



ENBRIDGE INCOME FUND DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN

Introduction

Enbridge Income Fund (the "**Fund**") has established this distribution reinvestment and unit purchase plan (the "**Plan**") to enable holders ("**Unitholders**") of the Fund's ordinary trust units ("**Trust Units**") to acquire additional Trust Units ("**Plan Units**") through reinvestment of the monthly cash distributions paid on their Trust Units ("**Distributions**"), as well as through optional cash payments ("**Optional Cash Payments**") of up to \$1,000 per month (subject to a minimum of \$100 per month).

Distributions on Trust Units (and on Plan Units) will be reinvested on behalf of participating Unitholders ("**Plan Participants**") by CIBC Mellon Trust Company, as agent under the Plan (the "**Plan Agent**"), on the terms and conditions contained in the Fund's distribution reinvestment plan agency agreement (the "**Agreement**") among the Fund, the Plan Agent and Enbridge Management Services Inc. (the "**Administrator**"). In addition, to the extent permitted under applicable law and regulatory rulings, Plan Participants will be entitled to make Optional Cash Payments which will be invested in Plan Units by the Plan Agent on the terms and conditions contained in the Agreement. The material provisions of the Agreement are summarized below.

Participation in the Plan

Unitholders holding a minimum of 100 Trust Units may elect to become a Plan Participant by notifying the Plan Agent, via the investment dealer through which they hold their Trust Units who is a participant (a "**CDS Participant**") in The Canadian Depository for Securities Limited ("**CDS**") depository service, that the Unitholder wishes to become a Plan Participant. A CDS Participant must provide such notice on behalf of a Plan Participant to CDS in the prescribed form prior to 5:00 p.m. (Toronto time) on the day immediately preceding the last business day of the month (the "**Record Date**") in respect of the initial Distribution in which the Unitholder intends to participate in the Plan. CDS will, in turn, be required to provide such notice to the Plan Agent prior to 5:00 p.m. (Toronto time) on the Record Date in respect of the initial Distribution in which such Unitholder intends to participate in the Plan. If CDS does not receive the required notice by 5:00 p.m. (Toronto time) on the day immediately preceding the applicable Record Date, the Plan Participant's enrollment in the Plan will not take effect until the next following Record Date.

Unitholders resident outside of Canada will be entitled to participate in the Plan unless prohibited by the law of the jurisdiction in which they reside. Unitholders who are resident in the United States or who are United States citizens will not be entitled to participate in the Plan. The Administrator and any CDS Participant reserve the right to deny participation in the Plan to, and to not accept enrollment or other forms of elections or instructions from, any person or agent of such person who appears to be, or who the Administrator or such CDS Participant has reason to believe is, subject to the laws of any jurisdiction which do not permit participation in the Plan in the manner sought by or on behalf of such person.

Once enrolled, participation in the Plan will continue automatically unless terminated in accordance with the Agreement or unless a CDS Participant's policies provide otherwise. A Unitholder may elect to terminate his or her participation in the Plan by providing written notice to the relevant CDS Participant, prior to 5:00 p.m. (Toronto time) on the day

immediately preceding the Record Date, that the Unitholder wishes to terminate his or her participation in the Plan. Such notice, if actually received by the relevant CDS Participant by the above referenced deadline will have effect in respect of the distribution to be paid to holders on such Record Date.

The Administrator reserves the right to determine, from time to time, a minimum number of Trust Units (currently 100 Trust Units) that a Plan Participant must hold in order to qualify for, or continue enrollment in the Plan, and reserves the right to refuse participation to, or cancel participation of, any person who, in the opinion of the Administrator, is participating in the Plan primarily with a view to arbitrage trading.

Administration

The Fund shall pay to the Plan Agent, on behalf of the Plan Participants, all amounts paid as Distributions on Trust Units (including Plan Units), for which Plan Participants are the owners of record on the Record Date immediately preceding the corresponding date on which the Fund makes a Distribution to Unitholders (each such date being a "**Distribution Payment Date**"). The Plan Agent shall purchase Plan Units for the Plan Participants, via the applicable CDS Participant, on the terms and conditions set out below under "Purchase of Trust Units by Plan Agent" and in the Agreement. The Plan Agent shall not be obligated to expend any of its own funds in carrying out its duties under the Agreement and shall not be liable for failing to do so.

The Fund currently makes Distributions on a monthly basis.

Purchase of Trust Units by Plan Agent

On each Distribution Payment Date, the Fund will pay to the Plan Agent all Distributions due (less any applicable withholding tax) in respect of the Trust Units properly enrolled in the Plan. The Plan Agent will use such funds, together with all Optional Cash Payments received and eligible for investment on that Distribution Payment Date (see "Optional Cash Payments" set out below) to purchase Plan Units.

