



ENBRIDGE INCOME FUND

**Annual Meeting of Holders of
Ordinary and Subordinated Units
To be held on May 3, 2005**

**NOTICE OF MEETING AND
INFORMATION CIRCULAR**

March 1, 2005

ENBRIDGE INCOME FUND

(an unincorporated open-ended trust created under the laws of the Province of Alberta)

NOTICE OF MEETING OF HOLDERS OF ORDINARY AND SUBORDINATED UNITS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of the holders ("**Unitholders**") of ordinary and subordinated units (collectively, the "**Trust Units**") of Enbridge Income Fund (the "**Fund**") will be held on Tuesday, May 3, 2005 at 4:00 p.m. (Calgary time) in The Alberta Room of The Fairmont Palliser Hotel, 133 - 9th Avenue S.W., Calgary, Alberta, for the following purposes:

1. to receive the consolidated financial statements of the Fund for the fiscal period ended December 31, 2004, together with the report of the auditors thereon;
2. to appoint auditors of the Fund and authorize the trustees of Enbridge Commercial Trust ("**ECT**") to fix their remuneration;
3. to direct and instruct CIBC Mellon Trust Company (the "**Fund Trustee**"), the sole trustee of the Fund, as to the manner in which the Fund Trustee shall vote the units of ECT held by the Fund to: (a) elect the trustees of ECT who are unrelated to Enbridge Management Services Inc., the administrator of the Fund (the "**Administrator**"); and (b) appoint ECT's auditors for the ensuing year and authorize the trustees of ECT to fix their remuneration; and
4. to transact such other business that may properly come before the Meeting or any adjournment thereof.

The Administrator has fixed March 16, 2005 as the record date for determining those Unitholders entitled to receive notice and to vote at the Meeting. The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

The quorum for the Meeting is one or more individuals present in person and being Unitholders, or representing, by proxy, Unitholders, and who hold in the aggregate not less than 5% of the outstanding Trust Units.

To be effective, proxies must be deposited with the Fund, c/o CIBC Mellon Trust Company, 200 Queens Quay East, Unit #6, Toronto, Ontario, M5A 4K9, Attention: Proxy Department, not later than 4:00 p.m. (Calgary time) on April 29, 2005, or, if the Meeting is adjourned, not later than 24 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the time of any adjournment thereof.

Dated at Calgary, Alberta, this 1st day of March, 2005.

By order of ENBRIDGE INCOME FUND,
by its Administrator,
ENBRIDGE MANAGEMENT SERVICES INC.

(signed) MURRAY J. DESROSIERS
Corporate Secretary

ENBRIDGE INCOME FUND

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of Enbridge Income Fund (the "**Fund**") by CIBC Mellon Trust Company, sole trustee of the Fund (the "**Fund Trustee**"), and by Enbridge Management Services Inc., the administrator of the Fund (the "**Administrator**"), to be used at the annual meeting (the "**Meeting**") of the holders (the "**Unitholders**") of ordinary and subordinated units (collectively, the "**Trust Units**") of the Fund, and any adjournment thereof. The Meeting will be held on Tuesday, May 3, 2005 at 4:00 p.m. (Calgary time) in The Alberta Room of The Fairmont Palliser Hotel, 133 - 9th Avenue S.W., Calgary, Alberta, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**"). Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the Fund Trustee and by officers of the Administrator. The cost of such solicitation will be borne by the Administrator and reimbursed by the Fund.

The Administrator has fixed March 16, 2005 as the record date for determining those Unitholders entitled to receive the Notice of Meeting and to vote at the Meeting.

The information contained in this Circular is given as at March 1, 2005, unless otherwise indicated.

VOTING OF TRUST UNITS

General

On a show of hands, every Unitholder present in person or represented by proxy (and entitled to vote) has one vote. On a poll or ballot, every Unitholder present in person or by proxy has one vote for each Trust Unit held. On any ballot that may be called for, the persons designated in the enclosed form of proxy will vote for or against or withhold from voting the Trust Units in respect of which they are appointed by proxy in accordance with instructions of the Unitholder indicated on the proxy. In the absence of instructions with respect to a particular resolution, the Trust Units will be voted in favour of the resolution as indicated under the appropriate heading in this Circular.

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At the date of this Circular, the Fund Trustee and the Administrator are not aware of amendments, variations or other matters to come before the Meeting, except those which are indicated in the Notice of Meeting.

Voting by Beneficial Unitholders

The information set forth in this section is of significant importance to the beneficial holders of ordinary units of the Fund ("**Beneficial Unitholders**"), as the Fund's registration system does not allow holders of ordinary units to hold such Trust Units in their own name. Under that system, all of the Fund's outstanding ordinary units are registered under the name of CDS & Co. (an entity which acts as a clearing agent for intermediaries (each an "**Intermediary**") such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans). Ordinary units of the Fund held by Intermediaries can only be voted (for or against or withheld from voting on resolutions) upon the instructions of the Beneficial Unitholder. The Fund does not know for whose benefit the Trust Units registered in the name of CDS & Co. are held.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Fund has distributed the Notice of Meeting, the Circular, the form of proxy, and the Fund's annual report (which includes management's discussion and analysis and the consolidated financial

statements for the period ended December 31, 2004) (collectively, the "**Meeting Materials**") to CDS & Co. and the Intermediaries for onward distribution to Beneficial Unitholders.

Intermediaries are required to forward the Meeting Materials to Beneficial Unitholders unless a Beneficial Unitholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Unitholders. Generally, Beneficial Unitholders who have not waived the right to receive Meeting Materials will be given either:

- (a) a voting instruction form ("**Voting Instruction Form**") which must be completed and signed by the Beneficial Unitholder in accordance with the directions on the Voting Instruction Form and returned to the Intermediary (or its agent). In some cases, the completion of the Voting Instruction Form by telephone, the internet, or facsimile is permitted; or
- (b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Trust Units beneficially owned by the Beneficial Unitholder but which is otherwise not completed. This form of proxy need not be signed by the Beneficial Unitholder. In this case, the Beneficial Unitholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Fund or its transfer agent as set out in the Notice of the Meeting.

The purpose of these procedures is to permit Beneficial Unitholders to direct the voting of the Trust Units that they beneficially own. A Beneficial Unitholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Trust Units directly at the Meeting as the Voting Instruction Form must be returned as directed by the Intermediary (or its agent) well in advance of the Meeting in order to have the Trust Units voted. Although Beneficial Unitholders may not be recognized directly at the Meeting for the purposes of voting Trust Units registered in the name of CDS & Co., a Beneficial Unitholder may attend the Meeting as proxyholder for the registered Unitholder and vote their Trust Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their own Trust Units as proxyholder for the registered Unitholder should enter their own names in the blank space on the form of proxy or Voting Instruction Form provided to them and return the same to their Intermediary (or agent) well in advance of the Meeting in accordance with the instructions provided by such Intermediary (or agent).

Beneficial Unitholders who receive Voting Instruction Forms, forms of proxies or other voting materials from an Intermediary (or its agent) should complete and return such form of proxies or voting materials in accordance with the instructions on such materials, including those instructions regarding when and where the proxy or proxy authorization form is to be delivered, in order to properly vote their Trust Units at the Meeting.

APPOINTMENT OF PROXIES

To be effective, proxies must be deposited with the Fund, c/o CIBC Mellon Trust Company, 200 Queens Quay East, Unit #6, Toronto, Ontario, M5A 4K9, Attention: Proxy Department, not later than 4:00 p.m. (Calgary time) on April 29, 2005, or, if the Meeting is adjourned, not later than 24 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the time of any adjournment thereof.

The persons named as proxyholders in the enclosed form of proxy are trustees of Enbridge Commercial Trust ("ECT"). Beneficial Unitholders who wish to appoint some other person as his or her representative at the Meeting should strike out the names of the designated proxyholders in the form of proxy and enter their own names in the blank space on the form of proxy or Voting Instruction Form provided to them and return the same to their Intermediary (or its agent) well in advance of the Meeting in accordance with the instructions provided by such Intermediary (or agent).

REVOCATION OF PROXIES

A Unitholder who has given a proxy has the power to revoke it before the proxy is exercised. A Unitholder may revoke the proxy with an instrument in writing, including another proxy, signed and delivered to the Fund Trustee as provided above. The document used to revoke a proxy must be in writing

and completed and signed by the Unitholder or his or her attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or duly authorized attorney thereof. A Unitholder may also revoke a proxy in any other manner permitted by law, but prior to the exercise of such proxy on any particular matter.

A Beneficial Unitholder who wishes to revoke a proxy should follow any revocation instructions set forth on the form of proxy or Voting Instruction Form provided by them by their Intermediary (or its agent).

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The Trust Units represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. **In the absence of such direction, such Trust Units will be voted FOR the resolutions referred to in items one through three of the proxy.** If any amendment or variation to the matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment thereof, or if any other matters properly come before the Meeting or any adjournment thereof, the enclosed proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Circular, neither the Fund Trustee nor the Administrator are aware of any amendments or variations or other matters to come before the Meeting.

PRINCIPAL HOLDERS OF TRUST UNITS AND RECORD DATE

The only registered Unitholders of the Fund are CDS & Co. and Enbridge Inc. To the best of the knowledge of the officers of the Administrator, no person beneficially owns or exercises control or direction over Trust Units which carry more than 10% of the voting rights attached to all Trust Units other than Enbridge Inc. which owns 14,500,000 subordinated units representing 41.9% of the votes attaching to all of the Trust Units.

Holders of record of Trust Units as of the close of business on March 16, 2005 are entitled to receive notice of and vote at the Meeting. As of the close of business on March 1, 2005, there were 20,125,000 ordinary units and 14,500,000 subordinated units issued and outstanding. No person who becomes a Unitholder after March 16, 2005 will be entitled to vote at the Meeting or any adjournment thereof.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of Financial Statements

The audited consolidated financial statements of the Fund for the year ended December 31, 2004 will be presented at the Meeting.

