Notes held by Fund Noteholders entitled to Amendment Review Fees. No Amendment Review Fees will be paid to a Fund Noteholder, however, if: (a) the Note Exchange Resolution is approved at the Meeting and, prior to the commencement of the Meeting, the Fund Noteholder revokes any such proxy previously delivered; or (b) the Note Exchange Resolution is approved pursuant to the Consent Solicitation and the Fund Noteholder revokes any such proxy previously delivered, in each case prior to the proxy cut-off time. The right to receive the Amendment Review Fees is not transferable with any of the Fund Notes. No other holder of any Fund Notes, including any Fund Noteholders to whom any Fund Notes have been transferred subsequent to the Record Date with respect to such transferred Fund Notes, will be entitled to receive the Amendment Review Fees. Fund Noteholders who wish to transfer Fund Notes and to provide the benefit of the Amendment Review Fees to a transferee or other designee should contact their broker, dealer, trust company or other nominee to make such arrangements. Interest will not accrue on or be payable with respect to the Amendment Review Fees.

Fund Noteholders who do not deposit a valid proxy and consent solicitation form voting on the Note Exchange Resolution prior to the proxy cut-off time or who do not vote on the Note Exchange Resolution in person at the Meeting, if the Meeting is held, will not receive any Amendment Review Fees even though the Fund Second MTN Supplemental Indenture will be binding on them if the Fund Second MTN Supplemental Indenture becomes effective.

See the section entitled *Information Regarding the Note Exchange Transaction – Amendment Review Fees* .

Note Exchange Procedure

Beneficial Fund Noteholders are not required to take any action in order to receive Enbridge Notes following completion of the Note Exchange Transaction. Upon completion of the Note Exchange Transaction, the Enbridge Notes to be issued to beneficial Fund Noteholders will be credited to the beneficial Fund Noteholder's Intermediary's account through the procedures in place for such purposes between CDS and such Intermediary. Beneficial Fund Noteholders should contact their Intermediary if they have any questions regarding this process.

See the section entitled *Information Regarding the Note Exchange Transaction – Note Exchange Procedure* .

Information Agent

The Fund has retained D.F. King Canada to act as information agent in connection with the Note Exchange Transaction. The Information Agent will receive reasonable and customary compensation from the Fund for its services in connection with the Note Exchange Transaction, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Note Exchange Transaction.

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Questions and requests for assistance concerning the Note Exchange Transaction may be directed to the Information Agent at 1-800-294-5107 (1-212-771-1133 by collect call) or by email at

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inquiries@dfking.com. Further contact details for the Information Agent may be found on the back page of this document. Additional copies of this document and related materials may be obtained without charge on request from the Information Agent at its offices specified on the back page of this document. Copies of this document and related materials may also be found on SEDAR at www.sedar.com.

Tabulation Agent

The Fund has retained AST Trust Company (Canada) to act as tabulation agent in connection with the Note Exchange Transaction.

Solicitation Agent

BMO Capital Markets has been retained on behalf of the Fund to act as solicitation agent and to solicit votes in favour of the Note Exchange Resolution.

The Solicitation Agent will be indemnified against certain liabilities and expenses in connection with the solicitation of votes in favour of the Note Exchange Resolution.

At any given time, the Solicitation Agent and/or its affiliates may trade the Fund Notes, the Enbridge Notes or any other securities of the Fund or Enbridge for their own account, or for the accounts of their customers, and accordingly may hold a long or short position in the Fund Notes, the Enbridge Notes or those other securities and, to the extent that the Solicitation Agent or its affiliates hold Fund Notes, such Solicitation Agent may cause such Fund Notes to be voted in respect of the Note Exchange Transaction. In the ordinary course of its business, the Solicitation Agent and its affiliates have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with the Fund, Enbridge and their affiliates and/or perform financial advisory services for which they receive, or will receive, customary fees and expenses.

See the section entitled *General Information Regarding the Meeting and Consent Solicitation - Solicitation Agent* .

Effective Date

As soon as practical following approval of the Note Exchange Resolution at the Meeting and the satisfaction or waiver of the other conditions listed above, assuming the Fund does not revoke the Note Exchange Resolution, the Fund and the Trustee will execute and deliver the Fund Second MTN Supplemental Indenture and Enbridge and the Fund will deliver the Effectiveness Notice and Undertaking and proceed to complete the Note Exchange Transaction.

Date, Time and Place of Meeting

The Meeting will be held on December 10, 2018 at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, unless otherwise cancelled, adjourned or postponed, at 10:00 a.m. (Calgary time).

Notwithstanding the foregoing, the Fund may, at its option, at any time prior to the Meeting, cancel or postpone the Meeting.

Record Date

The board of directors of EMSI, in its role as administrator of the Fund, has provided notice of and fixed the Record Date (being November 7, 2018) for the purposes of determining beneficial Fund Noteholders entitled to receive notice of, and to vote at, the Meeting.

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Purpose of the Meeting

The Meeting has been called to consider and, if determined advisable, pass, with or without amendment, the Note Exchange Resolution.

Certain Canadian Federal Income Tax Considerations

A Resident Holder, as defined in the section of this Circular entitled *Certain Canadian Federal Income Tax Considerations*, will be considered to have disposed of its Fund Notes upon the consummation of the Note Exchange Transaction on the Effective Date. A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary generally will be required to include in income the amount of interest accrued or deemed to accrue on the Fund Notes up to the Effective Date or that became receivable or was received on or before the Effective Date, to the extent that such amounts have not otherwise been included in the Resident Holder's income for the year or a preceding taxation year. Any other Resident Holder will be required to include in income for a taxation year any interest on the Fund Notes received or receivable by such Resident Holder in the year except to the extent that such amount was otherwise included in its income for the year or a preceding taxation year. **In addition, a Resident Holder will realize a capital gain (capital loss) on the disposition of the Fund Notes equal to the amount by which the proceeds of disposition, net of any amount included in the Resident Holder's income as interest and net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base to the Resident Holder of the Fund Notes so disposed of.**

There is no authority directly addressing the treatment under the Tax Act of the receipt of the Amendment Review Fees including whether the Amendment Review Fees should be treated as part of the Resident Holder's proceeds of disposition of the Fund Notes or included in computing the Resident Holder's income for the taxation year in which the Amendment Review Fees is received.

No tax on income (including taxable capital gains) will be payable under the Tax Act by a Non-Resident Holder, as defined in the section of this Circular entitled *Certain Canadian Federal Income Tax Considerations*, on the Note Exchange Transaction.

The foregoing is only a brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by the description of certain Canadian federal income tax considerations described in the section of this Circular entitled *Certain Canadian Federal Income Tax Considerations*. Fund Noteholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a disposition of Fund Notes pursuant to the Note Exchange Transaction.

Certain U.S. Federal Income Tax Considerations

An exchange by a U.S. Holder of a the Fund Note for a Enbridge Note pursuant to the Note Exchange Transaction should generally be a taxable transaction for U.S. federal income tax purposes. However, there is no authority directly addressing the treatment under the Code of the receipt of the Amendment Review Fees including whether the Amendment Review Fees should be treated as part of the U.S. Holder's proceeds of disposition of the Fund Notes or treated as a separate fee which would be included in computing the U.S. Holder's ordinary income. For a more comprehensive description of the U.S. federal income tax consequences of the Note Exchange Transaction and the ownership of Enbridge Notes received pursuant to the Note Exchange Transaction, see the section of this Circular entitled *Certain U.S. Federal Income Tax Considerations*.

Fund Noteholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a disposition of Fund Notes pursuant to the Note Exchange Transaction and the ownership of Enbridge Notes.

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INFORMATION REGARDING THE NOTE EXCHANGE TRANSACTION

Background to the Note Exchange Transaction

On May 17, 2018, Enbridge made four separate non-binding all share proposals to the respective boards of directors of its sponsored vehicles, SEP, EEP, EEQ and ENF, to acquire, in separate combination transactions, all of the outstanding equity securities of those entities not beneficially owned by Enbridge.

On August 24, 2018, Enbridge announced that it had entered into a definitive agreement with SEP to acquire all the outstanding public units of SEP on the basis of 1.111 Enbridge Shares for each common unit of SEP. On September 18, 2018, Enbridge announced that it had also entered into definitive agreements with each of EEP and EEQ under which Enbridge agreed to acquire all of the outstanding public class A common units of EEP and all of the outstanding public listed shares of EEQ. Under such agreements, EEP public unitholders will receive 0.335 of an Enbridge Share for each class A common unit of EEP, and EEQ public shareholders will receive 0.335 of an Enbridge Share for each listed share of EEQ. Assuming timely satisfaction of the necessary closing conditions, Enbridge expects its transactions with each of SEP, EEP and EEQ to close in the fourth quarter of 2018.

On September 17, 2018, following a period of negotiations between Enbridge and a special committee of the board of directors of ENF, Enbridge and ENF entered into the Arrangement Agreement, providing for the implementation of the Arrangement. On November 8, 2018, Enbridge and ENF completed the Arrangement. Pursuant to the Arrangement, Enbridge acquired all of the issued and outstanding ENF Shares not already owned by Enbridge and ENF became an indirect wholly-owned subsidiary of Enbridge. On November 9, 2018, ENF was dissolved pursuant to section 211 of the ABCA and all its liabilities were assumed by its parent corporation, Enbridge.

Following the Arrangement, Enbridge reviewed the structure of the Fund Group Entities to simplify and streamline the Enbridge group to increase the transparency of the Fund Group Entities' cash generating assets. As a result of such review, Enbridge and the Fund have determined that they should proceed with the Note Exchange Transaction to effectively transfer the Fund Notes to Enbridge, which will result in the benefits described in this Circular. For a description of the benefits of the Note Exchange Transaction, see the section entitled *Information Regarding the Note Exchange Transaction – Considerations Relevant to the Evaluation of the Note Exchange Transaction*.

Summary of the Note Exchange Transaction

Pursuant to the Note Exchange Transaction, the Fund Notes will be exchanged for an equal principal amount of newly issued Enbridge Notes, having financial terms that are the same as the financial terms of the Fund Notes. Payment obligations for the Enbridge Notes will not be guaranteed by any corporate entity, as is the case for all of Enbridge's current medium term notes.

Rationale for the Note Exchange Transaction

The Note Exchange Transaction is part of Enbridge's strategy to simplify and streamline its corporate structure, to provide increased transparency by reducing the number of public debt issuers within the Enbridge group, to reduce administrative inefficiencies, including by, among other things, implementing simplified accounting and financial reporting procedures, and to reduce structural subordination at Enbridge.

