



ENBRIDGE INCOME FUND HOLDINGS INC. DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

Introduction

Enbridge Income Fund Holdings Inc. (the "**Corporation**") has established this dividend reinvestment and share purchase plan (the "**Plan**") to enable holders ("**Shareholders**") of the Corporation's common shares ("**Common Shares**") to acquire additional Common Shares through reinvestment of the monthly cash dividend paid on their Common Shares ("**Dividends**") or through optional cash payments, subject to the limitations set out below.

Dividends will be reinvested and optional cash payments received on behalf of participating Shareholders ("**Plan Participants**") by AST Trust Company (Canada), as agent under the Plan (the "**Plan Agent**"), on the terms and conditions contained in the Corporation's dividend reinvestment plan agency agreement (the "**Agreement**") among the Corporation, the Plan Agent and Enbridge Management Services Inc. (the "**Manager**"). The material provisions of the Agreement are summarized below.

Participation in the Plan

Shareholders holding a minimum of one (1) Common Share may elect to become a Plan Participant by notifying the Plan Agent, either directly if they hold their Common Shares in their own name ("**Registered Shareholder**") or via the investment dealer through which they hold their Common Shares who is a participant (a "**CDS Participant**") in CDS Clearing and Depository Services Inc. ("**CDS**"), that the Shareholder wishes to become a Plan Participant. Registered Shareholders must provide a duly completed enrolment form to the Plan Agent not less than five (5) business days preceding the record date declared by the Board of Directors of the Corporation (the "**Record Date**"), generally the last business day of the month, in respect of the initial Dividend in which the Registered Shareholder intends to participate in the Plan. A CDS Participant must provide such notice on behalf of a Plan Participant to CDS in the prescribed form prior to 5:00 p.m. (Toronto time) on the day immediately preceding the Record Date in respect of the initial Dividend in which the Shareholder intends to participate in the Plan. CDS will, in turn, be required to provide such notice to the Plan Agent prior to 5:00 p.m. (Toronto time) on the Record Date in respect of the initial Dividend in which such Shareholder intends to participate in the Plan. If the Plan Agent does not receive the enrolment form from a Registered Shareholder or notice from CDS prior to the deadlines set forth above, the Plan Participant's enrollment in the Plan will not take effect until the next following Record Date.

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

Once enrolled, participation in the Plan will continue automatically unless terminated in accordance with the Agreement or unless a CDS Participant's policies provide otherwise. A Registered Shareholder may elect to terminate his or her participation in the Plan by providing written notice of termination to the Plan Agent not less than five (5) business days preceding the Record Date. A CDS Participant must provide such termination notice on behalf of a Plan Participant to CDS in the prescribed form prior to 5:00 p.m. (Toronto time) on the day immediately preceding the Record Date. Such notice, if received by the Plan Agent or relevant CDS Participant by the above referenced deadline will have effect in respect of the Dividend to be paid to Shareholders on such Record Date.

The Manager reserves the right to determine, from time to time, a minimum number of Common Shares (currently 1 Common Share) that a Plan Participant must hold in order to qualify for, or continue enrollment in the Plan, and reserves the right to refuse participation to, or cancel participation of, any person who, in the opinion of the Manager, is participating in the Plan primarily with a view to arbitrage trading or for an unlawful purpose.

Administration

The Corporation shall pay to the Plan Agent on behalf of the Plan Participants, all amounts paid as Dividends on Common Shares for which Plan Participants are the beneficial owners on the Record Date immediately preceding the corresponding date on which the Corporation pays a Dividend to Shareholders (each such date being a "**Dividend Payment Date**"), less any applicable withholding tax. The Plan Agent shall purchase Common Shares for the Plan Participants on the terms and conditions set out below under "*Purchase of Common Shares by Plan Agent*" and in the Agreement. The Plan Agent shall not be obligated to expend any of its own funds in carrying out its duties under the Agreement and shall not be liable for failing to do so.

The Corporation is currently paying Dividends on a monthly basis.

Optional Cash Payments

Optional cash payments received by the Plan Agent from a Plan Participant not less than five (5) business days prior to a Dividend Payment Date will be applied by the Plan Agent to the purchase of Common Shares in the same manner as described below under "*Purchase of Common Shares by Plan Agent*". Cash dividends paid on Common Shares purchased with optional cash payments will automatically be reinvested in additional Common Shares in the manner described below under "*Purchase of Common Shares by Plan Agent*". Non-registered Shareholders wishing to make an optional cash payment should contact their CDS Participant.