Appointment of Auditors of the Fund

PricewaterhouseCoopers LLP, Chartered Accountants ("**PwC**"), have been acting as auditors of the Fund since its inception and their mandate has been confirmed by the amended and restated trust indenture of the Fund made as of August 18, 2003 (the "**Fund Trust Indenture**"). The trustees of ECT (the "**ECT Trustees**"), on recommendation from the Audit Committee (as defined herein), recommend the re-appointment of PwC as auditors of the Fund.

The persons named in the enclosed form of proxy intend to vote in favour of the resolution appointing PwC as auditors of the Fund to hold office until the next annual meeting of Unitholders or until their successors are appointed, and authorizing the ECT Trustees to fix the remuneration of the auditors, unless the Unitholder who has given the proxy has directed that the Trust Units represented thereby be withheld from voting in respect of the appointment of auditors of the Fund.

The following table sets forth the fees billed by PwC to the Fund and its subsidiary entities for the year ended December 31, 2004 and the six months ended December 31, 2003.

	Year ended December 31, 2004	Six months ended December 31, 2003
Audit Fees	\$75,000	\$62,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	36,706 ⁽¹⁾	-
Total Fees	<u>\$111,706</u>	<u>\$62,000</u>

Note:

(1) Of this amount, approximately 61% relates to services performed in connection with the filing by the Fund of a base shelf prospectus and the remainder relates to services performed in connection with the Fund's business development activities.

On October 28, 2003, the Audit Committee adopted a policy that requires pre-approval by the Audit Committee of any non-audit services to be provided by the Fund's auditors. The Audit Committee believes that it is appropriate for the Fund to preserve its ability to retain its external auditors for non-audit services in the permitted categories as they may be best equipped to render certain categories of services (such as tax compliance services) to the Fund in the most efficient and economical manner.

Directions to the Fund Trustee

The Fund is the only holder of voting trust units of ECT (the "**ECT Units**"). Under the Fund Trust Indenture, Unitholders must, by way of an ordinary resolution passed by the affirmative votes of the holders of more than 50% of the votes cast by Unitholders, direct and instruct the Fund Trustee as to the manner in which the Fund Trustee shall vote the ECT Units to elect Independent ECT Trustees (as hereinafter defined), appoint the auditors of ECT and authorize the ECT Trustees to fix their remuneration.

The amended and restated trust indenture of ECT dated as of August 18, 2003 (as further amended by a first supplemental indenture dated May 3, 2004) (the "**ECT Trust Indenture**") provides that there will be not less than five nor more than fifteen ECT Trustees, provided that the number of ECT Trustees shall initially be fixed at seven until such time as the ECT Trustees pass a resolution fixing a new number. On March 17, 2004, the ECT Trustees passed a resolution fixing the number of ECT Trustees at eight. The term of office of each ECT Trustee continues until the next annual meeting of holders of ECT Units or the time at which his or her successor is elected or appointed, or earlier if a ECT Trustee otherwise resigns, dies, is removed or disqualified pursuant to the terms of the ECT Trust Indenture.

During the term of the management agreement dated June 27, 2003 between ECT and the Administrator (the "**Management Agreement**"), the Administrator is entitled to appoint that number of ECT Trustees equal to, in the case where the total number of ECT Trustees is an even number, one half of that total number less one and, in all other cases, one half of that total number rounded down to the nearest whole number. As a result, five of the ECT Trustees will be Independent ECT Trustees and three will be appointed by the Administrator.

The Administrator is also entitled to propose the nominees for the election of the remaining ECT Trustees. The nominees proposed for election as ECT Trustees must be Independent ECT Trustees. An "**Independent ECT Trustee**" is an ECT Trustee who is independent of the Administrator and any of its affiliates and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the ECT Trustee's ability to act with a view to the best interests of the beneficiaries of ECT, other than interests and relationships arising from his or her holding of an indirect interest in ECT through ownership of Trust Units. Pursuant to the ECT Trust Indenture, the current Independent ECT Trustees must approve the Independent ECT Trustees proposed for election by the Administrator. The current Independent ECT Trustees have so approved the Independent ECT Trustees proposed for election herein.

Election of Independent ECT Trustees

The persons named in the enclosed form of proxy intend to vote in favour of the resolution directing and instructing the Fund Trustee as the holder of ECT Units to vote for the election of the five proposed

nominees who are unrelated to the Administrator and whose names are set out below as Independent ECT Trustees, unless the Unitholder who has given such proxy has directed that the Trust Units represented thereby be withheld from voting on this matter. The Fund Trustee and the Administrator do not contemplate that the proposed nominees will be unable to serve as Independent ECT Trustees but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets forth certain information with respect to the five persons proposed to be nominated for election as Independent ECT Trustees, including the number of Trust Units beneficially owned or over which control or direction was exercised as at the date of this Circular.

Name and Municipality of Residence	Principal Occupation or Business During the Prior Five Years	Trustee since	Ordinary Units Beneficially Owned or Controlled
Richard H. Auchinleck ⁽¹⁾ Calgary, Alberta	Mr. Auchinleck held the position of President and Chief Executive Officer of Gulf Canada from 1998 to 2001. Prior thereto, Mr. Auchinleck held the positions of Chief Operating Officer of Gulf Canada (from 1995 to 1998), as well as Chief Executive Officer of Gulf Indonesia (from 1997 to 1998). In 1995, he was appointed Senior Vice President, International and Exploration of Gulf Canada, which included responsibilities for both marketing and acquisitions. Mr. Auchinleck is also a director of the following public issuers: ConocoPhillips and Telus Corporation. Mr. Auchinleck holds a Bachelor of Applied Science degree in Chemical Engineering from the University of British Columbia.	2003	10,000
J. Lorne Braithwaite Toronto, Ontario	Mr. Braithwaite held the position of President and Chief Executive Officer of Cambridge Shopping Centres Limited from 1978 to 2001. Mr. Braithwaite is also a Director of Enbridge Inc., Enbridge Gas Distribution Inc., Bata Shoe Corporation and Jannock Properties Limited, and is a member of the CDIC Real Estate Advisory Panel and a Director of the Canada Post Pension Plan Investment Committee Board. Mr. Braithwaite holds a Masters of Business Administration from the University of Western Ontario.	2003	-
M. Elizabeth Cannon Calgary, Alberta	Dr. Cannon has been Professor of Geomatics Engineering at the University of Calgary since 1996. From 2002 to 2003, she was a Special Advisor to the President, University of Calgary where she worked with the President, the Provost and other university leaders to provide advice on the university's academic plan. Prior thereto, Dr. Cannon held the position of Associate Professor, Geomatics Engineering at the University of Calgary from 1993 to 1996. Dr. Cannon holds a Ph.D., Master of Sciences and Bachelor of Sciences in Geomatics Engineering from the University of Calgary, and a Bachelor of Sciences in Mathematics from Acadia University.	2003	10,000
Gordon G. Tallman ⁽¹⁾ Calgary, Alberta	Mr. Tallman retired as the Senior Vice President, Prairies Region, Royal Bank of Canada in 2002, after a career spanning 41 years. Some of Mr. Tallman's key management responsibilities with the Royal Bank included Senior Vice President Lending – Risk Management Group, Senior Assistant Manager, Vancouver Branch, Senior Vice President, Prairies, Vice President, Global Energy Group and Vice President, Commercial Banking & National Accounts. Mr. Tallman is also a director of the following public issuers: Big Rock Brewery Ltd. (a subsidiary of Big Rock Brewery Income Trust), Canadian Utilities Limited, CV Technologies Inc. and PFB Corporation.	2003	5,084
Wesley R. Twiss ⁽¹⁾ Calgary, Alberta	Mr. Twiss held the position of Executive Vice President & Chief Financial Officer of PanCanadian Energy Corporation from 2000 to 2002. Prior thereto, Mr. Twiss held the positions of Senior Vice-President, Finance and Planning, and Executive Vice-President and Chief Financial Officer with Petro-Canada from 1989 to 2000. Mr. Twiss is also a director of the following public issuers: KEYERA	2003	5,000

Name and Municipality of Residence	Principal Occupation or Business During the Prior Five Years	Trustee since	Ordinary Units Beneficially Owned or Controlled
	Management Canada Limited (a subsidiary of KEYERA Facilities Income Fund), Canadian Oil Sands Limited (a subsidiary of Canadian Oil Sands Trust), EPCOR and Hydrogenics Corporation. Mr. Twiss holds a Masters of Business Administration from the University of Western Ontario and a Bachelor of Applied Science (Chemical Engineering) from the University of Toronto.		

Note:

(1) Member of the Audit Committee.