Conditions to Completion of the Note Exchange Transaction

The completion of the Note Exchange Transaction is subject to the following conditions: (a) the requisite approval of the Note Exchange Resolution being obtained at the Meeting or pursuant to the Consent

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Solicitation; (b) delivery to the Fund Note Trustee of a fully executed Effectiveness Notice and Undertaking; and (c) the absence of any law or regulation, and the absence of any injunction or action or other proceeding (actual, pending or threatened), that (in the case of any injunction, action or proceeding if adversely determined) would make unlawful or invalid or enjoin the implementation of the Note Exchange Transaction. The Fund reserves the right, subject to applicable law, to waive the condition in (c) above.

In addition, the Note Exchange Resolution authorizes the Fund, without further notice to or approval of the Fund Noteholders, to revoke the Note Exchange Resolution at any time prior to the transactions contemplated by the Note Exchange Resolution being completed. The Fund also reserves the right to cancel the Meeting at any time prior to commencement of the Meeting and/or to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

For risks related to the completion of the Note Exchange Transaction, see the section of this Circular entitled *Risks Relating to the Note Exchange Transaction and the Enbridge Notes – Completion of the Note Exchange Transaction* .

Fund Second MTN Supplemental Indenture

By approving the Note Exchange Resolution, the holders of the Fund Notes will be authorizing the Fund and the Fund Note Trustee, at the Fund's option, to enter into and execute and deliver the Fund Second MTN Supplemental Indenture containing the terms described below and will be authorizing and directing the Fund and the Fund Note Trustee, as applicable, to take such actions and execute and deliver such documents as may be necessary to carry out the intent of the Note Exchange Resolution.

The Fund Second MTN Supplemental Indenture will amend the terms of the Fund MTN Indenture such that, among other things, on the Effective Date (and in the following sequence):

(a) all of the issued and outstanding Fund Notes, including the entitlement to interest accrued thereon, shall be transferred from the Fund Noteholders to Enbridge in exchange for an equal principal amount of newly issued Enbridge Notes, together with an entitlement to an amount equal to the interest accrued on the Fund Notes, having the terms, conditions and other attributes set forth in the Enbridge MTN Indenture and Appendix B to this Circular; and

(b) the Fund shall be released and discharged from all obligations under or in respect of the Fund MTN Indenture and the Fund Notes,

(the steps described in (a) and (b), collectively, the **Note Exchange Transaction**).

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After the execution of the Fund Second MTN Supplemental Indenture, but prior to the Note Exchange Transaction taking effect, the Fund and Enbridge will be required under the Fund Second MTN Supplemental Indenture to deliver to the Fund Note Trustee the Effectiveness Notice and Undertaking. The Effectiveness Notice and Undertaking will specify the day that will be the Effective Date and will also include the undertaking of Enbridge to issue the required Enbridge Notes to the existing Fund Noteholders in exchange for the Fund Notes. On the Effective Date, the Fund Notes will be transferred to Enbridge in exchange for the applicable Enbridge Notes. The result of the Note Exchange Transaction is that holders of Fund Notes will own Enbridge Notes in the place of the Fund Notes. The Fund anticipates that the Effectiveness Notice and Undertaking will be executed and delivered on the same day that the Fund Second MTN Supplemental Indenture is executed and that the Effective Date will also occur on such date.

Upon request to the Corporate Secretary of EMSI or the Information Agent, copies of the proposed form of the Fund Second MTN Supplemental Indenture will be sent to any Fund Noteholder.

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Considerations Relevant to the Evaluation of the Note Exchange Transaction

The Fund believes the Note Exchange Transaction may have the following benefits for the Fund Noteholders, and that Fund Noteholders should consider the following factors, among others, in making a decision whether to vote in favour of the Note Exchange Resolution:

- **Same Financial Terms.** Fund Noteholders will receive Enbridge Notes having financial terms (including with respect to coupon, maturity and redemption price) that are the same as those of the Fund Notes for which they are being exchanged. The Fund MTN Indenture and the Enbridge MTN Indenture are substantively similar.
- **Superior Credit Profile:**
- **Stronger Business Profile:** Upon completion of the Note Exchange Transaction, Fund Noteholders will hold medium term notes in Enbridge, the largest energy infrastructure company in North America with significant diversification across businesses that generate diverse, safe and reliable cash flows. The stronger business profile will be driven by direct ownership in Enbridge's core businesses comprised of premium liquids transportation, natural gas transmission and natural gas distribution utility franchises.
- **Stronger Financial Profile:** Fund Noteholders will benefit from a consolidated Enbridge entity that is financially superior to the Fund, with a consolidated revenue base of approximately \$34.8 billion, Adjusted EBITDA of \$9.5 billion and an asset base of \$163.2 billion for the nine months ended September 30, 2018. Fund Noteholders will also benefit from ongoing improvement in the financial strength and overall credit profile of Enbridge through the simplification of its corporate structure, higher retention of cash flow generated from its subsidiaries and reduction in structural subordination.
- **Stronger Credit Ratings:** Enbridge's stronger business and financial profile is illustrated in the comparison of the credit ratings of each of Enbridge and the Fund. As of the date of this Circular, Enbridge's medium term notes are rated BBB (high) (with stable trend) by DBRS, Baa3 (with positive outlook) by Moody's, BBB+ (with stable outlook) by S&P and BBB+ (with stable outlook) by Fitch. The Enbridge Notes will have the same ratings as Enbridge's current medium term notes. Accordingly, the rating applicable to the Enbridge Notes by S&P is currently stronger than the rating of BBB (with stable outlook) assigned by S&P to the Fund Notes. DBRS currently rates the Fund Notes the same credit rating of BBB (high) (with stable trend) and Moody's rates the Fund Notes the same credit rating of Baa3 (with positive outlook). Fitch does not currently rate the Fund Notes.
- **Structural Enhancement.** Fund Noteholders will receive Enbridge Notes that will rank *pari passu* with Enbridge's other senior unsecured debt securities, will benefit from Enbridge's diversified asset base (which includes

the Fund's asset base), and will benefit from reporting consistent with Enbridge's publicly traded equity and debt. The Enbridge Notes received by Fund Noteholders will be governed by the Enbridge MTN Indenture.

- **Addition of Stricter Financial Covenants:** The Enbridge Notes will be governed by the existing Enbridge MTN Indenture which includes covenants that provide greater credit protection than the current Fund MTN Indenture. The Enbridge MTN Indenture contains an issue test requirement which prohibits Enbridge from issuing Funded Obligations unless the aggregate principal amount of Consolidated Funded Obligations does not exceed 75% of the Total Consolidated Capitalization as well as a negative pledge covenant which includes a Permitted Encumbrance general basket carve-out that cannot exceed 5% of Consolidated Net Tangible Assets (such terms are defined in the Enbridge MTN Indenture). Upon completion of the Note Exchange Transaction, Fund Noteholders will receive Enbridge Notes that will have the benefit of this issue test, as well as the Permitted Encumbrance general carve-out basket of 5% of Consolidated Net

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Tangible Assets (versus 10% in the Fund MTN Indenture). Attached as Appendix C to this Circular is a comparison of the material terms of the Fund MTN Indenture and the Enbridge MTN Indenture.

- **Greater Liquidity and Simplicity:** Enbridge is one of Canada's largest and most well-known corporate issuers in the debt capital markets, with approximately \$6.45 billion of senior public debt outstanding. Enbridge is also one of the most active issuers in Canada, having issued approximately \$3.48 billion of senior public debt over the last five years. By comparison, the Fund has only \$1.75 billion of senior public debt outstanding and has not issued senior public debt in Canada since 2014. Fund Noteholders will benefit from the enhanced liquidity of holding new Enbridge Notes as well as increased transparency by reducing the number of public debt issuers within the Enbridge group and concentrating activity into one active issuer.

Note Exchange Procedure

Beneficial Fund Noteholders are not required to take any action in order to receive Enbridge Notes following completion of the Note Exchange Transaction. Upon completion of the Note Exchange Transaction, the Enbridge Notes to be issued to beneficial Fund Noteholders will be credited to the beneficial Fund Noteholder's Intermediary's account through the procedures in the place for such purposes between CDS and such Intermediary. Beneficial Fund Noteholders should contact their Intermediary if they have any questions regarding this process.

Effective Date

As soon as practical following approval of the Note Exchange Resolution at the Meeting and the satisfaction or waiver of the other conditions listed above, assuming the Fund does not revoke the Note Exchange Resolution, the Fund and the Trustee will execute and deliver the Fund Second MTN Supplemental Indenture and Enbridge and the Fund will deliver the Effectiveness Notice and Undertaking and proceed to complete the Note Exchange Transaction.

Canadian Securities Law Considerations

The issuance in Canada of the Enbridge Notes will be exempt from the prospectus requirements contained within applicable Canadian securities laws. The Enbridge Notes will also be freely tradable in Canada by persons other than control persons as defined under applicable Canadian securities laws (subject to customary restrictions).

U.S. Securities Law Considerations

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The Enbridge Notes to be issued in connection with the proposed Note Exchange Transaction will be exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 802 thereunder. Such securities will not constitute restricted securities under Rule 144 of the U.S. Securities Act (**Rule 144**) and will be freely tradable under the U.S. Securities Act, except as described below.

Enbridge Notes sold on behalf of the holders of Enbridge Notes who are affiliates as that term is defined in Rule 144 or who have been affiliates of Enbridge in the 90 days prior to the Effective Date are subject to certain restrictions under Rule 144 and will be restricted securities under Rule 144 in the hands of subsequent purchasers in non-registered sales. Offers and sales of such securities must be made in accordance with: (a) the applicable requirements of Rule 144; (b) another applicable exemption from the registration requirements of the U.S. Securities Act; or (c) the registration requirements of the U.S. Securities Act.

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BUSINESS TO BE CONDUCTED AT THE MEETING

The Meeting has been called to consider and, if determined advisable, pass, with or without amendment, the Note Exchange Resolution.

The Fund reserves the right to amend the terms of this Circular at any time before the Meeting, including by way of press release.

GENERAL INFORMATION REGARDING THE MEETING AND CONSENT SOLICITATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by the Fund of proxies to be used at the Meeting at the time and place and for the purposes set forth in the Notice of Meeting accompanying this Circular and in connection with the solicitation by the Fund of consents under the Consent Solicitation. In addition to the solicitation of proxies by mail, officers, directors and employees of EMSI, on behalf of the Fund, may, without additional compensation, solicit such proxies on behalf of management personally, by telephone, fax or other electronic means. The Fund will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Circular. The Solicitation Agent may also contact beneficial Fund Noteholders regarding the Meeting and solicit proxies on behalf of management.