Plan Units will, at the discretion and direction of the Administrator, be purchased by the Plan Agent through the facilities of The Toronto Stock Exchange (the "**Market Purchase Option**"), be issued directly from the treasury of the Fund (the "**Treasury Issuance Option**") or be acquired through some combination of the Market Purchase Option and the Treasury Issuance Option. If the Administrator elects to utilize the Market Purchase Option, the price of the Plan Units purchased on behalf of a Plan Participant will be based on the average price for which all the Plan Units in respect of a given Distribution Payment Date were acquired (the "**Market Purchase Price**"). If the Administrator elects to utilize the Treasury Issuance Option, the price of the Plan Units issued to a Plan Participant will be based on the weighted average of the trading prices for the Trust Units on The Toronto Stock Exchange on the ten (10) trading days preceding the applicable Distribution Payment Date (the "**Average Market Price**"). For purposes of calculating the Average Market Price, "trading day" means a day on which not less than 500 Trust Units were traded. The Administrator will advise the Plan Agent of the Average Market Price on the Distribution Payment Date. Finally, if the Administrator elects to utilize both the Market Purchase Option and the Treasury Issuance Option, the price of the Plan Units acquired by a Plan Participant will be a volume weighted average of the Market Purchase Price and the Average Market Price.

The Plan Units purchased in the market or issued from the Fund's treasury will be allocated by the Plan Agent on a *pro rata* basis to the Plan Participants.

Each CDS Participant will have their own procedures with respect to fractional Trust Units. Plan Participants should consult their respective CDS Participant as to the manner in which fractional entitlements will be handled.

Optional Cash Payments

To the extent permitted by applicable law and regulatory rulings, Plan Participants will be entitled to make Optional Cash Payments via the applicable CDS Participant through whom a Plan Participant holds Trust Units. Such Optional Cash Payments will be invested by the Plan Agent to acquire Plan Units. Any Plan Participant may invest a minimum of \$100 and a maximum of \$1,000 per Optional Cash Payment per month. Optional Cash Payments will be invested in Plan Units on the same basis as Distributions (as described above). Optional Cash Payments, paid in aggregate certified funds, must be received by the Plan Agent via the applicable CDS Participant accompanied by the prescribed form prior to 5:00 p.m. (Toronto time) on the day immediately preceding the Record Date to be used to purchase Plan Units immediately following the corresponding Distribution Payment Date. Optional Cash Payments received after the above referenced deadline will be held by the Plan Agent and will not be used by the Plan Agent to purchase Plan Units until the next Distribution Payment Date.

The aggregate number of Plan Units that may be purchased with Optional Cash Payments in a financial year under the Treasury Issuance Option may not exceed 2% of the number of outstanding Trust Units at the commencement of such financial year. Any Optional Cash Payments received by the Plan Agent will be irrevocable and no interest will be paid to Plan Participants on any funds held for investment pursuant to the Plan.

Certificates

Certificates representing Plan Units purchased under the Plan will not be issued to Plan Participants.

Voting of Plan Units

Plan Units may be voted either in person or by proxy in the same manner as the Plan Participants' Trust Units of record may be voted.

Commissions and Administrative Costs

All commissions and administrative costs associated with the operation of the Plan will be paid by the Fund as set out in the Agreement.

Use of Proceeds

If the Treasury Issuance Option is utilized, the proceeds received by the Fund will be invested in accordance with the investment objectives and investment strategy and subject to the investment restrictions of the Fund, all as described in the Fund's trust indenture.

Responsibilities of the Fund, the Administrator and the Plan Agent

None of the Fund, the Administrator or the Plan Agent shall be liable for any act done by any of them or for any omission to act, except for losses directly, principally or immediately

caused by bad faith, wilful misconduct, gross negligence or a breach of their respective standards of care. In particular, none of the Fund, the Administrator or the Plan Agent shall have any liability with respect to the prices at which Plan Units are purchased for the Plan Participant's accounts or the times at which such purchases are made.

The Fund, the Administrator and/or the Plan Agent shall have the right to reject any request regarding Plan participation or an Optional Cash Payment if such request is not received in proper form. Any such request will be deemed to be invalid until any irregularities have been resolved to the satisfaction of the Administrator and/or the Plan Agent, as applicable. The Fund, the Administrator and the Plan Agent are under no obligation to notify any Unitholder of an invalid request.

Plan Participants should recognize that none of the Fund, the Administrator or the Plan Agent can assure a gain or protect against loss as a result of Plan Participants holding Plan Units.

Amendments, Suspension or Termination of Plan and Plan Agent

The Administrator may terminate the Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants via the CDS Participants through which the Plan Participants hold their Trust Units. The Administrator may also amend, modify or suspend the Plan at any time, in accordance with the Agreement, provided that it gives notice of that amendment, modification or suspension to the CDS Participants through which the Plan Participants hold their Trust Units. The Fund is not required to issue Trust Units into any jurisdiction where that issuance would be illegal. Any amendments to the Plan are subject to prior approval by The Toronto Stock Exchange.

The Fund may, in its sole discretion, and upon at least 30 days' notice to the Plan Agent or such lesser period as may be mutually agreed upon, remove the Plan Agent and appoint a successor Plan Agent. Similarly, the Plan Agent may resign as agent under the Plan upon at least 30 days' notice to the Administrator and upon delivery to the Administrator of all documents and monies being held by the Plan Agent on the Fund's behalf pursuant to the Agreement.

Notices

All notices required to be given to Plan Participants will be given via the CDS Participants through which they hold their Trust Units. Written communications to the Plan Agent or the Fund should be addressed to:

CIBC Mellon Trust Company
The Dome Tower
600, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Enbridge Income Fund
c/o Enbridge Management Services Inc.
3000, 425 – 1st Street S.W.
Calgary, AB T2P 3L8

Attention: Manager
Telephone: (403) 232-2400
Facsimile: (403) 264-2100

Attention: Corporate Secretary
Telephone: (403) 231-3900
Facsimile: (403) 231-5929