As indicated, under the terms of the ECT Trust Indenture, the Administrator is entitled to appoint three ECT Trustees (the "**Manager Trustees**") who, together with the Independent ECT Trustees elected at the Meeting, will comprise the ECT Trustees. The following table sets forth certain information with respect to the Manager Trustees to be re-appointed effective May 3, 2005:

Name and Municipality of Residence	Principal Occupation or Business During the Prior Five Years	Trustee since	Ordinary Units Beneficially Owned or Controlled
J. Richard Bird Calgary, Alberta	Mr. Bird is Group Vice President, Transportation North of Enbridge Inc. and is responsible for all of Enbridge's energy transportation businesses in Canada and the northern tier of the United States, including Enbridge Pipelines Inc. and its related liquids pipelines operations and its investments in the Alliance and Vector natural gas pipelines. Prior to his current appointment, Mr. Bird was Group Vice President, Transportation and prior thereof Senior Vice President, Corporate Planning and Development. Mr. Bird joined Enbridge in 1995 after holding senior financial and corporate development executive positions at a number of other companies. Mr. Bird is also a director of the following public issuers: Alliance Pipeline Ltd. (the general partner of Alliance Pipeline Limited Partnership), Bird Construction Company Limited, Enbridge Pipelines Inc. and Enbridge Energy Company, Inc. and Enbridge Energy Management, L.L.C. (the general partner and delegate of the general partner, respectively, of Enbridge Energy Partners, L.P.). Mr. Bird holds a Bachelor of Arts from the University of Manitoba, and a Masters of Business Administration and Ph.D. from the University of Toronto.	2002	110,000 ⁽¹⁾
Patrick D. Daniel Calgary, Alberta	Mr. Daniel is President & Chief Executive Officer of Enbridge Inc. and is responsible for all of the company's operating and staff segments. Prior to his current appointment, he was President & Chief Operating Officer of Enbridge Inc., and also served as Chief Executive Officer of Enbridge Pipelines Inc. Prior to joining Enbridge, Mr. Daniel held senior management positions with Hudson's Bay Oil & Gas Ltd. and Home Oil Limited. Mr. Daniel is also a director of the following public issuers: Enbridge Inc., Enbridge Gas Distribution Inc., Enbridge Pipelines Inc., Enbridge Energy Company, Inc. and Enbridge Energy Management, L.L.C. (the general partner and delegate of the general partner, respectively, of Enbridge Energy Partners, L.P.), EnCana Corporation and Enerflex Systems Ltd. Mr. Daniel holds a Bachelor of Science (Chemical Engineering) from the University of Alberta and a Master of Science (Chemical Engineering) from the University of British Columbia.	2003	15,000

Name and Municipality of Residence	Principal Occupation or Business During the Prior Five Years	Trustee since	Ordinary Units Beneficially Owned or Controlled
Stephen J. Wuori Calgary, Alberta	Mr. Wuori is Group Vice President & Chief Financial Officer of Enbridge Inc. and is responsible for Enbridge's principal financial functions. Prior to his current appointment, Mr. Wuori was Group Vice President, Planning and Development of Enbridge Inc. responsible for corporate acquisitions and business development, including northern pipeline development and long-range planning, and prior thereto was President of Enbridge Pipelines Inc. Mr. Wuori is also a director of the following public issuers: Enbridge Gas Distribution Inc. and Enbridge Pipelines Inc. Mr. Wuori has over 24 years of operations and business experience at Enbridge, and holds a Bachelor of Science (Civil Engineering) from Michigan Technological University.	2004	5,000

Note:

- (1) Mr. Bird is not the beneficial owner of 25,000 of these ordinary units, which are held by 933672 Ontario Inc. Mr. Bird exercises control and direction over these ordinary units.

The information contained in the preceding tables as to Trust Units beneficially owned or controlled has been furnished by the respective nominees and appointees as ECT Trustees individually, and is effective as of March 1, 2005. For a summary of the record of attendance of the ECT Trustees at board and committee meetings, see Appendix A.

Appointment of Auditors of ECT and Fixing of Auditors' Remuneration

The persons named in the enclosed form of proxy intend to vote in favour of the resolution directing and instructing the Fund Trustee as the holder of ECT Units to vote for the appointment of PwC as auditors of ECT to hold office until the next annual meeting of unitholders of ECT or until their successors are appointed, and authorizing the ECT Trustees to fix the remuneration of the auditors unless the Unitholder who has given the proxy has directed that the Trust Units represented thereby be withheld from voting in respect of the appointment of auditors of ECT. PwC have been the auditors of ECT since its inception and their mandate has been confirmed by the ECT Trust Indenture.

For the year ended December 31, 2004, PwC billed approximately \$5,000 for audit services provided to ECT.

REMUNERATION OF TRUSTEE AND ECT TRUSTEES

Pursuant to the Fund Trust Indenture, the Fund Trustee is entitled to receive for its services as the trustee of the Fund: (i) such reasonable compensation as shall be negotiated between the Administrator on behalf of the Fund and the Fund Trustee; (ii) reimbursement of the Fund Trustee's reasonable out-of-pocket expenses incurred in acting as the trustee of the Fund; and (iii) fair and reasonable remuneration for services rendered to the Fund in any other capacity, which services may include, without limitation, services as the transfer agent for the Fund or any Trust Units. For the services rendered as trustee and registrar and transfer agent to the Fund and services rendered as trustee under a note indenture of ECT during the year ended December 31, 2004, the Fund Trustee was paid approximately \$29,500.

Pursuant to the ECT Trust Indenture, the Independent ECT Trustees are entitled to receive for their services as ECT Trustees such reasonable compensation as the ECT Trustees may determine from time to time, as well as reimbursement of their out-of-pocket expenses incurred in acting as ECT Trustees. The Manager Trustees shall not be entitled to receive any remuneration for their services as ECT Trustees, but shall be entitled to reimbursement from ECT of their out-of-pocket expenses incurred in acting as ECT Trustees.

The following table sets forth the types of retainers and fees and the amounts of such retainers and fees that were paid to the Independent ECT Trustees during the twelve month period ended December 31, 2004:

<u>Description</u>	<u>Amount</u>
Trustee Retainer	\$15,000 per annum
Chair of the Board Retainer	\$5,000 per annum
Audit Committee Chair Retainer	\$2,000 per annum
Meeting Fee ⁽¹⁾	\$1,000 per meeting
Telephone Meeting Fee	\$500 per meeting
Travel Fee ⁽²⁾	\$1,500 per meeting

Notes:

- (1) A meeting fee is paid for attendance at trustee or committee meetings or while otherwise engaged in business related to the Fund.
- (2) A travel fee is paid to a trustee who travels out of their principal province of residence to attend a trustee or committee meeting.

During the year ended December 31, 2004, ECT paid an aggregate of \$126,500 to the Independent ECT Trustees as compensation for their services as ECT Trustees. The amount paid to each Independent ECT Trustee during the year ended December 31, 2004 was as follows: R.H. Auchinleck (\$25,000); J.L. Braithwaite (\$24,500); M.E. Cannon (\$20,000); G.G. Tallman (\$30,000); and W.R. Twiss (\$27,000)

On May 3, 2004, the ECT Trustees established a guideline requiring each trustee to hold a personal investment in ordinary units of the Fund with a value equal to four times the annual trustee retainer (i.e., \$60,000) and that they attain the target ownership level within a period of four years (from the date of the approval of the guideline or the date of their election or appointment, whichever is later).

MANAGEMENT OF THE FUND AND ECT

Administration Agreement

Pursuant to the administrative services agreement dated June 27, 2003 among the Fund, the Fund Trustee, the Administrator and ECT (the "**Administration Agreement**"), the Administrator has agreed to provide general administrative and support services to the Fund to administer the operations of the Fund, including, without limitation, those necessary to: (i) ensure compliance by the Fund with its continuous disclosure obligations under applicable securities legislation; (ii) provide investor relations services; (iii) prepare and cause to be provided to Unitholders all information to which Unitholders are entitled under the Fund Trust Indenture and under applicable laws; (iv) call and hold meetings of Unitholders and prepare, approve and arrange for the distribution of required materials, including notices of meetings and information circulars, in respect of all such meetings; (v) compute, determine and direct distributions to Unitholders; (vi) attend to all administrative and other matters arising in connection with any redemptions of Trust Units; and (vii) undertake and perform all acts, duties and responsibilities in connection with acquiring or disposing of assets and property for and on behalf of the Fund of whatever nature or kind.

In consideration for providing the services under the Administration Agreement, the Administrator receives a base fee of \$50,000 per annum, subject to annual adjustment for inflation. The Administrator is also entitled to be reimbursed for all out-of-pocket and third party fees, costs and expenses reasonably incurred by the Administrator or its affiliates in carrying out the Administrator's obligations and duties under the Administration Agreement. The reimbursement of Fund expenses to the Administrator is not intended to provide the Administrator with any financial gain or loss. During the year ended December 31, 2004, the Administrator received a base fee of \$50,369 pursuant to the Administration Agreement.

The Administration Agreement has an initial 20 year term and is automatically renewable for additional successive terms of five years, unless earlier terminated by the Administrator. The Administration Agreement may be immediately terminated by either party in the event of: (i) certain events of insolvency, receivership or liquidation of the other party; (ii) the termination of the Management Agreement (as defined below); or (iii) a breach by the other party in the performance of a material obligation under the Administration Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 60 days after notice of such breach has been delivered, or when not reasonably capable of being remedied within 60 days after notice thereof has been delivered, such party fails to commence and diligently pursue steps to remedy such breach, and such termination has been authorized by a resolution passed by more than 50% of the Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present.

Management Agreement

Pursuant to a management agreement dated June 27, 2003 between the Administrator and ECT (the "**Management Agreement**"), the Administrator has agreed to provide all aspects of the management and general administration to ECT, including, without limitation: (i) overseeing the business and affairs of ECT and reporting to the ECT Trustees with respect thereto at such times as may be requested from time to time by the ECT Trustees; (ii) developing, implementing and monitoring a strategic plan for ECT; (iii) developing acquisition strategies and investigating potential acquisitions and analyzing the feasibility of potential acquisitions; (iv) carrying out acquisitions or dispositions and related financings; (v) preparing an annual management plan for approval by the ECT Trustees; (vi) assisting in connection with any financing of ECT or its affiliates; (vii) assisting ECT with the preparation, planning and coordinating of meetings of the ECT Trustees; and (viii) providing oversight and direction of the investments in Alliance Pipeline Limited Partnership ("**Alliance Canada**"), Alliance Pipeline Ltd. (the general partner of Alliance Canada) and Enbridge Pipelines (Saskatchewan) Inc., including through representation on the boards of directors of Alliance Pipeline Ltd. and Enbridge Pipelines (Saskatchewan) Inc.

In consideration for providing the services under the Management Agreement, the Administrator receives: (i) a base fee of \$50,000 per annum, subject to annual adjustment for inflation; and (ii) an annual incentive fee equal to 25% of the amount by which the cash distributions to Unitholders in respect of the applicable year exceeds \$0.825 per Trust Unit. The Administrator is also entitled to be reimbursed for all out-of-pocket and third party fees, costs and expenses reasonably incurred by the Administrator or its affiliates in carrying out the Administrator's obligations and duties under the Management Agreement. The reimbursement of ECT expenses to the Administrator is not intended to provide the Administrator with any financial gain or loss. During the year ended December 31, 2004, the Administrator received a base fee of \$50,369 and an incentive fee of \$865,729 pursuant to the Management Agreement.