Appointment of Proxies

All of the Fund Notes are registered in the name of CDS. Accordingly, in order for a beneficial holder of Fund Notes to have its Fund Notes voted at the Meeting (or as part of the Consent Solicitation) it must complete and sign the applicable instrument of proxy and consent provided by such holder's Intermediary and return such instrument of proxy and consent in accordance with the instructions provided therein well in advance of the Meeting. Failure to do so will result in your Fund Notes not being voted at the Meeting (or as part of the Consent Solicitation). If you have any questions or require assistance completing your proxy and consent solicitation form, you may contact the Information Agent. Contact details may be found on the back page of this document. A Fund Noteholder has the right to appoint a person or entity (who need not be a Fund Noteholder) to attend the meeting and act on his or her behalf at the meeting other than the persons named in the accompanying proxy and consent solicitation form.

Exercise of Vote by Proxy

Each Fund Noteholder of record as at the Record Date will be entitled to one vote for each \$1,000 principal amount of Fund Notes held on all matters that come before the Meeting, and such vote may be given in person or by proxy. Votes may be cast FOR or AGAINST the Note Exchange Resolution.

The Fund Notes represented by the accompanying proxy and consent solicitation form will be voted FOR or AGAINST the Note Exchange Resolution in accordance with the instructions of the Fund Noteholder as specified in the proxy. In the event that no specifications as to voting have been made by a Fund Noteholder to vote for or against the Note Exchange Resolution in respect of particular Fund Notes for which the proxy has been returned, the Fund Notes represented by proxies in favour of management's nominees will be voted in favour of the Note Exchange Resolution.

The accompanying proxy and consent solicitation form, when properly completed and signed, confers discretionary authority upon the proxyholder named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to any matters that may properly come before the Meeting. Management presently knows of no such amendments, variations or other matters which may come before the Meeting other than those referred to in the Notice of Meeting. **If any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the**

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persons named in the enclosed proxy and consent solicitation form to vote on such amendment, variation or other matter in accordance with their judgement.

Fund Noteholders who execute and deliver a valid proxy and consent solicitation form voting FOR the Note Exchange Resolution (and who do not validly revoke such proxy and consent solicitation form) prior to the proxy cut-off time shall also be considered to have provided written consent to the Note Exchange Resolution for the purposes of the Consent Solicitation.

The Fund reserves the right to waive the proxy cut-off time and accept and treat as valid those proxies (and consents) received after the proxy cut-off time for the purpose of both the Meeting and the Consent Solicitation.

Revocation of Proxies

A beneficial Fund Noteholder may revoke a proxy and consent solicitation form provided by its Intermediary in accordance with the instructions provided therein.

Beneficial Fund Noteholders for Proxy Voting (Alternative Voting Option for the Meeting)

Only the registered Fund Noteholder as of the close of business on the Record Date (being November 7, 2018) or the persons they appoint as their proxyholders are permitted to vote at the Meeting. The Fund Notes are registered in a book-entry only system under which all the issued and outstanding Fund Notes are evidenced by global certificates that are registered in the name of and held by CDS. At the date of this Circular, CDS is the only registered holder of the Fund Notes. Accordingly, all beneficial Fund Noteholders do not hold their Fund Notes in their own name but through an Intermediary.

A beneficial Fund Noteholder as of the close of business on the Record Date is entitled to direct how the Fund Notes beneficially owned by such holder are to be voted at the Meeting. As an alternative to the proxy and consent solicitation form, beneficial Fund Noteholders can provide their voting instructions (and proxy) for the Meeting via a voting instruction form. However, such method will not qualify for consent pursuant to the Consent Solicitation. To provide a valid consent, beneficial Fund Noteholders are instructed to provide instructions to their Intermediary through which they hold their Fund Notes to complete, execute and deliver the proxy and consent solicitation form to AST Trust Company (Canada).

Applicable regulatory policy requires the Fund to forward meeting materials to Intermediaries for onward distribution to beneficial Fund Noteholders who have not waived their right to receive such material and to seek voting instructions from such beneficial Fund Noteholders in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by beneficial Fund Noteholders in order to ensure that their Fund Notes are voted at the Meeting. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (**Broadridge**). Broadridge typically mails a scannable voting instruction form. Each beneficial Fund Noteholder is requested to complete and return the voting instruction form to Broadridge as outlined in the voting instruction form. Alternatively, the beneficial Fund Noteholder can call a toll-free telephone number, return the voting instruction form via mail, or access the internet to vote the Fund Notes held by such beneficial Fund Noteholder as follows:

Fund Noteholders in Canada

Internet Voting: www.proxyvote.com (enter your 16-digit control number to vote).

Mail Voting: Fund Noteholders wishing to vote using mail may return their voting instruction form using the envelope provided by Broadridge.

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Telephone Voting: Fund Noteholders who wish to vote by phone should call 1-800-474-7493 (or 1-800-474-7501 if you speak French). You will require a 16-digit control number to identify yourself on the system.

Fund Noteholders in the United States

Internet Voting: www.proxyvote.com (enter your 16-digit control number to vote).

Mail Voting: Fund Noteholders wishing to vote using mail may return their voting instruction form using the envelope provided by Broadridge.

Telephone Voting: Fund Noteholders who wish to vote by phone should call 1-800-454-8683. You will require a 16-digit control number to identify yourself on the system.

Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Fund Notes to the Tabulation Agent. A beneficial Fund Noteholder receiving a voting instruction form cannot use that voting instruction form to vote Fund Notes directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Fund Notes voted.

Although beneficial holdings of Fund Noteholders may not be recognized directly at the Meeting for the purposes of voting Fund Notes registered in the name of CDS, a beneficial Fund Noteholder may attend the Meeting as a proxyholder and vote their Fund Notes in that capacity. If a beneficial Fund Noteholder wishes to attend the Meeting and vote its Fund Notes, it must do so as proxyholder for the registered holder of the Fund Notes. To do this, a beneficial Fund Noteholder should enter its name in the blank space on the applicable voting instruction form provided to it and return the document to Broadridge well in advance of the Meeting.

Transfers of Fund Notes

If a person purchases Fund Notes after the Record Date and the Fund Noteholder as of the Record Date previously delivered a valid proxy and consent solicitation form (or thereafter delivers a valid proxy and consent solicitation form), such proxy and consent solicitation form of the Fund Noteholder as of the Record Date, and not the subsequent holder, will be eligible for acceptance by the Tabulation Agent if it was (or is) validly submitted. However, if a person purchases Fund Notes after the Record Date and the Fund Noteholder as of the Record Date has not previously consented to the Note Exchange Transaction, the purchaser may obtain an appropriate consent and agreement from the holder as of the Record Date and submit a proxy and consent solicitation form on or prior to the applicable cut-off date. However, in this case, any Amendment Review Fees payable will be payable to the holder as of the Record Date unless otherwise agreed to between such holder and the subsequent purchaser. Any subsequent purchaser is advised to contact their Intermediary and legal advisors in this situation.

Information Agent

The Fund has retained D.F. King Canada to act as Information Agent in connection with the Note Exchange Transaction. The Information Agent will receive reasonable and customary compensation from the Fund for its services in connection with the Note Exchange Transaction, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Note Exchange Transaction.

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Questions and requests for assistance concerning the Note Exchange Transaction may be directed to the Information Agent at 1-800-294-5107 (1-212-771-1133 by collect call) or by email at inquiries@dfking.com. Further contact details for the Information Agent may be found on the back page of this document. Additional copies of this document and related materials may be obtained without charge on request from the Information Agent at its offices specified on the back page of this document. Copies of this document and related materials may also be found on SEDAR at www.sedar.com.

Tabulation Agent

The Fund has retained AST Trust Company (Canada) to act as tabulation agent and paying agent in connection with the Note Exchange Transaction.

Solicitation Agent

BMO Capital Markets (the **Solicitation Agent**) has been retained on behalf of the Fund to act as solicitation agent and to solicit votes in favour of the Note Exchange Resolution.

The Solicitation Agent will be indemnified against certain liabilities and expenses in connection with the solicitation of votes in favour of the Note Exchange Resolution.

At any given time, the Solicitation Agent and/or its affiliates may trade the Fund Notes, the Enbridge Notes or any other securities of the Fund or Enbridge for their own account, or for the accounts of their customers, and accordingly may hold a long or short position in the Fund Notes, the Enbridge Notes or those other securities and, to the extent that the Solicitation Agent or its affiliates hold Fund Notes, such Solicitation Agent may cause such Fund Notes to be voted in respect of the Note Exchange Transaction. In the ordinary course of its business, the Solicitation Agent and its affiliates have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with the Fund, Enbridge and their affiliates and/or perform financial advisory services for which they receive, or will receive, customary fees and expenses.

Date, Time and Place of Meeting

The Meeting will be held on December 10, 2018 at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, Alberta, unless otherwise cancelled, adjourned or postponed, at 10:00 a.m. (Calgary time).

Notwithstanding the foregoing, the Fund may, at its option, at any time prior to the Meeting, cancel or postpone the Meeting or modify the matters to be considered thereat. In the event that the Note Exchange Resolution is approved pursuant to the Consent Solicitation, the Meeting will be unnecessary and therefore cancelled. In addition, to the extent that the Meeting is held and a quorum is not present

at the commencement of the Meeting, the Meeting may be adjourned in accordance with the Fund MTN Indenture.

Record Date

The board of directors of EMSI, in its role as administrator of the Fund, has provided notice of and fixed the Record Date (being November 7, 2018) for the purposes of determining beneficial Fund Noteholders entitled to receive notice of, and to vote at, the Meeting.

Voting at Meeting and Quorum

At the Meeting, each registered holder of Fund Notes as at the Record Date will be entitled to one vote in respect of each \$1,000 principal amount of Fund Notes held with respect to the Note Exchange Resolution.

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Fund Noteholders should refer to the section of this Circular entitled *General Information Regarding the Meeting and Consent Solicitation* for details as to how to vote their Fund Notes. As at the Record Date, there were an aggregate of \$1,625,000,000 principal amount of Fund Notes outstanding, as set forth below.

| Designation: | Principal Amount: | Interest Rate: |
|---|--------------------------|-----------------------|
| 4.85% Medium Term Notes, Series 4, due November 12, 2020 | \$ 100,000,000 | 4.85% |
| 4.10% Medium Term Notes, Series 6, due February 22, 2019 | \$ 300,000,000 | 4.10% |
| 4.85% Medium Term Notes, Series 7, due February 22, 2022 | \$ 200,000,000 | 4.85% |
| 3.94% Medium Term Notes, Series 10, due January 13, 2023 | \$ 275,000,000 | 3.94% |
| 3.95% Medium Term Notes, Series 12, due November 19, 2024 | \$ 500,000,000 | 3.95% |
| 4.87% Medium Term Notes, Series 13, due November 21, 2044 | \$ 250,000,000 | 4.87% |

The above excludes the Fund's Series 5 Notes, the holders of which are not eligible to participate in the Meeting or Consent Solicitation described in this Circular. Holders of such Series 5 Notes will continue to be governed under the Fund MTN Trust Indenture until the maturity of the Series 5 Notes on December 20, 2018.

Required Approval at the Meeting

At the Meeting, holders of Fund Notes will be asked to consider and vote on the Note Exchange Resolution. To be effective, the Note Exchange Resolution must be approved by holders of not less than 66 2/3% of the principal amount of the Fund Notes, voting together as a single class, present in person or by proxy at the Meeting and voted on a poll upon such resolution. A copy of the Note Exchange Resolution is set out in Appendix A of this Circular.

Quorum at the Meeting

Holders of at least 25% of the principal amount of the outstanding Fund Notes present in person or by proxy will constitute a quorum for the Meeting. In the absence of a quorum, the Meeting shall be adjourned to such date, being not less than seven days later, and to such place and time as may be appointed by the chairman of the Meeting, and two clear days' notice shall be given of such adjourned meeting in the manner in which notices are by the Fund MTN Indenture authorized to be given (but it shall not be necessary to specify in such notice the business to be transacted at such adjourned meeting). At the adjourned meeting, the Fund Noteholders present in person or by proxy shall form a quorum and may transact the business for which the Meeting was originally called.

General

The proxy and consent solicitation form delivered with this Circular provides a means for a registered Fund Noteholder to vote for or against the Note Exchange Resolution. The proxy and consent solicitation form further provides that if a registered Fund Noteholder using the proxy and consent solicitation form does not specify whether such Fund Notes are to be voted for or against a resolution, the proxyholder will be deemed to vote FOR the Note Exchange Resolution.

The Fund Notes have been issued in the form of global certificates registered in the name of CDS and, as such, CDS is the sole registered Fund Noteholder. Only registered Fund Noteholders, or their duly appointed proxyholders, have the right to vote at a Meeting, or to appoint or revoke a proxy. However,

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CDS, or its duly appointed proxyholder(s), may only vote the Fund Notes in accordance with instructions received from the beneficial Fund Noteholders. Beneficial Fund Noteholders as of the Record Date wishing to vote their Fund Notes at the Meeting must provide instructions to their broker or other intermediary through which they hold their Fund Notes in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS, or its duly appointed proxyholder(s), as to how to vote their Fund Notes at the Meeting.

Notwithstanding the foregoing, the Note Exchange Resolution authorizes the Fund, without further notice to or approval of the Fund Noteholders, to revoke the Note Exchange Resolution at any time prior to the completion of the Note Exchange Transaction. The Fund also reserves the right to cancel the Meeting at any time prior to commencement of the Meeting. In the event that the Note Exchange Resolution is approved pursuant to the Consent Solicitation, the Meeting will be unnecessary and therefore cancelled. In addition, to the extent that the Meeting is held and a quorum is not present at the commencement of the Meeting, the Meeting may be adjourned in accordance with the Fund MTN Indenture.

Consent Solicitation

The Fund MTN Indenture provides that the Note Exchange Resolution may also be passed by the written consent of the Fund Noteholders holding 66 2/3% of the principal amount of all of the outstanding Fund Notes as of the Record Date. Accordingly, pursuant to the Circular, the Fund is simultaneously soliciting the written consent of Fund Noteholders to the passing of the Note Exchange Resolution. Fund Noteholders who execute and deliver a valid proxy and consent solicitation form voting FOR the approval of the Note Exchange Resolution (and who do not validly revoke such proxy and consent solicitation form) prior to the proxy cut-off time shall be considered to have provided written consent to the Note Exchange Resolution for the purposes of the Consent Solicitation. If Fund Noteholders representing not less than 66 2/3% of the principal amount of all of the outstanding Fund Notes have delivered valid proxies voting FOR the approval of the Note Exchange Resolution by the proxy cut-off time (and have not validly revoked such proxies), the Note Exchange Resolution will be passed by the written consent of the Fund Noteholders and the Meeting will be unnecessary and therefore cancelled. The Fund will notify Fund Noteholders of any such approval and cancellation of the Meeting prior to the commencement of the Meeting.

The Fund reserves the right to terminate, extend or modify the terms of the Consent Solicitation at any time prior to the Meeting.

Amendment Review Fees

If the Note Exchange Resolution is approved by the Fund Noteholders and the Note Exchange Transaction is completed, Amendment Review Fees will be payable to eligible Fund Noteholders who: (a) executed and delivered a valid proxy and consent solicitation form to AST Trust Company (Canada) by 10:00 a.m. (Calgary time) on December 5, 2018 (or by the deadline for the deposit of proxies for any postponed or adjourned Meeting) voting on the Note Exchange Resolution, with such proxy and consent solicitation form being accepted by AST Trust Company (Canada) by the proxy cut-off time; or (b) voted on the Note Exchange Resolution in person at the Meeting, if the Meeting is held. Enbridge will pay the Amendment Review Fees to the Tabulation Agent, as tabulation agent for the Fund Noteholders, on the first Business Day following the Effective Date and the Tabulation Agent will pay the Amendment Review Fees to the CDS participants for distribution to Fund Noteholders entitled to Amendment Review Fees no later than the fourth Business Day following the Effective Date. Enbridge will pay to the Tabulation Agent \$0.25 for each \$1,000 principal amount of Fund Notes held by Fund Noteholders entitled to Amendment Review Fees. No

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Amendment Review Fees will be paid to a Fund Noteholder, however, if: (a) the Note Exchange Resolution is approved at the Meeting and, prior to the commencement of the Meeting, the Fund Noteholder revokes any such proxy previously delivered; or (b) the Note Exchange Resolution is approved pursuant to the Consent Solicitation and the Fund Noteholder revokes any such proxy previously delivered, in each case prior to the proxy cut-off time. The right to receive the Amendment Review Fees is not transferable with any of the Fund Notes. No other holder of any Fund Notes, including any Fund Noteholders to whom any Fund Notes have been transferred subsequent to the Record Date

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with respect to such transferred Fund Notes, will be entitled to receive the Amendment Review Fees. Fund Noteholders who wish to transfer Fund Notes and to provide the benefit of the Amendment Review Fees to a transferee or other designee should contact their broker, dealer, trust company or other nominee to make such arrangements. Interest will not accrue on or be payable with respect to the Amendment Review Fees.

Fund Noteholders who do not deposit a valid form of proxy and consent solicitation form voting on the Note Exchange Resolution prior to the proxy cut-off time or who do not vote on the Note Exchange Resolution in person at the Meeting, if the Meeting is held, will not receive any Amendment Review Fees even though the Fund Second MTN Supplemental Indenture will be binding on them if the Fund Second MTN Supplemental Indenture becomes effective.

INFORMATION CONCERNING THE FUND

General

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta by a trust indenture dated May 22, 2003, as most recently amended and restated effective November 8, 2018. The Fund is a limited purpose trust and its activities are restricted to acquiring, investing in, holding, transferring, disposing of and otherwise dealing with debt or equity securities of ECT and other corporations, partnerships, trusts or other persons involved in energy infrastructure. The Fund owns all of the issued and outstanding common units of ECT, which in turn owns 99.99% of the issued and outstanding Class A units of EIPLP (the remaining 0.01% is owned by EIPGP, the general partner of EIPLP). Enbridge owns all of the issued and outstanding preferred units of ECT and directly and indirectly owns all of the issued and outstanding Class C units of EIPLP. Enbridge owns 51% of the EIPGP Common Shares and ECT owns the remaining 49%.

The Fund, through its indirect investment in EIPLP, holds assets consisting of: a portfolio of Canadian liquids transportation and storage businesses, including the Canadian Mainline, the Regional Oil Sands System, the Canadian segment of the Southern Lights Pipeline and Class A units entitling the holder to receive defined cash flows from the United States segment of the Southern Lights Pipeline; a 50% interest in the Alliance Pipeline, which transports natural gas from Canada to the United States; and interests in more than 1,400 megawatts of renewable and alternative power generation assets.

AST Trust Company (Canada) is the trustee of the Fund. EMSI, a wholly-owned subsidiary of Enbridge, is the administrator of the Fund.

The head office and principal business office of the Fund is located at 200, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8.

INFORMATION CONCERNING ENBRIDGE

General

Enbridge is a North American energy infrastructure company with strategic business platforms that include an extensive network of crude oil, liquids and natural gas pipelines, regulated natural gas distribution utilities and renewable power generation assets. Enbridge delivers an average of 2.9 million barrels of crude oil each day through its Mainline and Express Pipeline and accounts for approximately 62% of United States-bound Canadian crude oil exports. Enbridge also moves approximately 22% of all natural gas consumed in the United States, serving key supply basins and demand markets. Enbridge's regulated utilities serve approximately 3.7 million retail customers in Ontario, Quebec and New Brunswick. Enbridge also has interests in more than 1,700 megawatts of net renewable power generation capacity in North America and Europe.

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The Enbridge Shares trade on the TSX and the NYSE under the ticker symbol ENB . Enbridge was incorporated on April 13, 1970 under the *Companies Ordinance* of the Northwest Territories and was continued under the CBCA on December 15, 1987.

Enbridge s principal executive offices are located at 200, 425 1st Street S.W., Calgary, Alberta, Canada T2P 3L8.

For further information regarding Enbridge and its business activities, see the Enbridge Annual Report and the other documents incorporated by reference in this Circular.

The following organization chart shows the intercorporate relationships among Enbridge and each of its material subsidiaries and the jurisdiction where each material subsidiary was incorporated or formed. The chart below does not include all of the subsidiaries of Enbridge. The assets and revenues of excluded subsidiaries did not individually exceed 10% and in the aggregate exceed 20% of the total consolidated assets or total consolidated revenues of Enbridge as at September 30, 2018. Unless otherwise indicated, Enbridge owns, directly or indirectly, 100% of the voting securities of all the subsidiaries in the chart below. Reference should be made to the appropriate sections of the Enbridge Annual Report for a complete list of the subsidiaries of Enbridge.