The Management Agreement has an initial 20 year term and is automatically renewable for additional successive terms of five years unless earlier terminated by the Administrator. The Management Agreement may be immediately terminated by either party in the event of: (i) certain events of insolvency, receivership or liquidation of the other party; (ii) the termination of the Administration Agreement; (iii) the occurrence of a substantial deterioration in the business of ECT rendering its performance to be materially below the performance of similar income trusts in Canada, and such substantial deterioration is caused by the Administrator; or (iv) a breach by the other party in the performance of a material obligation under the Management Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 60 days after notice of such breach has been delivered, or when not reasonably capable of being remedied within 60 days after notice thereof has been delivered, such party fails to commence and diligently pursue steps to remedy such breach, and such termination has been authorized by a resolution passed by more than 50% of the Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present.

GP Services Agreement

Pursuant to a services agreement dated June 30, 2003 between the Administrator and Enbridge Income Partners GP Inc. (the "**GP Services Agreement**"), the Administrator has agreed to provide Enbridge Income Partners GP Inc. ("**GP**"), the general partner of Enbridge Income Partners LP, with all services as may be required or advisable, from time to time, in order to operate and administer the business of GP. The GP

Services Agreement has an initial five-year term and is automatically renewable for an additional twelve-month period unless earlier terminated by the Administrator or GP.

In consideration for providing services to GP under the GP Services Agreement, the Administrator will receive a fee equal to 115% of its all costs and expenses reasonably incurred in the course of providing such services. During the year ended December 31, 2004, the Administrator received a payment of \$5,000 pursuant to the GP Services Agreement.

Saskatchewan Services Agreement

Pursuant to a services agreement dated June 30, 2003 among the Administrator, Enbridge (Saskatchewan) Operating Services Inc. (an affiliate of the Administrator) ("**ESOSI**") and Enbridge Pipelines (Saskatchewan) Inc. (the "**Saskatchewan Services Agreement**"), the Administrator has retained the services of ESOSI to provide Enbridge Pipelines (Saskatchewan) Inc. ("**Enbridge Saskatchewan**") with all services as may be required or advisable, from time to time, in order to operate and administer the business of Enbridge Saskatchewan, including, without limitation, general and administrative services and pipeline operating services. The Saskatchewan Services Agreement has an initial five-year term and is automatically renewable for an additional twelve-month period unless earlier terminated by the Administrator, ESOSI or Enbridge Saskatchewan.

In consideration for providing services to Enbridge Saskatchewan under the Saskatchewan Services Agreement, ESOSI receives an amount equal to all costs and expenses reasonably incurred in the course of providing such services. The amounts paid under the Saskatchewan Services Agreement are not intended to provide ESOSI with any financial gain or loss. During the year ended December 31, 2004, ESOSI received payments of \$9.4 million pursuant to the Saskatchewan Services Agreement.

The Administrator

The Administrator is a wholly-owned subsidiary of Enbridge Inc. The head office of the Administrator is located at 3000, 425 – 1st Street S.W., Calgary, Alberta, T2P 3L8.

The following individuals are the directors and senior officers of the Administrator:

Name and municipality of residence	Position with the Administrator	Principal occupation
J. Richard Bird Calgary, Alberta	President and Director	Group Vice President, Transportation North, Enbridge Inc.
Bradley W. Boyle Calgary, Alberta	Treasurer	Assistant Treasurer, Enbridge Inc.
Patrick D. Daniel Calgary, Alberta	Director	President & Chief Executive Officer, Enbridge Inc.
Murray J. Desrosiers Calgary, Alberta	Corporate Secretary	Senior Legal Counsel, Enbridge Inc.
Christopher J. Johnston Calgary, Alberta	Controller	Director, Financial Reporting, Enbridge Inc.
Stephen J. Wuori Calgary, Alberta	Director	Group Vice President & Chief Financial Officer, Enbridge Inc.

EXECUTIVE COMPENSATION

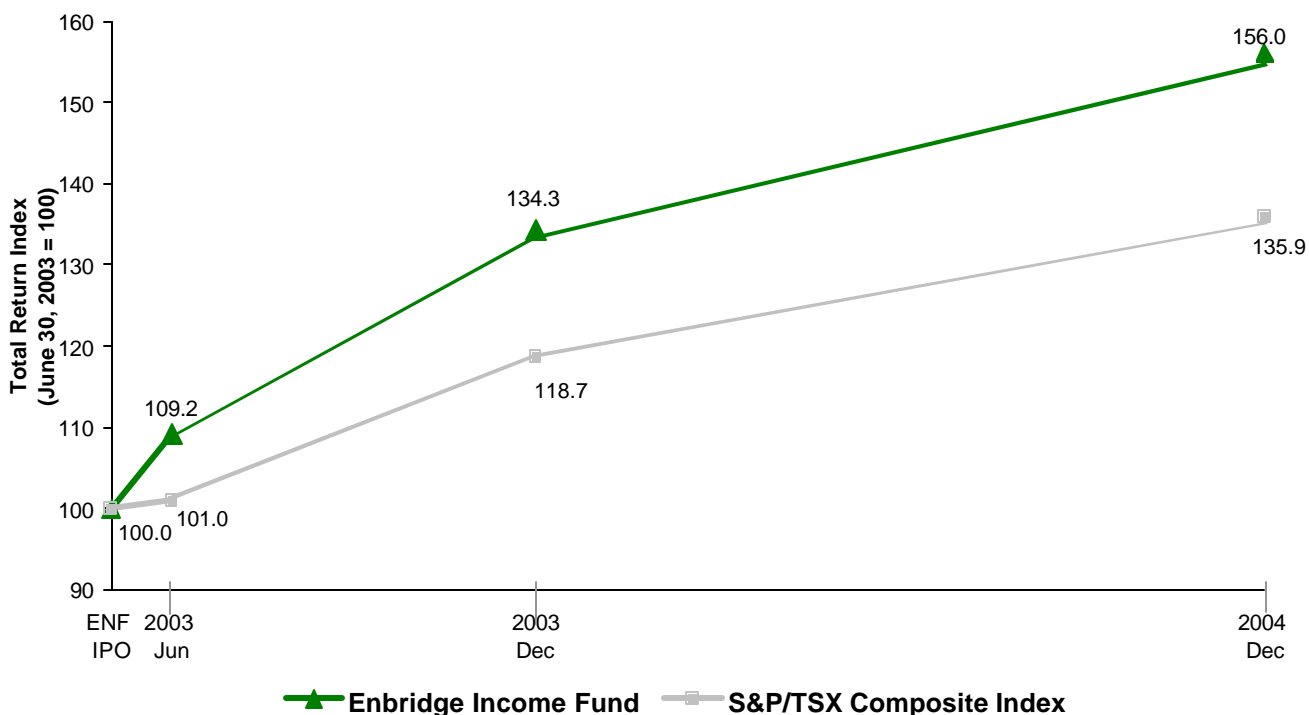
Neither the Fund nor any of its wholly-owned subsidiary entities have any employees. All services necessary to operate the Fund and its wholly-owned subsidiary entities are provided by the Administrator or its affiliates through the various agreements described in "Management of the Fund and ECT".

The Fund holds a 50% interest in Alliance Canada, which is a reporting issuer in all of the provinces of Canada. Information with respect to the remuneration and indebtedness of Alliance Canada's directors and senior officers is contained in Appendix B.

PERFORMANCE GRAPH

The following chart compares the Fund's total shareholder return (assuming reinvestment of distributions) for an individual who invested \$100 in ordinary units of the Fund pursuant to its initial public offering, which closed on June 30, 2003, with the cumulative total return of the S&P/TSX Composite Index for the 18 month period ended December 31, 2004.

**Enbridge Income Fund vs. S&P/TSX Composite Index
Historical Total Return
Eighteen Months Ended December 31, 2004**



INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular and in the consolidated financial statements of the Fund for the fiscal period ended December 31, 2004, the Fund is not aware of any material interest of any current or proposed ECT Trustee or the Administrator or its affiliates or their respective directors or officers in any transaction since the creation of the Fund, or in any proposed transaction that has materially affected or will materially affect the Fund.

INDEBTEDNESS

At no time since the formation of the Fund did any current or former ECT Trustee or current or former director or officer of the Administrator, or any associate of any such person, owe any indebtedness to the Fund or owe any indebtedness to any other entity which is, or any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund.

LIABILITY INSURANCE

The Fund maintains insurance for the benefit of the trustees, directors and officers of the Fund, ECT and Enbridge Income Partners LP and their subsidiaries and the directors and officers of the Administrator, as a group, in respect of the performance by them of the duties of their offices. The total annual amount of insurance coverage available is approximately US\$40,000,000, with a US\$250,000 deductible for each claim (payable by the Fund) for which the Fund grants indemnification. The insurance premium for the policy period from June 30, 2004 to June 30, 2005, paid by the Fund, was US\$376,695.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Administrator and the ECT Trustees are committed to the best standards of corporate governance. The Administrator is of the view that the Fund has conformed to the guidelines (the "**TSX Guidelines**") of the Toronto Stock Exchange (the "**TSX**") respecting effective corporate governance set out in the TSX Company Manual to the extent consistent with the structure of the Fund and ECT and the terms of the Fund Trust Indenture, the ECT Trust Indenture and the other agreements to which the Fund and ECT are parties. A summary of the Fund's system of corporate governance, with specific reference to the TSX Guidelines, is attached to this Circular as Appendix C.