Notes:

- (1) Enbridge holds an approximate 32.9% economic interest in EEP.
- (2) Enbridge holds an approximate 83.1% economic interest in SEP.

Recent Developments

Acquisition and Dissolution of ENF

On May 17, 2018, Enbridge announced it had made a proposal to the board of directors of ENF to acquire all of the outstanding equity securities of ENF not already owned by Enbridge. On September 17, 2018, Enbridge entered into the Arrangement Agreement with ENF pursuant to which Enbridge agreed to

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acquire all the ENF Shares not already owned by Enbridge. Under the Arrangement, ENF Shareholders (other than Enbridge and dissenting shareholders) received for each ENF Share held, 0.7350 of an Enbridge Share and a cash payment equal to \$0.45. The Arrangement was completed on November 8, 2018, following which ENF became a wholly-owned subsidiary of Enbridge. On November 9, 2018, ENF was dissolved pursuant to section 211 of the ABCA and all its liabilities were assumed by its parent corporation, Enbridge.

Other Enbridge Transactions

On May 17, 2018, Enbridge announced it had made, on behalf of itself and certain of its wholly owned U.S. subsidiaries, separate all-share proposals to the respective boards of directors of its sponsored vehicles, SEP, EEP and EEQ, to acquire, in separate combination transactions, all of the outstanding equity securities of those sponsored vehicles not beneficially owned by Enbridge.

On August 24, 2018, Enbridge entered into an agreement and plan of merger with SEP, under which Enbridge has agreed to acquire all of the publicly held units of SEP not already owned by Enbridge in a share-for-unit transaction. At the effective time of such merger, each SEP common unit, other than those held by Enbridge or its subsidiaries, will be converted into the right to receive 1.111 Enbridge Shares.

On September 17, 2018, Enbridge entered into an agreement and plan of merger with EEP, under which each EEP Class A Common Unit issued and outstanding immediately prior to the effective time of the merger, other than certain excluded EEP Class A Common Units owned by Enbridge and its subsidiaries, will be converted into the right to receive 0.335 of an Enbridge Share.

On September 17, 2018, Enbridge entered into an agreement and plan of merger with EEQ, under which each listed share of EEQ issued and outstanding immediately prior to the effective time of the merger, other than certain excluded EEQ listed shares owned by Enbridge and its subsidiaries, will be converted into the right to receive 0.335 of an Enbridge Share.

Assuming timely satisfaction of the necessary closing conditions, Enbridge expects its transactions with each of SEP, EEP and EEQ to close in the fourth quarter of 2018.

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The following table sets forth the consolidated capitalization of Enbridge as at September 30, 2018 and after giving effect to the Note Exchange Transaction:

| | As of September 30, 2018 | |
|--|--------------------------|--|
| | Actual | As Adjusted for the Note Exchange Transaction |
| | (millions of dollars) | |
| Total long-term debt, less current portion | 58,707 | 58,707 |
| Shareholders' equity: | | |
| Preference shares | 7,747 | 7,747 |
| Common shares(1) | 51,944 | 51,944 |
| Additional paid-in capital | 4,346 | 4,346 |
| Retained deficit | (3,718) | (3,718) |
| Accumulated other comprehensive income | 570 | 570 |
| Reciprocal shareholding | (102) | (102) |
| Total Enbridge Inc. shareholders' equity | 60,787 | 60,787 |
| Total capitalization | 119,494 | 119,494 |

Note:

(1) Does not reflect the issuance of 104,032,230 Enbridge Shares on November 8, 2018 in connection with the completion of the Arrangement.

Earnings Coverage Ratios

The following earnings coverage ratios for Enbridge have been calculated on a consolidated basis as at and for the periods ended December 31, 2017 and September 30, 2018 and give pro forma effect to the Note Exchange Transaction.

| | December 31, 2017 | September 30, 2018(2) |
|----------------------|-------------------|-----------------------|
| Earnings coverage(1) | 2.3 | 2.2 |

Notes:

(1) Earnings coverage on a net earnings basis is equal to earnings attributable to Enbridge plus net interest expense and income taxes divided by net interest expense plus capitalized interest and preference share dividend obligations.

(2) The pro forma earnings attributable to Enbridge for the twelve month ended September 30, 2018 is comprised of the pro-forma earnings attributable to Enbridge for the nine month ended September 30, 2018 and the year ended December 31, 2017, less the historical earnings attributable to Enbridge for the nine month ended September, 2017. The removal of historical earnings attributable to Enbridge for the nine month ended September 30, 2017 from the pro forma earnings attributable to Enbridge for the year ended December 31, 2017 may result in inconsistency between the earnings coverage ratios of the periods presented.

Enbridge evaluates its performance using a variety of measures. The earnings coverage discussed above is not defined under U.S. GAAP and, therefore, should not be considered in isolation or as an alternative to, or more meaningful than, net earnings as determined in accordance with U.S. GAAP as an indicator of Enbridge's financial performance or liquidity. This measure is not necessarily comparable to a similarly titled measure of another company.

Enbridge's dividend requirements on all of its preference shares adjusted to a before tax equivalent using a pro forma effective income tax recovery rate of 30% at December 31, 2017, amounted to approximately

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\$256 million for the 12 months ended December 31, 2017. Enbridge's interest requirements, including giving pro forma effect to the Note Exchange Transaction, amounted to approximately \$3,164 million for the 12 months ended December 31, 2017. Enbridge's earnings before interest and income taxes, including giving pro forma effect to the Note Exchange Transaction, for the 12 months ended December 31, 2017 were approximately \$8,014 million, which is 2.3 times Enbridge's aggregate pro forma dividend and interest requirements for this period.

Enbridge's dividend requirements on all of its preference shares adjusted to a before tax equivalent using a pro forma effective income tax recovery rate of 46% at September 30, 2018, amounted to approximately \$248 million for the 12 months ended September 30, 2018. Enbridge's interest requirements, including giving pro forma effect to the Note Exchange Transaction, amounted to approximately \$3,468 million for the 12 months ended September 30, 2018. Enbridge's earnings before interest and income taxes, including giving pro forma effect to the Note Exchange Transaction, for the 12 months ended September 30, 2018 were approximately \$8,014 million, which is 2.2 times Enbridge's aggregate pro forma dividend and interest requirements for this period.

DESCRIPTION OF ENBRIDGE NOTES

The following description is a brief summary of the material attributes and characteristics applicable to the Enbridge Notes to be issued in connection with the Note Exchange Transaction, which summary does not purport to be complete, and is qualified in its entirety by reference to the provisions of the Enbridge MTN Indenture. A summary description of the variable terms of each maturity of Enbridge Notes to be issued in connection with the Note Exchange Transaction is attached as Appendix B to this Circular and a comparison between the Enbridge MTN Indenture.

The following summary uses words and terms that are defined in the Enbridge MTN Indenture (some of which are set forth below in the section entitled *Description of Enbridge Notes Definitions*).

General

The Enbridge Notes will be issued under a trust indenture dated as of October 20, 1997 between Enbridge and Enbridge Note Trustee, as trustee, as supplemented and amended by the Enbridge Supplemental Indentures, and as may be further supplemented and amended from time to time.

Medium term notes issued by Enbridge are debentures of a single series under the Enbridge MTN Indenture. The Enbridge MTN Indenture permits the issuance thereunder from time to time of additional medium term notes, and of debentures in one or more other series (**Debentures**), without limitation as to aggregate principal amount. The Enbridge Notes will be direct unsecured obligations of Enbridge ranking equally and *pari passu*, except as to redemption and/or sinking fund provisions, with all other unsecured and unsubordinated indebtedness of Enbridge.

Guarantors

Enbridge's payment obligations under the Enbridge MTN Indenture are not guaranteed by any corporate entities.

Term and Denomination

The Enbridge Notes will be issuable in fully registered form in denominations of \$1,000 and integral multiples thereof.

Global Note

All Enbridge Notes will be denominated in Canadian dollars and will be represented in the form of a fully registered global note (the **Global Note**) held by, or on behalf of, CDS Clearing & Depository Services

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Inc. or a successor (the **Depository**) as custodian of the Global Note (for its participants as defined below) and registered in the name of the Depository or its nominee. Except as described below, no holder of an Enbridge Note will be entitled to a certificate or other instrument from Enbridge or the Depository evidencing ownership of the Enbridge Note. Instead, the Enbridge Notes will be represented only in book-entry form. Beneficial interests in the Global Note, constituting ownership of the Enbridge Notes, will be represented through book-entry accounts of institutions (including the Agents) acting on behalf of beneficial owners, as direct and indirect participants of the Depository (**participants**). The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Global Note.

If the Depository notifies Enbridge that it is unwilling or unable to continue as depository in connection with the Global Note, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and Enbridge and the Trustee are unable to locate a qualified successor, or if an event of default has occurred and is continuing with respect to the Enbridge Notes, or if Enbridge elects to terminate the book-entry system, beneficial owners of the Enbridge Notes represented by the Global Note will receive Enbridge Notes in definitive form (**Definitive Notes**). Beneficial owners of the Enbridge Notes represented by the Global Note may also receive Definitive Notes if the Trustee gives notice pursuant to the Enbridge MTN Indenture that an event of default has occurred and is continuing with respect to the Enbridge Notes.

Payment of Interest and Principal

The Depository or its nominee, as the registered owner of the Global Note, will be considered the sole owner of the Global Note for the purposes of receiving payments of interest and principal on the Global Note and for all other purposes under the Enbridge MTN Indenture and the Global Note.

Enbridge understands that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of the Global Note, will credit participants' accounts on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Note as shown on the records of the Depository or its nominee. Enbridge also understands that payments of interest and principal by participants to the owners of beneficial interests in the Global Note held through such participants will be governed by standing instructions and customary practices. The responsibility and liability of Enbridge in respect of the Enbridge Notes represented by the Global Note is limited to making payment of any interest and principal due on the Global Note to the Depository or its nominee in the currency and in the manner described in the Global Note.

Transfer of Enbridge Notes

Transfers of beneficial ownership of Enbridge Notes represented by the Global Note will be effected through records maintained by the Depository or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Beneficial owners who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer their ownership or other interest in the Global Note, may do so only through participants in the Depository's book-entry system.

The ability of a beneficial owner of an interest in an Enbridge Note represented by the Global Note to pledge the Enbridge Note or otherwise take action with respect to such owner's interest in an Enbridge Note represented by the Global Note (other than through a participant) may be limited due to the lack of a physical certificate.

The registered holder of a Definitive Note may transfer or exchange such Definitive Note at the principal office of the Trustee or other registrar in Calgary, Alberta or at such other place or places as may from time to time be designated by Enbridge with the approval of the Enbridge Note Trustee. Definitive Notes may be exchanged for Enbridge Notes (other than Enbridge Notes represented by the Global Note) of the same or other authorized form or denomination or denominations of the same aggregate principal amount of the Enbridge Notes, bearing the same interest rate and of the same maturity date. Reasonable

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charges, including a sum sufficient to cover any tax or other governmental charge payable, may be imposed by the Enbridge Note Trustee or other registrar in connection with the exchange or transfer of Enbridge Notes.

Redemption and Purchase of Enbridge Notes

Enbridge Notes will not be redeemable by Enbridge or repayable at the option of the holder prior to maturity, unless otherwise specified in Appendix B to this Circular.

Enbridge may at any time when not in default under the Enbridge MTN Indenture purchase Enbridge Notes in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender to all holders of Enbridge medium term notes or by private contract, at any price not exceeding the redemption price, if any, plus accrued and unpaid interest and costs of purchase. Enbridge Notes redeemed or purchased by Enbridge will be cancelled and may not be reissued.

Covenants

In addition to other covenants, the Enbridge MTN Indenture contains, with respect to the Enbridge Notes issued thereunder, covenants substantially to the following effect:

Negative Covenant

So long as any Debentures (including the Enbridge Notes) remain outstanding, Enbridge will not create, assume or otherwise have outstanding any Security Interest, except for Permitted Encumbrances, on or over its assets (present or future) in respect of any Indebtedness of any person unless, in the opinion of legal counsel to Enbridge, the obligations of Enbridge in respect of all Debentures (including Enbridge Notes) then outstanding shall be secured equally and rateably therewith, provided that such covenant shall not hinder or prevent the sale of any property or asset of Enbridge.

Issue Test

So long as any Debentures (including Enbridge Notes) remain outstanding Enbridge will not issue or become liable for (other than to a Subsidiary) any Funded Obligations, unless the aggregate principal amount of Consolidated Funded Obligations does not exceed 75% of the Total Consolidated Capitalization.

Modifications

The rights of the holders of medium term notes under the Enbridge MTN Indenture may be modified. For that purpose, among others, the Enbridge MTN Indenture contains provisions making binding upon all holders of medium term notes, resolutions passed at meetings of such noteholders by the affirmative votes of not less than 66 2/3% of the principal amount of such medium term notes present in person or represented by proxy at such meeting or instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of all such outstanding medium term notes. In certain cases, modification will require separate assent by the holders of the required percentages of medium term notes of each series or tranche outstanding under the Enbridge MTN Indenture or otherwise. Reference is made to the Enbridge MTN Indenture for detailed provisions relating to voting and meetings of noteholders.

Governing Law

The Enbridge MTN Indenture is and the Enbridge Notes will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada as applicable therein.

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Credit Ratings of the Enbridge Notes

As of the date of this Circular, Enbridge's medium term notes are rated BBB (high) (with stable trend) by DBRS, Baa3 (with positive outlook) by Moody's, BBB+ (with stable outlook) by S&P and BBB+ (with stable outlook) by Fitch. The Enbridge Notes will have the same ratings as Enbridge's current medium term notes.

DBRS credit ratings are on a long term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The BBB rating is the fourth highest of ten rating categories for long term debt. Long-term obligations rated BBB are of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, and may be vulnerable to future events. The assignment of a (high) or (low) modifier within each rating category indicates relative standing within such category. The absence of either a high or low designation indicates the rating is in the middle of the category. The high and low grades are not used for the AAA and D categories.

S&P's credit ratings are on a long term debt rating scale that ranges from AAA to D, representing the range from highest to lowest quality of such securities rated. The BBB rating is the fourth highest of ten major rating categories for long term debt. An obligation rated BBB exhibits adequate capacity to meet financial commitments but more subject to adverse economic conditions. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's credit ratings are on a long term debt rating scale that ranges from Aaa to C, representing the range from least credit risk to greatest credit risk of such securities rated. The Baa rating is the fourth highest of nine rating categories for long term debt. Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its long term debt rating system. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The BBB rating category is the fourth highest of the eleven major categories used by Fitch. Fitch describes debt instruments rated BBB as having good credit quality. An obligation rated BBB indicates that expectations of default risk are currently low and that the capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers + or - may be appended to a rating to denote relative status within major rating categories.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. They are not, however, recommendations to purchase, hold or sell the securities of Enbridge as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if, in its judgement, circumstances so warrant.

Enbridge has made customary payments to each of DBRS, S&P, Moody's and Fitch in connection with the assignment of ratings on its medium-term notes.

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Definitions

The Enbridge MTN Indenture contains, among others, definitions substantially to the following effect:

Consolidated Funded Obligations means the aggregate amount of all Funded Obligations of Enbridge arrived at on a consolidated basis in accordance with Generally Accepted Accounting Principles.

Consolidated Net Tangible Assets means all consolidated assets of Enbridge as shown on the most recent audited consolidated balance sheet of Enbridge, less the aggregate of the following amounts reflected upon such balance sheet:

- (a) all goodwill, deferred assets, trademarks, copyrights and other similar intangible assets;
- (b) to the extent not already deducted in computing such assets and without duplication, depreciation, depletion, amortization, reserves and any other account which reflects a decrease in the value of an asset or a periodic allocation of the cost of an asset; provided that no deduction shall be made under this (b) to the extent that such account reflects a decrease in value or periodic allocation of the cost of any asset referred to in (a) above;
- (c) minority interests;
- (d) non cash current assets; and
- (e) Non Recourse Assets to the extent of the outstanding Non Recourse Debt financing such assets.

Consolidated Shareholders Equity means the aggregate amount of shareholders equity (including, without limitation, common share capital, contributed surplus and retained earnings but excluding preferred share capital) of Enbridge as shown on the most recent audited consolidated balance sheet of Enbridge adjusted by the amount by which share capital and contributed surplus has been increased or decreased (as the case may be) from the date of such balance sheet to the relevant date of determination, the whole in accordance with Generally Accepted Accounting Principles.

Financial Instrument Obligations means obligations arising under:

(a) any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by Enbridge where the subject matter of the same is interest rates or the price, value, or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt);

(b) any currency swap agreement, cross currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by Enbridge where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time; and

(c) any agreement for the making or taking of Petroleum Substances, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by Enbridge where the subject matter of the same is Petroleum Substances or the price, value or amount payable thereunder is dependent or based upon the price of Petroleum Substances or fluctuations in the price of Petroleum Substances;

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to the extent of the net amount due or accruing due by Enbridge thereunder (determined by marking to market the same in accordance with their terms).

Funded Obligations means all Indebtedness, including Purchase Money Obligations, created, assumed or guaranteed which matures by its terms on, or is renewable at the option of the obligor to, a date more than 18 months after the date of the original creation, assumption or guarantee thereof, except the Lakehead Liability, Non Recourse Debt and Subordinated Debt.

Generally Accepted Accounting Principles means generally accepted accounting principles which are in effect from time to time in Canada, including those accounting principles generally accepted in the United States of America from time to time, which Canadian corporations are permitted to use in Canada pursuant to Canadian law.

Indebtedness means all items of indebtedness in respect of any amounts borrowed and all Purchase Money Obligations which, in accordance with Generally Accepted Accounting Principles, would be recorded in the financial statements as at the date as of which Indebtedness is to be determined, and in any event including, without duplication:

(a) obligations secured by any Security Interest existing on property owned subject to such Security Interest, whether or not the obligations secured thereby shall have been assumed; and

(b) guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent liabilities in respect of obligations of another person for indebtedness of that other person in respect of any amounts borrowed by them.

Lakehead Liability means any liability of Lakehead Pipe Line Company, Ind.:

(a) as general partner of Lakehead Pipe Line Company, Limited Partnership and as general partner of Lakehead Pipe Line Partners, L.P. (excluding any liability of Lakehead Pipe Line Partners, L.P. as general partner of Lakehead Services, Limited Partnership), provided that such liability is not required to be recorded in the financial statements of Enbridge in accordance with Generally Accepted Accounting Principles; and

(b) as general partner of Lakehead Pipe Line Partners, L.P. with respect to its liability as general partner of Lakehead Services, Limited Partnership and as limited partner of Lakehead Services, Limited Partnership, with respect to that portion of the total liabilities of Lakehead Services, Limited Partnership against which there is deposited as collateral with a collateral agent such corresponding amount in United States dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the Government of the United States.

Non Recourse Assets means the assets created, developed, constructed or acquired with or in respect of which Non Recourse Debt has been incurred and any and all receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from or connected with the assets created, developed, constructed or acquired and to which recourse of the lender of such Non Recourse Debt (or any agent, trustee, receiver or other person acting on behalf of such lender) in respect of such indebtedness is limited in all circumstances (other than in respect of false or misleading representations or warranties).

¹ Lakehead Pipe Line Company, Inc., Lakehead Pipeline Company, Limited Partnership and Lakehead Pipeline Partners, L.P. are predecessors to Enbridge Energy Company, Inc., Enbridge Energy, Limited Partnership and EEP, respectively.

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Non Recourse Debt means any Indebtedness incurred to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refundings of any such Indebtedness, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such Indebtedness or any judgment in respect thereof is limited in all circumstances (other than in respect of false or misleading representations or warranties) to the assets created, developed, constructed or acquired in respect of which such Indebtedness has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral connected with the assets created, developed, constructed or acquired and to which the lender has recourse.