General

The Fund Trustee has no active role in the management of the Fund. There are no individual trustees of the Fund itself and responsibility for the management and administration of the Fund has been generally delegated to the Administrator pursuant to the Administration Agreement. In exercising its powers and discharging its duties under the Administration Agreement and the Fund Trust Indenture, the Administrator is required to act with the same degree of diligence and care that a reasonably prudent administrator of an income fund in Canada, having responsibilities of a similar nature to those set forth in the Administration Agreement and the Fund Trust Indenture, would exercise in comparable circumstances. Similar obligations are placed on the Administrator in respect of the discharge of its duties under the Management Agreement and the ECT Trust Indenture.

The ECT Trustees review, monitor and approve the annual management plan and any strategic plan prepared by the Administrator. The Administrator has been appointed by both the Fund and ECT to undertake the management and general administration of the Fund and ECT. While day-to-day management of the Fund and ECT has been delegated to the Administrator, the ECT Trustees fulfill their responsibility for the broader stewardship of the business and affairs of the Fund and ECT through the structures, activities and procedures described below. The ECT Trustees have assumed responsibility for understanding the principal risks associated with the Fund's business. The Administrator is responsible for ensuring that the ECT Trustees are kept informed of any changes in such risks.

Composition of ECT Trustees

The TSX Guidelines require that the board of directors of every public issuer be constituted with a majority of individuals who qualify as "unrelated" directors.

An "unrelated" director for the purposes of the TSX Guidelines is one who is independent of management and is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from their direct or indirect shareholding. In defining an unrelated director, the TSX Guidelines place emphasis on the ability of a director to exercise objective judgment, independent of management. Alternatively, a "related" director is a director who is not an unrelated director. The TSX Guidelines also make an informal distinction between inside and outside directors. The TSX Guidelines consider an "inside" director to be one who is an officer or employee of the corporation or any of its affiliates. The TSX Guidelines consider a "significant" shareholder to be a shareholder with the ability to exercise a majority of the votes for the election of the board of directors.

The ECT Trust Indenture provides that there will be not less than five nor more than fifteen ECT Trustees. There are presently eight ECT Trustees, three of whom are appointees of the Administrator and five

of whom are Independent ECT Trustees. The Independent ECT Trustees are elected annually by the Unitholders and must be unrelated to and independent of the Administrator. The ECT Trustees have determined that five of the eight existing ECT Trustees are "unrelated" trustees of the Fund and the Fund does not have a "significant shareholder", as defined by the TSX Guidelines. None of the Independent ECT Trustees could reasonably be perceived to be in a position that might materially interfere with their ability to act in the best interests of the Fund and ECT. As a result, the composition of the ECT Trustees conforms to the TSX Guidelines.

The Independent ECT Trustees have complete access to the Administrator and its management. The ECT Trustees welcome the regular attendance at each ECT Trustees' meeting of persons who are officers of the Administrator or others who can provide additional insight into the matters before the ECT Trustees. Individual ECT Trustees may engage independent advisors from time to time, at the expense of ECT, provided however that the Chair of the Board of Trustees (currently Mr. G.G. Tallman, who is an Independent ECT Trustee), shall approve any such engagement beforehand, in his discretion.

Audit Committee

Pursuant to the ECT Trust Indenture, the ECT Trustees are required to form, and have formed, an audit committee (the "**Audit Committee**") consisting of at least three ECT Trustees, all of whom are required to be Independent ECT Trustees under the ECT Trust Indenture. The Audit Committee meets with the Administrator to discuss internal controls, financial reporting issues and auditing matters related to the Fund and, if applicable, ECT. The Audit Committee meets as part of each committee meeting to discuss matters of interest independently of any management influence. The Audit Committee is currently comprised of three members, being Messrs. W.R. Twiss (Chair), R.H. Auchinleck and G.G. Tallman, each of whom is an Independent ECT Trustee.

Governance Matters

The ECT Trustees have expressly assumed responsibility for developing the Fund's approach to governance issues.

Certain governance matters were addressed when the structure of the Fund was being developed and are reflected in various agreements. For example, the ECT Trust Indenture requires that a majority of the ECT Trustees be Independent ECT Trustees, the nominees for election as Independent ECT Trustees must be approved by the Independent ECT Trustees then in office, any material changes to the terms of the Administration Agreement or the Management Agreement must be approved by the Independent ECT Trustees and any acquisition from the Administrator or its affiliates must be reviewed and approved by the Independent ECT Trustees.

Market Regulation and Communication

The ECT Trustees have adopted a public disclosure policy for communicating material information. The purpose of this public disclosure policy is to ensure that the Fund provides timely, complete, consistent, fair and credible public disclosure of material information in as transparent a manner as practical and in compliance with all legal and regulatory requirements, in order to keep Unitholders well informed. The ECT Trustees have also adopted an insider trading policy which establishes the policies and procedures that govern trading in Trust Units and other Fund securities by the Fund Trustee, the ECT Trustees and the directors and senior officers of ECT's subsidiaries, the Administrator and Enbridge Inc.

OTHER BUSINESS

The Administrator does not know of any matter to come before the Meeting other than those referred to in the accompanying Notice of Meeting.

UNITHOLDER PROPOSALS

The Fund Trust Indenture contains provisions that permit Unitholders to submit proposals to be considered for inclusion in the Fund's information circular for its annual meeting of Unitholders. In order to

submit a proposal, Unitholders must meet the requirements and follow the procedures detailed in the Fund Trust Indenture, a copy of which is accessible on the Fund's website. In order for a proposal to be considered at the 2006 annual meeting of Unitholders, it must be received by the Administrator by December 2, 2005.

APPROVAL

The Board of Trustees of ECT and the Board of Directors of the Administrator have approved the contents of this Circular and the sending of it to the Unitholders.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED as of the 1st day of March, 2005.

By order of ENBRIDGE INCOME FUND
by its Administrator,
ENBRIDGE MANAGEMENT SERVICES INC.

(signed) J. RICHARD BIRD
President and Director

(signed) CHRISTOPHER J. JOHNSTON
Controller

APPENDIX A

TRUSTEE ATTENDANCE

Summary of Board and Committee Meetings Held

For the year ended December 31, 2004

Board	5
Audit Committee	5
Total number of meetings held	10

Summary of Attendance of Trustees

For the year ended December 31, 2004

Trustee	Board Meetings Attended	Committee Meetings Attended
R.H. Auchinleck	5 of 5	5 of 5
J.R. Bird	5 of 5	-
J.L. Braithwaite	5 of 5	-
M.E. Cannon	5 of 5	-
P.D. Daniel	5 of 5	-
G.G. Tallman	5 of 5	5 of 5
W.R. Twiss	5 of 5	5 of 5
S.J. Wuori	2 of 2	-
Total Attendance Rate	100%	100%

APPENDIX B

STATEMENT OF EXECUTIVE COMPENSATION

ALLIANCE CANADA

Notice to Reader

This Appendix contains information relating to the compensation of certain officers of Alliance Pipeline Ltd. This information reflects amounts received by such officers for operational and administrative services provided to both the Canadian and United States portions of the Alliance System. Enbridge Income Fund indirectly owns a 50% interest in the Canadian portion of the Alliance System. Under the terms of the tolling agreement for the Alliance System, all costs necessary to operate the pipeline, including employee compensation costs, are passed through to the shippers on the Alliance System as part of the cost of service and therefore do not impact the net income or cash available for distribution generated by the Alliance System.

Enbridge Income Fund satisfied this disclosure requirement in its 2004 information circular through a reference to documents publicly filed by Alliance Pipeline Limited Partnership that contained the requisite information. Due to recent changes in securities laws and the fact that Alliance Pipeline Limited Partnership does not need to file similar disclosure this year, Enbridge Income Fund is including the disclosure in the Circular.

Summary Compensation Table

The following table sets forth certain information regarding compensation for the financial years ended December 31, 2002, 2003 and 2004. The table contains information for the individuals who served as the Chief Executive Officer, Chief Financial Officer and for the individuals who were the three other highest compensated executive officers (collectively, the "**Named Executive Officers**") of Alliance Pipeline Ltd. (the "**Canadian General Partner**"), measured by base salary and bonuses granted, in the year ended December 31, 2004. The Canadian General Partner is the general partner of Alliance Pipeline Limited Partnership ("**Alliance Canada**" or the "**Partnership**"), and provides operational and administrative services to Alliance Canada and Alliance Pipeline L.P. ("**Alliance USA**").

Name and Principal Position	Fiscal Year	Annual Compensation ⁽¹⁾			Long-Term Compensation	All Other Compensation ⁽⁸⁾
		Salary (\$)	Bonus ⁽²⁾ (\$)	Other Annual Compensation ⁽³⁾ (\$)	LTIP Payouts ⁽⁵⁾ (\$)	
Allan L. Edgeworth ⁽⁴⁾ President & CEO	2004	335,500	188,560	124,135	364,520	2,138,337
	2003	326,000	201,800	120,620	233,320	-
	2002	316,250	135,040	123,629	530,723	-
John R. Crawford Executive Vice President & COO	2004	287,500	141,380	99,678	267,120	1,833,353
	2003	277,500	153,950	97,078	169,120	-
	2002	265,000	99,020	106,083	106,750	-
Dennis A. Prince Vice President, Transportation Services & Business Development	2004	221,250	93,260	84,678	138,875	1,186,667
	2003	207,500	100,230	72,450	86,375	-
	2002	193,750	64,960	69,039	53,375	-
Harold Kraft Vice President, Engineering & Construction	2004	178,750	76,690	64,903	97,964	-
	2003	174,250	81,290	63,733	62,964	-
	2002	170,250	54,660	73,083	40,260	-
Clinton J. White ⁽⁶⁾ Director, Finance	2004	152,068	51,430	41,404	35,870	-
	2003	132,981	54,440	29,225	21,670	-
	2002	118,780	27,270	26,384	13,420	-