Permitted Encumbrance means any of the following:

- (a) any Security Interest existing as of the date of the first issuance by Enbridge of Debentures issued pursuant to the Enbridge MTN Indenture, or arising thereafter pursuant to contractual commitments entered into prior to such issuance;
- (b) any Security Interest created, incurred or assumed to secure any Purchase Money Obligation;
- (c) any Security Interest created, incurred or assumed to secure any Non Recourse Debt;
- (d) any Security Interest in favour of any Subsidiary;
- (e) any Security Interest on property of a corporation which Security Interest exists at the time such corporation is merged into, or amalgamated or consolidated with, Enbridge, or such property is otherwise acquired by Enbridge;
- (f) any Security Interest securing any Indebtedness to any bank or banks or other lending institution or institutions incurred in the ordinary course of business and for the purpose of carrying on the same, repayable on demand or maturing within 18 months of the date when such Indebtedness is incurred or the date of any renewal or extension thereof;
- (g) any Security Interest on or against cash or marketable debt securities pledged to secure Financial Instrument Obligations;
- (h) any Security Interest in respect of:

- (i) liens for taxes and assessments not at the time overdue or any liens securing workmen's compensation assessments, unemployment insurance or other social security obligations; provided, however, that if any such liens, duties or assessments are then overdue Enbridge, shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such obligations,

- (ii) any liens for specified taxes and assessments which are overdue but the validity of which is being contested at the time by Enbridge in good faith,

- (iii) any liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease,

- (iv) any obligations or duties, affecting the property of Enbridge to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, licence or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by Enbridge under government permits, leases or other grants,

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which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by Enbridge,

(v) any deposits or liens in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, liens or claims incidental to current construction, builders, mechanics, labourers, materialmen, warehousemen, carriers and other similar liens,

(vi) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any land, to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition to the continuance thereof,

(vii) any undetermined or inchoate liens and charges incidental to the current operations of Enbridge that have not at the time been filed against Enbridge; provided, however, that if any such lien or charge shall have been filed, Enbridge shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such lien or charge,

(viii) any Security Interest the validity of which is being contested at the time by Enbridge in good faith or payment of which has been provided for by deposit with the Trustee of an amount in cash sufficient to pay the same in full,

(ix) any easements, rights of way and servitudes (including, without in any way limiting the generality of the foregoing, easements, rights of way and servitudes for railways, sewers, dykes, drains, gas and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) that in the opinion of Enbridge will not in the aggregate materially and adversely impair the use or value of the land concerned for the purpose for which it is held by Enbridge,

(x) any security to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of Enbridge,

(xi) any liens and privileges arising out of judgments or awards with respect to which Enbridge shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review, and

(xii) any other liens of a nature similar to the foregoing which do not in the opinion of Enbridge materially impair the use of the property subject thereto or the operation of the business of Enbridge, or the value of such property for the purpose of such business;

(i) any extension, renewal, alteration or replacement (or successive extensions, renewals, alterations or replacements), in whole or in part, of any Security Interest referred to in the foregoing clauses (a) through (h) inclusive, provided the extension, renewal, alteration or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed, altered or replaced (plus improvements on such property) and the principal amount of the Indebtedness secured thereby is not increased; and

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(j) any other Security Interest if the amount of Indebtedness secured pursuant to this clause (j) does not exceed 5% of Consolidated Net Tangible Assets.

Petroleum Substances means crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur.

Purchase Money Obligation means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon.

Security Interest means any security by way of an assignment, mortgage, charge, pledge, lien, encumbrance, title retention agreement or other security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, perfected or not.

Subordinated Debt means any Indebtedness which matures by its terms on, or is renewable at the option of the obligor to, a date more than 18 months after the date of the original creation or assumption thereof and which by its terms, operation of law or otherwise, provides that in the event of:

(a) any insolvency, bankruptcy, receivership, liquidation, composition or other similar proceeding relating to Enbridge or its property; or

(b) any proceedings for the liquidation, dissolution or other winding up of Enbridge, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings; or

(c) any assignment by Enbridge for the benefit of the creditors; or

(d) any other marshalling of the assets of Enbridge for distribution to the creditors of Enbridge;

then and in any such event the principal of, premium, if any, and interest on, the Debentures is to be first paid in full before any payment or distribution, whether in cash or other property, shall be made on account of any such obligation; and in respect of which the Trustee has received an opinion of Counsel to the effect that such Indebtedness constitutes Subordinated Debt.

Subsidiary means any corporation of which shares carrying more than 50% of the voting rights attaching to all outstanding shares carrying voting rights at all times (provided that ownership of such shares confers the right to elect at least a majority of the directors of such corporation) are beneficially owned, directly or indirectly, by Enbridge or by Enbridge and any other Subsidiary or by any other Subsidiary.

Total Consolidated Capitalization means, without duplication, the sum of:

- (a) Consolidated Shareholders' Equity;
- (b) the amount of preferred share capital;
- (c) the principal amount of Consolidated Funded Obligations;
- (d) the principal amount of Subordinated Debt;

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- (e) the accumulated provision for future income taxes; and
- (f) the amount of any non-controlling interests;

as determined for Enbridge on a consolidated basis in accordance with Generally Accepted Accounting Principles.

CREDIT RATINGS

As of the date of this Circular, the Fund Notes are rated BBB (high) (with stable trend) by DBRS, BBB (with stable outlook) by S&P and Baa3 (with positive outlook) by Moody's, in each case, in respect of the Fund Notes.

DBRS credit ratings are on a long term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The BBB rating is the fourth highest of ten rating categories for long term debt. Long-term obligations rated BBB are of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, and may be vulnerable to future events. The assignment of a (high) or (low) modifier within each rating category indicates relative standing within such category. The absence of either a high or low designation indicates the rating is in the middle of the category. The high and low grades are not used for the AAA and D categories.

S&P's credit ratings are on a long term debt rating scale that ranges from AAA to D, representing the range from highest to lowest quality of such securities rated. The BBB rating is the fourth highest of ten major rating categories for long term debt. An obligation rated BBB exhibits adequate capacity to meet financial commitments but more subject to adverse economic conditions. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's credit ratings are on a long term debt rating scale that ranges from Aaa to C, representing the range from least credit risk to greatest credit risk of such securities rated. The Baa rating is the fourth highest of nine rating categories for long term debt. Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its long term debt rating system. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. They are not, however, recommendations to purchase, hold or sell the securities of Enbridge as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if, in its judgement, circumstances so warrant.

The Fund has made customary payments to each of DBRS, S&P and Moody's in connection with the assignment of ratings on the Fund Notes.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Circular, a fair summary of the principal Canadian federal income tax consequences under the Tax Act generally applicable to a beneficial owner of Fund Notes (the Fund Notes and Enbridge Notes collectively referred to in this section as the **Fund and Enbridge Notes**) who: (a) participates in the Note Exchange Transaction; (b) deals at arm's length with Enbridge and is not

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affiliated with Enbridge for purposes of the Tax Act; and (c) holds the Enbridge Notes as capital property for purposes of the Tax Act (a **Holder**).

Generally, the Fund and Enbridge Notes will be capital property to a Holder provided the Holder does not hold the Fund and Enbridge Notes in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Fund and Enbridge Notes as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Fund and Enbridge Notes and all other Canadian securities , as defined in the Tax Act, owned by the Holders in the taxation year in which the election is made and in all subsequent taxation years treated as capital property. Holders who will not hold the Fund and Enbridge Notes as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary is not applicable to a Holder: (a) that is a financial institution for purposes of certain rules applicable to mark-to-market property and specified debt obligations , each as defined in the Tax Act, (b) an interest in which is a tax shelter or a tax shelter investment , each as defined in the Tax Act; (c) that has made a functional currency reporting election under section 261 of the Tax Act to report the Holder's Canadian tax results , as defined in the Tax Act, in a currency other than Canadian currency; (d) that is a specified financial institution , as defined in the Tax Act; (e) that has entered or will enter into a derivative forward agreement or a synthetic disposition arrangement , each as defined in the Tax Act, with respect to the Fund and Enbridge Notes; or (f) that is exempt from tax under Part I of the Tax Act. Any such Holder should consult its own tax advisors with respect to the income tax consequences applicable to the Note Exchange Transaction.

This summary is based on the current provisions of the Tax Act in force as the date hereof, applicable jurisprudence, the current published administrative policies and assessing practices of the Canada Revenue Agency and all specific proposals to amend the Tax Act which have been publicly announced by the Minister of Finance (Canada) (the **Minister**) prior to the date hereof (the **Proposed Legislative Amendments**). This summary assumes that all Proposed Legislative Amendments will be enacted in their present form, but no assurances can be given that the Proposed Legislative Amendments will be enacted in the form proposed, or at all. Except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or consequences, which may differ from the Canadian federal income tax consequences described herein.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax consequences and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. The tax liability of each Holder will depend on the Holder's particular circumstances. Accordingly, it is recommended that Holders consult their own tax advisors as to the particular tax consequences to them of participating in the Note Exchange Transaction and acquiring and holding the Enbridge Notes.

Holders Resident in Canada

The following is a summary of the principal Canadian federal income tax consequences generally applicable under the Tax Act to a Holder who, at all relevant times for purposes of the Tax Act, is resident or deemed to be resident in Canada (a **Resident Holder**).

Taxation of the Note Exchange Transaction

If the Note Exchange Resolution is approved, each Resident Holder of the applicable Fund Notes will be considered to have disposed of such Fund Notes upon the consummation of the Note Exchange Transaction on the Effective Date. The exchange of Fund Notes pursuant to the Note Exchange Transaction will be a taxable disposition of the Fund Notes, by each Resident Holder.

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A Resident Holder will be required to include in computing its income for the taxation year in which the disposition occurs any interest that has accrued or deemed to accrue on the Fund Notes to the Effective Date to the extent that such interest was not otherwise included in computing the Resident Holder's income for that taxation year or a preceding taxation year.

A Resident Holder's capital gain or loss from the disposition of the Fund Notes will be equal to the amount, if any, by which the proceeds of disposition to the Resident Holder of the Fund Notes, net of any amount included in the Resident Holder's income as interest on the Fund Notes, exceed (or are less than) the total of the adjusted cost base to the Resident Holder of the Fund Notes immediately before the disposition and any reasonable costs of disposition. For this purpose, the proceeds of disposition of the Fund Notes should be the fair market value of the Enbridge Notes on the Effective Date and any cash received as proceeds of disposition of the Fund Notes, other than cash received as interest. There is no authority directly addressing the treatment under the Tax Act of the receipt of the Amendment Review Fees including whether the Amendment Review Fees should be treated as part of the Resident Holder's proceeds of disposition of the Fund Notes or included in computing the Resident Holder's income for the taxation year in which the Amendment Review Fees is received. Resident Holders should consult their own tax advisors with respect to the receipt of the Amendment Review Fees taking into account their own particular circumstances.

A Resident Holder will generally be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a **taxable capital gain**) realized by the Resident Holder in that taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an **allowable capital loss**) realized by the Resident Holder in a taxation year from taxable capital gains realized by the Resident Holder in that taxation year. Allowable capital losses in excess of taxable capital gains realized by a Resident Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in any such taxation year, subject to and in accordance with the provisions of the Tax Act. Capital gains realized by individuals (other than certain trusts) may give rise to alternative minimum tax under the Tax Act.

Taxation of Interest on the Enbridge Notes

A Resident Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in its income for a taxation year any interest on the Enbridge Notes that accrued or is deemed to have accrued to it to the end of the particular taxation year, or becomes receivable or is received by it before the end of that taxation year, including on a redemption, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual (other than certain trusts), will be required to include in computing income for a taxation year all interest on the Enbridge Notes that is received or receivable by the Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), including on a redemption, except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year. In addition, if at any time a Enbridge Note is or becomes an investment contract (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Enbridge Note up to the end of any anniversary day (as defined in the Tax Act) in that taxation year to the extent such interest was not otherwise included in the Resident Holder's income for that taxation year or a preceding taxation year.

Where the Resident Holder is required to include an amount on account of interest on the Enbridge Notes that accrued in respect of the period prior to the date on which the Enbridge Notes were acquired by the Resident Holder (in addition to the Resident Holder being required to include in computing its income any interest that has accrued on the Fund Notes to the Effective Date, as described above under *Taxation of Note Exchange Transaction*), the Resident Holder may be entitled to a deduction in computing its income

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of an equivalent amount. The adjusted cost base to the Resident Holder of the Enbridge Notes will be reduced by the amount of this deduction.

If the Enbridge Notes are issued at a discount from their face value, a Resident Holder who acquires such Enbridge Notes may be required to include an additional amount in respect of the discount in computing its income, either in accordance with the deemed interest accrual rules contained in the Tax Act or in the taxation year in which the discount is received or receivable by the Resident Holder. Resident Holders should consult their own tax advisors as to the particular tax consequences to them of Enbridge Notes issued at a discount taking into account their own particular circumstances.

Any premium paid by Enbridge to a Resident Holder on the redemption of a Enbridge Note, or a purchase for cancellation before maturity, will generally be deemed to be received by such Resident Holder as interest on the Enbridge Note and will be required to be included in computing the Resident Holder's income, as described above, at the time of the redemption or purchase for cancellation to the extent that such premium is paid as a penalty or bonus and can reasonably be considered to relate to, and does not exceed the value at the time of the redemption or purchase for cancellation of, the interest that, but for the redemption or purchase for cancellation, would have been paid or payable by Enbridge, as interest, on the Enbridge Note for the taxation year ending after the redemption or purchase for cancellation.

Disposition of the Enbridge Notes

On a disposition or deemed disposition of an Enbridge Note by a Resident Holder (including a redemption by Enbridge and a payment on maturity), the Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs an amount equal to the interest that has accrued or deemed to accrue on the Enbridge Note to the date of the disposition to the extent that such amount was not otherwise included in computing the Resident Holder's income for that taxation year or a preceding taxation year.

On such disposition or deemed disposition of a Enbridge Note, the Resident Holder will compute its taxable capital gain or allowable capital loss, if any, for the taxation year as described above under Taxation of the Note Exchange Transaction. Allowable capital losses may be carried back or carried forward and applied against net taxable capital gains realized by the Resident Holder as described above under Taxation of the Note Exchange Transaction. Capital gains realized by individuals (other than certain trusts) may give rise to alternative minimum tax under the Tax Act.

Additional Refundable Tax

A Resident Holder that is, throughout its taxation year, a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay a refundable tax on its aggregate investment income (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Eligibility for Investment

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The Enbridge Notes issued on the Note Exchange Transaction will be, if issued on the date hereof, qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (**RRSPs**), registered retirement income fund (**RRIFs**), registered education savings plan (**RESPs**), deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which the employer is Enbridge or an entity which does not deal at arm's length with Enbridge) (**DPSPs**), registered disability savings plan (**RDSPs**) or tax-free savings account (**TFSAs**), each as defined in the Tax Act (collectively the **Registered Plans**).

Notwithstanding the foregoing, a holder of a TFSA or an RDSP, an annuitant under an RRSP or RRIF, or the subscriber of an RESP (as applicable) will be subject to a penalty tax if the Enbridge Notes are a prohibited investment, as defined in the Tax Act, for such Registered Plan. Generally, the Enbridge Shares will not be a prohibited investment for a trust governed by a TFSA, RRSP, RRIF, RDSP or

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RESP provided that the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be, deals at arm's length with Enbridge for purposes of the Tax Act and does not have a significant interest, as defined in the Tax Act, in Enbridge.

Resident Holders who will hold Enbridge Notes in a Registered Plan should consult their own tax advisors.

Holders Not Resident in Canada

The following is a summary of the principal Canadian federal income tax consequences generally applicable under the Tax Act to a Holder who, at all relevant times for purposes of the Tax Act: (a) is not, and is not deemed to be, resident in Canada; (b) does not use or hold, and is not deemed to use or hold, the Fund and Enbridge Notes in a business carried on, or deemed to be carried on, in Canada; (d) deals at arm's length with a transferee who is resident, or deemed to be resident, in Canada and to whom the Holder assigns or otherwise transfers the Fund and Enbridge Notes; and (e) is not a specified non-resident shareholder of Enbridge and deals at arm's length with specified shareholders of Enbridge, each as defined in subsection 18(5) of the Tax Act and for purposes of the provisions referred to in that subsection (a **Non-Resident Holder**). The summary does not apply to Non-Resident Holders that carry on an insurance business in Canada or elsewhere and any such Non-Resident Holders should consult their own tax advisors with respect to participating in the Note Exchange Transaction.

Taxation of the Note Exchange Transaction

Amounts paid to a Non-Resident Holder pursuant to the exchange offers and the consent solicitations will be exempt from withholding tax under the Tax Act. A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Fund Notes pursuant to the Note Exchange Transaction.

Taxation of Interest on the Enbridge Notes and Disposition of the Enbridge Notes

The payment of interest on the Enbridge Notes by Enbridge to a Non-Resident Holder, including any amounts paid or credited by Enbridge to a Non-Resident Holder as, on account of, in lieu of or in satisfaction of interest on the Enbridge Notes, will be exempt from withholding tax under the Tax Act. There will be no other Canadian taxes on income or capital gains payable under the Tax Act in respect of the holding, redemption or disposition of the Enbridge Notes or the receipt of interest on the Enbridge Notes by a Non-Resident Holder.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences of the Note Exchange Transaction and the ownership of the Enbridge Notes acquired pursuant to the Note Exchange Transaction. It applies to you only if you are a U.S. Holder (as defined below), you acquire your Enbridge Notes in the Note Exchange Transaction and you hold your Fund Notes and Enbridge Notes as capital assets for U.S. federal income tax purposes. This summary does not apply to you if you are a member of a class of holders subject to special rules, such as a dealer in securities or currencies, a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings, a

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bank, a life insurance company, a tax-exempt organization, a person that owns Fund Notes or Enbridge Notes that are a hedge or that are hedged against interest rate or currency risks, a person that owns Fund Notes or Enbridge Notes as part of a straddle or conversion transaction for U.S. federal income tax purposes, a person that purchases or sells Fund Notes or Enbridge Notes as part of a wash sale for U.S. federal income tax purposes, a person subject to the alternative minimum tax, or a U.S. Holder (as defined below) whose functional currency for U.S. federal income tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the **Code**), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as

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currently in effect. These laws are subject to change, possibly on a retroactive basis. It does not discuss U.S. state and local taxes or U.S. federal estate and gift tax issues.

Please consult your own tax advisors concerning the consequences of the Note Exchange Transaction and the ownership of the Enbridge Notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

As used herein, a **U.S. Holder** means a beneficial owner of Fund Notes or Enbridge Notes, as applicable, that is, for U.S. federal income tax purposes: (a) a citizen or resident of the United States, (b) a domestic corporation, (c) an estate whose income is subject to U.S. federal income tax regardless of its source or (d) a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

The U.S. federal income tax treatment of a partner in a partnership receiving Enbridge Notes in the Note Exchange Transaction or holding the Enbridge Notes will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Fund Notes or Enbridge Notes should consult its own tax advisors with regard to the U.S. federal income tax treatment of the Note Exchange Transaction and ownership of the Enbridge Notes.

Taxation of the Note Exchange Transaction

A U.S. Holder who exchanges a Fund Note for a Enbridge Note should generally recognize gain or loss in an amount equal to the difference between (a) the sum of (i) the fair market value, measured in U.S. dollars, of the Enbridge Note, reduced by the U.S. dollar value on the Effective Date of any accrued but unpaid interest (the **Stub Period Accrued Interest**) on the applicable Fund Note and (ii) the Amendment Review Fee, if treated as part of the proceeds of disposition of the applicable Fund Note and (b) the U.S. Holder's adjusted tax basis in the Fund Note that was exchanged therefor. A U.S. Holder's adjusted tax basis in its Fund Notes will generally be the U.S. dollar cost of such notes, increased by any market discount previously included in income with respect to the Fund Notes and decreased (but not below zero) by the bond premium amortized by the U.S. Holder with respect to the Fund Notes, if any. A U.S. Holder who acquired its Fund Note with more than a de minimis amount of market discount should generally treat any gain recognized as ordinary income to the extent of any accrued market discount on the Fund Note that such U.S. Holder has not previously included in income. In addition, a U.S. Holder must treat any portion of the gain or loss recognized on the exchange of the Fund Note as ordinary income or loss to the extent attributable to changes in the U.S. dollar-Canadian dollar exchange rate. However, a U.S. Holder takes such exchange gain or loss into account only to the extent of the total gain or loss realized. Otherwise, gain or loss on exchange of a Fund Note pursuant to the Note Exchange Transaction will generally be capital gain or loss. Capital gain is generally taxable at preferential rates to non-corporate U.S. Holders whose holding period in a Fund Note exchanged for an Enbridge Note, is greater than one year. The deductibility of capital losses is subject to limitations.

If you are a U.S. Holder that uses the cash receipts and disbursements method of accounting for U.S. federal income tax purposes who exchanges a Fund Note for a Enbridge Note, you will generally be taxed on the U.S. dollar value, as of the Effective Date, of any Stub Period Accrued Interest on the Fund Note as ordinary income. If you are a U.S. Holder that uses an accrual method of accounting for U.S. federal income tax purposes, you will recognize exchange gain or loss, which will be ordinary gain or loss, based on the difference between the Canadian dollar-U.S. dollar exchange rate you used to accrue any Stub Period Accrued Interest on the Fund Note and the Canadian dollar-U.S. dollar exchange rate on the Effective Date.

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There is no authority directly addressing the treatment under the Code of the receipt of the Amendment Review Fee including whether the Amendment Review Fee should be treated as part of the U.S. Holder's proceeds of disposition of the Fund Notes or treated as a separate fee which would be included in computing the U.S. Holder's ordinary income for the taxable year in which the Amendment Review Fee is received. U.S. Holders should consult their own tax advisors with respect to the receipt of the Amendment Review Fee taking into account their own particular circumstances.

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