Name and Principal Position	Fiscal Year	Annual Compensation ⁽¹⁾			Long-Term Compensation	All Other Compensation ⁽⁸⁾
		Salary (\$)	Bonus ⁽²⁾ (\$)	Other Annual Compensation ⁽³⁾ (\$)	LTIP Payouts ⁽⁵⁾ (\$)	
Murray P. Birch ⁽⁷⁾ Interim President	2004	36,137	-	2,170	-	-

Notes:

- (1) The remuneration of each of the Named Executive Officers indicated above relates to services provided to Alliance Canada and Alliance USA for the years 2002, 2003 and 2004.
- (2) Bonuses earned relate to performance by the Named Executive Officer under the Partnership's short-term incentive plan for the year indicated and are payable the following year, generally within the first quarter. In the case of Mr. White, bonuses for the 2003 performance year include a recognition award (see "Report on Executive Compensation – Other Bonuses" below).
- (3) Alliance Canada provides a benefit account for each employee in lieu of a corporate benefit and pension plan. Included in this column are the amounts paid to each Named Executive Officer in lieu of these corporate benefits and other perquisites. The Named Executive Officers are responsible for the purchase of their own medical plans, disability and life insurance, pensions, parking, club memberships, auto leases and other related costs. The amounts shown also include any pay received in lieu of vacation taken.
- (4) Mr. Edgeworth relinquished his position as President and CEO on December 9, 2004 and retired on December 31, 2004.
- (5) The amount set out reflects the payment to the Named Executive Officer of vested portions of awards made under Alliance Canada's Key Employee Incentive Plan as discussed under the heading "Report on Executive Compensation – Long-Term Incentive Plan" below. In the case of Mr. Edgeworth, the amount set out for 2002 reflects an additional \$381,883 in respect of units exercised under Alliance Canada's 1997 Phantom Unit Plan (the "**Phantom Unit Plan**"). Units in the Phantom Unit Plan were granted in the years 1996 to 2000, and were payable based on certain project construction and completion related criteria being met. Accordingly, units granted under the Phantom Unit Plan vested when Alliance Canada's pipeline became operational on December 1, 2000. A portion of these vested units became exercisable on December 1, 2000 with the remaining vested units becoming exercisable on December 1, 2001.
- (6) Mr. White assumed the responsibilities of acting Vice President, Finance and CFO on December 15, 2003 and was appointed Director, Finance on March 23, 2004.
- (7) The Canadian General Partner hired Mr. Birch as Interim President on November 23, 2004. Compensation for 2004 reflects payments from that date to the end of 2004.
- (8) The amount set out reflects payments to the Named Executive Officer with respect to retirement allowance and severance payments as discussed below under "Employment Contracts – Termination of Employment".

Long-Term Incentive Plan

The purpose of Alliance Canada's Key Employee Incentive Plan (the "**KEIP**") is to closely tie the compensation of key employees to the creation of medium to long-term value for Alliance Canada's owners. It also serves as a tool to encourage the retention of key employees, to recognize key contributors and to ensure that Alliance Canada's total compensation packages are competitive with those of its peers.

The KEIP is a cash plan that became effective January 1, 2001. Under the KEIP design, awards are made when certain threshold corporate performance measures, as set by the Compensation Committee of the Board of Directors of the Canadian General Partner at the beginning of each year, are met. Commencing January 1, 2004, each plan year has a three-year performance measurement period. Awards are calculated as follows:

$$\text{Annual Salary} \times \text{Target Participation Rate} \times \text{Corporate Performance Factor}$$

Target Participation Rate is determined by the participant's role at Alliance Canada, expressed as a percentage. Corporate Performance Factor is a measure of the achievement of predefined corporate target measures.

For the 2002 and 2003 plan years, awards under the KEIP follow a deferred vesting profile. This assures Alliance Canada that sufficient retention of key employees is in place by deferring a portion of their award to future years. Accordingly, the plan contains the following vesting schedule: the award vests 1/3 at the time of issue and 1/3 in each of the following two years. Commencing January 1, 2004, awards are granted and vest at the end of the three-year performance measurement period. On the vesting date, the amount vested is paid in full.

The following table sets forth the KEIP awards to each of the Named Executive Officers for the financial year ended December 31, 2004.

**LONG-TERM INCENTIVE PLANS
AWARDS IN THE MOST RECENTLY COMPLETED FINANCIAL YEAR**

Name	Amount Awarded (\$)
Allan L. Edgeworth President & CEO	\$nil awarded in 2004 Target Award: \$268,400 ⁽¹⁾
John R. Crawford Executive Vice President & COO	\$nil awarded in 2004 Target Award: \$201,250 ⁽²⁾
Dennis A. Prince Vice President, Transportation Services & Business Development	\$nil awarded in 2004 Target Award: \$110,625 ⁽³⁾
Harold Kraft Vice President, Engineering & Construction	\$nil awarded in 2004 Target Award: \$71,500 ⁽⁴⁾
Clinton J. White Director, Finance	\$nil awarded in 2004 Target Award: \$53,234 ⁽⁴⁾
Murray P. Birch Interim President	\$nil

Notes:

- (1) Mr. Edgeworth and the Board of Directors of the Canadian General Partner agreed to a lump sum payment of \$270,400 on account of 2004 KEIP awards as part of Mr. Edgeworth's Retirement Allowance Agreement as discussed below under "Employment Contracts – Termination of Employment". This was paid on January 14, 2005.
- (2) Mr. Crawford and the Board of Directors of the Canadian General Partner agreed to a lump sum payment of \$203,000 on account of 2004 KEIP awards as part of Mr. Crawford's Severance Agreement as discussed below under "Employment Contracts – Termination of Employment". This was paid on January 14, 2005.
- (3) Mr. Prince and the Board of Directors of the Canadian General Partner agreed to a lump sum payment of \$112,500 on account of 2004 KEIP awards as part of Mr. Prince's Severance Agreement as discussed below under "Employment Contracts – Termination of Employment". This was paid on January 14, 2005.
- (4) The actual award for Messrs. Kraft and White will be determined and become payable in the first quarter of 2007, following the completion of the three-year performance period ending December 31, 2006.

Employment Contracts – Termination of Employment

Alliance Pipeline Ltd. entered into an employment contract dated December 1, 2000 with Mr. Allan L. Edgeworth, who served as the President & CEO of Alliance Pipeline Ltd. until December 9, 2004. This contract provided that should Mr. Edgeworth be involuntarily terminated (other than for cause) or if Mr. Edgeworth terminates the contract in accordance with certain provisions thereof, he will receive: (i) 24 months base salary at the salary in effect at the time of termination, (ii) full award of the bonus that would have been received if performance targets were met for the 24 month period, (iii) vesting for 24 months from the date of termination of any long-term incentive plan grants issued under any long-term incentive plan in which Mr. Edgeworth may be eligible to participate, and (iv) full benefits coverage or equivalent cash value of the benefit premium for a 24-month period.

Mr. Edgeworth and the Board of Directors of the Canadian General Partner agreed to the following termination payments: (i) a retirement allowance payment of \$1,389,857; (ii) immediate vesting of 2002 and 2003 KEIP awards and the 2003 Special Award totalling \$478,080; (iii) a lump sum of \$270,400 with respect to a 2004 KEIP award; and (iv) a 2004 short-term incentive plan award payment at an individual performance factor of 1.0 (\$188,560). These amounts are being paid in the first quarter of 2005.

Alliance Pipeline Ltd. entered into an employment contract dated January 1, 2001 with Mr. John R. Crawford, who served as the Executive Vice President & COO of Alliance Pipeline Ltd. until December 31, 2004. This contract provided that should Mr. Crawford be involuntarily terminated (other than for cause) or if Mr. Crawford terminates the contract in accordance with certain provisions thereof, he will receive: (i) 24 months base salary at the salary in effect at the time of termination, (ii) full award of the bonus that would have been received if performance targets were met for the 24 month period, (iii) vesting for 24 months from the date of termination of any long-term incentive plan grants issued under any long-term incentive plan in which Mr. Crawford may be eligible to participate, (iv) full benefits coverage or equivalent cash value of the benefit premium for a 24 month period, and (v) equivalent cash value of the perquisite amount for a 24 month period.

Mr. Crawford and the Board of Directors of the Canadian General Partner agreed to the following termination payments: (i) a severance payment of \$1,273,983; (ii) immediate vesting of 2002 and 2003 KEIP awards and the 2003 Special Award totalling \$356,370; (iii) a lump sum of \$203,000 with respect to a 2004 KEIP award; and (iv) a 2004 short-term incentive plan award payment at an individual performance factor of 1.0 (\$141,380). These amounts are being paid in the first quarter of 2005.

Alliance Pipeline Ltd. entered into an employment contract dated January 1, 2001 with Mr. Dennis A. Prince, who served as the Vice President, Regulatory Strategy and Stakeholder Relations of Alliance Pipeline Ltd. until December 31, 2004. This contract provided that should Mr. Prince be involuntarily terminated (other than for cause) or if Mr. Prince terminates the contract in accordance with certain provisions thereof, he will receive: (i) 24 months base salary at the salary in effect at the time of termination, (ii) full award of the bonus that would have been received if performance targets were met in the 24 month period, (iii) vesting for 24 months from the date of termination of any long-term incentive plan grants issued under any long-term incentive plan in which Mr. Prince may be eligible to participate, (iv) full benefits coverage or equivalent cash value of the benefit premium for a 24 month period, and (v) equivalent cash value of the perquisite amount for a 24 month period.

Mr. Prince and the Board of Directors of the Canadian General Partner agreed to the following termination payments: (i) a severance payment of \$883,667; (ii) immediate vesting of 2002 and 2003 KEIP awards and the 2003 Special Award totalling \$190,500; (iii) a lump sum of \$112,500 with respect to a 2004 KEIP award; and (iv) a 2004 short-term incentive plan award payment at an individual performance factor of 1.0 (\$93,260). These amounts are being paid in the first quarter of 2005.

Composition of the Compensation Committee

The Compensation Committee of the Board of Directors of the Canadian General Partner (the "**Committee**") reviews and recommends compensation of the executive officers for approval by the Board of Directors. The members of the Committee are neither current nor former officers or employees of Alliance Canada or the Canadian General Partner. Mr. Patrick D. Daniel, Mr. Stephen H. White, and Ms. Bonnie DuPont served as members of the Committee during all or a portion of 2004. Ms. DuPont replaced Mr. Daniel on the Committee in April 2004.

Report on Executive Compensation

The compensation of the Canadian General Partner's executive officers, including the Named Executive Officers set out in the Summary Compensation Table, is determined by the Committee.

The Canadian General Partner's executive compensation program is administered by the Committee. The Committee is responsible for reviewing overall compensation policy and guidelines. Alliance Canada has adopted a market based compensation program that has been designed to be competitive in attracting and retaining employees and to appropriately reward accomplishments and results through pay-for-performance. The program is comprised of four major components: base salaries, a short-term incentive plan, a long-term incentive plan, and benefits and perquisites. In addition, employees of Alliance Canada, including executive officers, may receive minor "one off" awards and payments (see "Other Bonuses" below).

In determining compensation, the Committee makes use of formal assessments, market comparisons and advice from independent external compensation consultants. Competitive compensation data from a comparator group of eighteen Canadian based companies of similar size and/or complexity to Alliance Canada (the "**Comparator Group**") that are representative of the types of organizations with which Alliance Canada competes in order to attract and retain highly qualified individuals, is utilized. The Comparator Group includes oil and gas (exploration and production), pipeline and electric utility companies.

Base Salary

Base salaries for executive officers are determined using competitive market data for similar roles, levels of responsibility and position scope within the Comparator Group. Within the overall structure set by that data, the specific salary for each executive officer is reviewed annually and the incumbent's responsibilities, business performance, performance reviews conducted by the immediate supervisor and the Committee's assessment of performance are utilized to determine the salary.

Short-Term Incentive Plan

Through the short-term incentive plan (the "**STIP**"), a portion of each executive officer's annual compensation is linked to the achievement of pre-defined corporate and individual performance objectives set out at the beginning of the year. Target incentive payments based on each participant's level of responsibility within the organization are established as a percentage of base salary and reflect competitive practice within the Comparator Group. The STIP provides for the payment of awards that may be below or in excess of target awards. For 2004, all of the Named Executive Officers had corporate performance measures that included pipeline system reliability and optimization, effective management of operating costs, health, safety and environmental stewardship and the preservation of corporate business integrity. The Committee has the flexibility to make final determinations in respect of awards made under the STIP.

Long-Term Incentive Plan

The KEIP is an integral part of the Partnership's competitive compensation program. It is intended to reinforce the commitment of key employees to the medium to long-term growth and profitability of Alliance Canada and Alliance USA. As the Partnership's units are not traded publicly, the KEIP has been set up as a cash plan. Target incentive payments based on each participant's level of responsibility within the organization are established as a percentage of base salary and reflect competitive practice within the Comparator Group. The KEIP provides for the payment of awards that may be below or in excess of target awards. Commencing in 2004, awards are granted and fully paid out following the completion of the three year performance measurement period for the plan year. Prior to 2004, Awards were granted annually and each vested and paid out in equal portions over a three year period. For 2004, all of the Named Executive Officers had corporate performance measures that included: (i) increasing the total unit holder return of the Fort Chicago Energy Partners L.P. units and the Enbridge Income Fund units and increasing this return relative to a comparator group of companies; and (ii) increasing the net present value of each limited partner's interest in Alliance Canada through increased distributions or other initiatives. The Committee has the flexibility to make final determinations in respect of awards made under the KEIP and places considerable emphasis on Alliance Canada's long-term interests and the achievement of associated long-term goals.

Benefits and Perquisites

Benefit amounts are intended to cover the costs and expenses for items such as, but not necessarily limited to: medical plans; health and dental plans; pensions; insurance for life, long and short term disability; and other related items.

Perquisite amounts are intended to cover the costs and expenses for items such as, but not necessarily limited to: executive health programs; car allowance; executive financial counselling services; or luncheon club memberships as may be made available to the executive officer based on corporate policy from time to time. Perquisite amounts were added to the executive compensation program in 2001.

Special Awards

A special award was approved by the Committee in recognition of the potential future value of certain 2003 incentives and as part of a transition to the new long-term incentive plan that was implemented in 2004. The special award will be paid out in 2005 (1/3 payout) and 2006 (2/3 payout).

The Special Awards granted to the Named Executive Officers are as follows:

Allan L. Edgeworth	\$ 131,200 ⁽¹⁾
John R. Crawford	\$ 98,000 ⁽¹⁾
Dennis A. Prince	\$ 52,500 ⁽¹⁾
Harold Kraft	\$ 35,000
Clinton J. White	\$ 14,200

Note:

(1) The full amount of these awards was paid to the respective Named Executive Officer in the first quarter of 2005 as described above under "Employment Contracts – Termination of Employment".

Other Bonuses

Other bonus amounts include recognition awards and president's bonuses. Such awards and bonuses under this plan are generally small in nature with the intention of recognizing employees for their outstanding service and achievements.

President and Chief Executive Officer Compensation

Mr. Edgeworth's compensation is determined through annual compensation surveys with reference to the Comparator Group and is reviewed annually based on corporate and individual performance. The pay-for-performance philosophy of the Partnership's executive compensation program applies equally to the President & CEO. The Committee and the Board of Directors approve the compensation of the President & CEO after careful assessment of his personal contribution to the performance of the Partnership. This assessment is based on a number of quantitative and qualitative factors, which includes financial results, strategic planning and initiatives, personal leadership and business acumen. Mr. Edgeworth's compensation is comprised of base salary, incentive awards granted under the STIP and the KEIP and a benefits and perquisites amount.

Compensation of the Directors

Commencing 2004, Directors of the Canadian General Partner receive \$25,000 per annum in remuneration, paid quarterly. In addition, all directors are reimbursed for travel costs and out-of-pocket expenses upon the submission of an expense account.

Directors' and Officers' Insurance

Alliance Canada participates in a group directors' and officers' liability insurance policy which covers liability, including defence costs, of the directors and officers of the Canadian General Partner incurred as a result of acting as a director or officer, provided they acted honestly and in good faith with a view to the best interests of the Canadian General Partner and Alliance Canada.

APPENDIX C

System of Corporate Governance and TSX Guidelines

<p>Guideline 1</p>	<p>Trustees should explicitly assume responsibility for the stewardship of the Fund and ECT.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The Fund Trustee has no active role in the management of the Fund. There are no individual trustees of the Fund itself and responsibility for the administration of the Fund has been generally delegated to the Administrator pursuant to the Administration Agreement and to the ECT Trustees pursuant to a Fund Delegation Agreement dated June 30, 2003 between the Fund Trustee and ECT (the "Fund Delegation Agreement"). Responsibility for the management of ECT has been generally delegated to the Administrator pursuant to the Management Agreement. The ECT Trustees supervise the Administrator under the Management Agreement and have assumed responsibility for the overall stewardship of the Fund and ECT.</p>
<p>Guideline 1(a)</p>	<p>As part of the overall stewardship responsibility, the trustees should explicitly assume responsibility for adoption of a strategic planning process.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The ECT Trustees review, monitor and approve the annual management plan and the strategic plan prepared by the Administrator. The Administrator is specifically responsible for the implementation and development of a strategic plan for ECT. The ECT Trustees recognize that strategic planning is a continuous process and meet with management of the Administrator on an ongoing basis.</p>
<p>Guideline 1(b)</p>	<p>As part of the overall stewardship responsibility, the trustees should explicitly assume responsibility for the identification of principal business risks and ensuring the implementation of appropriate systems to manage these risks.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The ECT Trustees have assumed responsibility for understanding the principal risks associated with the Fund's business. The Administrator is responsible for ensuring that the ECT Trustees are kept informed of any changes in such risks.</p>
<p>Guideline 1(c)</p>	<p>As part of the overall stewardship responsibility, the trustees should explicitly assume responsibility for succession planning, including appointing, training and monitoring senior management.</p>
<p>Does the Fund Align?</p>	<p>Not applicable due to the Fund's structure.</p>
<p>Description of Approach:</p>	<p>The management and administration of the Fund and ECT has been generally delegated to the Administrator pursuant to the Administration Agreement and the Management Agreement. The ECT Trustees have no specific role relating to succession planning for the Administrator or its officers or other senior personnel.</p>

Guideline 1(d)	As part of the overall stewardship responsibility, the trustees should explicitly assume responsibility for a communications policy for the Fund.
Does the Fund Align?	Yes.
Description of Approach:	<p>The ECT Trustees have adopted a disclosure policy for communicating material information in relation to the Fund. The purpose of this disclosure policy is to ensure that the Fund provides timely, complete, consistent, fair and credible public disclosure of material information in as transparent a manner as practical and in compliance with all legal and regulatory requirements, in order to keep Unitholders well informed.</p>
Guideline 1(e)	As part of the overall stewardship responsibility, the trustees should explicitly assume responsibility for the integrity of the Fund's internal control and management information systems.
Does the Fund Align?	Yes.
Description of Approach:	<p>Although this is an overall responsibility of the ECT Trustees, the Administrator has been delegated the responsibility for the preparation of the financial statements of the Fund and ECT. The Administrator is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.</p> <p>The ECT Trustees have established an Audit Committee to provide assistance to the ECT Trustees in supervising the preparation of the financial statements and addressing matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Fund and ECT. The ECT Trustees have also retained the Audit Services Department of Enbridge Inc. to assist the Audit Committee in discharging its duties. The Audit Committee approves the internal audit plan and meets separately with the internal auditor at least semi-annually to discuss and review specific issues as appropriate.</p> <p>The Audit Committee has established procedures for: (i) the receipt, retention and treatment of complaints regarding the Fund's accounting, internal controls and auditing matters; and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.</p>

<p>Guideline 2</p>	<p>The board of trustees should be constituted with a majority of individuals who qualify as unrelated trustees. An unrelated trustee is a trustee who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the trustee's ability to act with a view to the best interests of the Fund and ECT, other than interests and relationships arising from shareholding. A related trustee is a trustee who is not an unrelated trustee.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The ECT Trust Indenture provides that there will be not less than five nor more than fifteen ECT Trustees. During the term of the Management Agreement, the Administrator is entitled to appoint that number of ECT Trustees equal to, in the case where the total number of ECT Trustees is an even number, one half of that total number less one and, in all other cases, one half of that total number rounded down to the nearest whole number. There are presently eight ECT Trustees, three of whom are appointees of the Administrator. The Independent ECT Trustees are elected annually by the Unitholders and must be unrelated to and independent of the Administrator. The ECT Trustees have determined that five of the eight existing ECT Trustees are "unrelated" and the Fund does not have a "significant shareholder", as defined by the TSX Guidelines.</p>
<p>Guideline 3</p>	<p>The application of the definition of "unrelated trustee" to the circumstances of each individual trustee should be the responsibility of the board which will be required to disclose on an annual basis whether the board has a majority of unrelated trustees. Management trustees are related trustees. The board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>Messrs. R.H. Auchinleck, J.L. Braithwaite, G.G. Tallman and W.R. Twiss and Ms. M.E. Cannon are Independent ECT Trustees and are "unrelated" ECT Trustees. Each of them is independent of management of the Administrator and none of them could reasonably be perceived to be in a position that might materially interfere with their ability to act in the best interests of the Fund or ECT.</p> <p>Mr. J.R. Bird, as a director and officer of the Administrator, and Messrs. P.D. Daniel and S.J. Wuori, as directors of the Administrator, are "related" ECT Trustees.</p>
<p>Guideline 4</p>	<p>Appoint a committee of outside trustees responsible for proposing new nominees to the board of trustees and ongoing assessment of trustees.</p>
<p>Does the Fund Align?</p>	<p>In part.</p>
<p>Description of Approach:</p>	<p>The Independent ECT Trustees then in office receive proposals from the Administrator for nominees for election as an Independent ECT Trustee. Only those nominees approved by the Independent ECT Trustees are included as nominees for election in the annual proxy-related materials of the Fund. With respect to the ongoing assessment of trustees, please see Guideline 5.</p>

<p>Guideline 5</p> <p>Does the Fund Align?</p> <p>Description of Approach:</p>	<p>Implement a committee process for assessing the effectiveness of the board of trustees, its committees and the contribution of individual trustees.</p> <p>In part.</p> <p>In 2004, the ECT Trustees utilized a written survey to assess the effectiveness of the Board of Trustees and the Audit Committee. Each trustee completed a survey and the results were compiled by the Corporate Secretary of the Administrator under the supervision of the Chair of the Board of Trustees, in the case of the Board survey, and the Chair of the Audit Committee, in the case of the Audit Committee survey. The results of the Board survey were presented to the ECT Trustees by the Chair of the Board of Trustees. The results of the Audit Committee survey were presented to the Audit Committee by the Chair of the Audit Committee.</p> <p>As the ECT Trustees have only been in office for a relatively short period of time (since June 30, 2003 when the Fund became a public issuer), it is premature to evaluate the contribution of individual trustees.</p>
<p>Guideline 6</p> <p>Does the Fund Align?</p> <p>Description of Approach:</p>	<p>Provide orientation and education programs for new recruits to board of trustees.</p> <p>Yes.</p> <p>Following their appointment on June 30, 2003, the ECT Trustees received presentations on the business and operations of the Fund's two principal assets, Alliance Canada and Enbridge Saskatchewan. The ECT Trustees were also provided with a Trustees' Manual that contains general information about the Fund and its structure as well as copies of the Fund's disclosure and insider trading policies, copies of the Fund's material contracts and copies of the Terms of Reference for the Board of Trustees and Audit Committee. It is expected that any new ECT Trustee would receive similar presentations and information.</p>
<p>Guideline 7</p> <p>Does the Fund Align?</p> <p>Description of Approach:</p>	<p>Examine the size of the board of trustees, with a view to determining the impact of size upon effectiveness and, if appropriate, undertake a program to reduce the number of trustees to a number which facilitates more effective decision making.</p> <p>Yes.</p> <p>As indicated, the ECT Trust Indenture provides that there will be not less than five nor more than fifteen ECT Trustees, provided that the number of ECT Trustees shall initially be fixed at seven until such time as the ECT Trustees pass a resolution fixing a new number. On March 17, 2004, the ECT Trustees passed a resolution fixing the number of ECT Trustees at eight.</p> <p>The Board of Trustees must have a sufficient number of members to carry out its duties efficiently, while presenting a diversity of views and experience. The ECT Trustees consider annually whether the current size of the board promotes effectiveness and efficiency. The ECT Trustees are of the view that the present size of the board is appropriate.</p>

<p>Guideline 8</p>	<p>The board of trustees should review the adequacy and form of the compensation of trustees and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective trustee.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The Administrator considers the appropriate compensation program for the Independent ECT Trustees, including the Chair of the Board of Trustees and the chair of any committees, on an annual basis by evaluating the general industry marketplace practices, the roles and responsibilities required of the ECT Trustees and by benchmarking the compensation program against the programs of suitable peer groups and makes recommendations to the ECT Trustees regarding the same. Under the ECT Trust Indenture, the compensation program is approved by the ECT Trustees.</p>
<p>Guideline 9</p>	<p>Committees should generally be composed of outside trustees, a majority of whom are unrelated, although some board committees, such as an executive committee, may include one or more inside trustees.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The ECT Trustees have formed one committee, the Audit Committee, which is comprised entirely of Independent ECT Trustees.</p>
<p>Guideline 10</p>	<p>Every board of trustees should expressly assume responsibility for, or assign to a committee of trustees the general responsibility for, developing the Fund's approach to governance issues. This committee would, amongst other things, be responsible for the Fund's response to these governance guidelines.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>The ECT Trustees have expressly assumed responsibility for developing the Fund's approach to governance issues.</p> <p>Certain governance matters were addressed when the structure of the Fund was being developed and are reflected in various agreements. For example, the ECT Trust Indenture requires that a majority of the ECT Trustees be Independent ECT Trustees, the nominees for election as Independent ECT Trustees must be approved by the Independent ECT Trustees then in office, any material changes to the terms of the Administration Agreement or the Management Agreement must be approved by the Independent ECT Trustees and any acquisition from the Administrator or its affiliates must be reviewed and approved by the Independent ECT Trustees.</p>

<p>Guideline 11</p>	<p>The board of trustees, together with the CEO, should develop position descriptions for the board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives which the CEO is responsible for meeting.</p>
<p>Does the Fund Align?</p>	<p>Yes, to the extent applicable to the Fund's structure.</p>
<p>Description of Approach:</p>	<p>The authority of the Fund Trustee has been delegated to the ECT Trustees pursuant to the Fund Delegation Agreement and to the Administrator pursuant to the Administration Agreement. The ECT Trustees have duties as contemplated in the ECT Trust Indenture. There is no CEO of the Fund or ECT, although there is a Chair of the Board of Trustees, who is an Independent ECT Trustee. It is not necessary to have a specific position description for the CEO of the Administrator since the overall duties of the Administrator and limits on those duties are set out in the Administration Agreement and the Management Agreement. The ECT Trustees have adopted terms of reference for the board of trustees which define the role and responsibilities of the board.</p>
<p>Guideline 12</p>	<p>Every board of trustees should have in place appropriate structures and procedures to ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a trustee, sometimes referred to as the "lead trustee". Appropriate procedures may involve the board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the board's relationship to management to a committee of the board.</p>
<p>Does the Fund Align?</p>	<p>Yes.</p>
<p>Description of Approach:</p>	<p>On August 18, 2003, the ECT Trustees appointed Mr. G.G. Tallman, an Independent ECT Trustee, as Chair of the Board of Trustees.</p> <p>The Independent ECT Trustees meet as part of each board meeting to discuss matters of interest independently of any management influence. Under the ECT Trust Indenture, any conflicts of interest between the interests of the Fund and ECT on the one hand, and the Administrator and its affiliates, on the other hand, are required to be disclosed and the ECT Trustees related to the Administrator are not permitted to vote on any such matter if it comes before the ECT Trustees.</p>

Guideline 13	<p>The audit committee of every board of trustees should be composed only of outside trustees. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.</p>
Does the Fund Align?	Yes.
Description of Approach:	<p>Under the ECT Trust Indenture, the ECT Trustees have formed an audit committee consisting of three ECT Trustees, each of whom is an Independent ECT Trustee. The ECT Trustees have adopted terms of reference for the Audit Committee which define the role and responsibilities of the committee.</p> <p>The principal function of the Audit Committee is to review the Fund's financial statements and recommend their approval or otherwise to the ECT Trustees. In performing this function, the Audit Committee monitors audit functions and the preparation of financial statements, communicates directly with the external auditor, has oversight responsibility for management reporting on internal controls, and meets with the external auditor independently of management to discuss, among other things, their qualifications, independence and objectivity. The Audit Committee also recommends approval of press releases containing financial information, reviews all financial information and financial statements contained in any prospectus, reviews the management's discussion and analysis section of the Fund's quarterly and annual financial reports and reviews the Fund's Annual Information Form.</p> <p>The Audit Committee meets as part of each committee meeting to discuss matters of interest independently of any management influence. In addition, the Audit Committee meets as part of each Committee meeting with the external auditors independently of any management influence.</p>
Guideline 14	<p>The board of trustees should implement a system which enables an individual trustee to engage an outside advisor at the expense of the Fund in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.</p>
Does the Fund Align?	Yes
Description of Approach:	<p>Any ECT Trustee may engage independent advisors from time to time, at the expense of ECT, provided however that the Chair of the Board of Trustees shall approve any such engagement beforehand, in his discretion.</p>