The option to make cash payments is available to a Plan Participant each month and is not subject to a minimum, but may not exceed CDN\$20,000 per calendar year. To make an initial optional cash payment, a Plan Participant who is a Registered Shareholder must (i) complete an Optional Cash Purchase Form, (ii) enclose a personal cheque, money order or other financial instrument made payable to "AST Trust Company (Canada)" dated at least five (5) business days prior to the Dividend Payment Date, (iii) complete and sign a AST Trust Company (Canada) Participant Declaration Form (see "*Federal Anti-Terrorism and Anti-Money Laundering Legislation*" below) and deliver these to the Plan Agent. To make subsequent optional cash payments, a Plan Participant who is a Registered Shareholder must deliver subsequent payments to the Plan Agent by personal cheque, certified cheque,

bank draft or other means acceptable to the Plan Agent not less than five (5) business days prior to the Dividend Payment Date. The same amount of money need not be sent each month and there is no obligation to make an optional cash payment each month.

The aggregate number of Common Shares issued pursuant to the Plan in respect of optional cash payments shall not exceed in any financial year of the Corporation during which Common Shares are issued in respect of optional cash payments, two (2%) percent of the issued and outstanding Common Shares at the beginning of the financial year.

Purchase of Common Shares by Plan Agent

On each Dividend Payment Date, the Corporation will pay to the Plan Agent all Dividends due (less any applicable withholding tax) in respect of the Common Shares properly enrolled in the Plan. The Plan Agent will use such funds and any optional cash payments received in the month to purchase additional Common Shares.

Common Shares will, at the discretion and direction of the Manager, be purchased by the Plan Agent through the facilities of The Toronto Stock Exchange (the "**Market Purchase Option**"), be issued directly from the treasury of the Corporation (the "**Treasury Issuance Option**") or be acquired through some combination of the Market Purchase Option and the Treasury Issuance Option. If the Manager elects to utilize the Market Purchase Option, the price of the Common Shares purchased on behalf of a Plan Participant will be based on the average price for which all the Common Shares in respect of a given Dividend Payment Date were acquired (the "**Market Purchase Price**"). If the Manager elects to utilize the Treasury Issuance Option, the price of the Common Shares issued to a Plan Participant will be based on the weighted average of the trading prices for the Common Shares on The Toronto Stock Exchange on the five (5) trading days preceding the applicable Dividend Payment Date (the "**Average Market Price**"). For purposes of calculating the Average Market Price, "trading day" means a day on which not less than 500 Common Shares were traded. The Corporation will issue the Common Shares in respect of reinvested dividends at a price equal to 98% of the Average Market Price (the "**Discounted Market Price**"). The Manager may, in its sole and absolute discretion, at any time, with effect at the time of declaration of the next Dividend Payment Date, determine to change or eliminate the then-applicable discount. Common Shares in respect of optional cash payments will be issued at 100% of the Average Market Price. The Manager will advise the Plan Agent of the Average Market Price and the Discounted Market Price (if applicable) on the Dividend Payment Date. Finally, if the Manager elects to utilize both the Market Purchase Option and the Treasury Issuance Option, the price of the Common Shares acquired by a Plan Participant will be a volume weighted average of the Market Purchase Price or the Discounted Market Price, as applicable and the Average Market Price.

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

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

Federal Anti-Terrorism and Anti-Money Laundering Legislation

Federal anti-terrorism and anti-money laundering legislation requires that certain personal information be provided by Plan Participants wishing to make optional cash payments. If an optional cash payment is being made, Plan Participant who is a Registered Shareholder will initially be required to complete a declaration on the AST Trust Company (Canada) Participant Declaration Form, provide a personal cheque and submit these items to the Plan Agent with a completed Optional Cash Purchase Form. Such Plan Participant's initial Optional Cash Purchase Form and optional cash payment will not be processed without a duly completed and signed AST Trust Company (Canada) Participant Declaration Form and a personal cheque.

Certificates

Certificates representing Common Shares purchased under the Plan will not be issued to Plan Participants that are not Registered Shareholders.

Commissions and Administrative Costs

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

Use of Proceeds

If the Treasury Issuance Option is utilized, the proceeds received by the Corporation will be used or invested in accordance with the Corporation's investment objectives and strategy.

Responsibilities of the Corporation, the Manager and the Plan Agent

None of the Corporation, the Manager or the Plan Agent shall be liable for any act done by any of them or for any omission to act, except for losses directly, principally or immediately caused by bad faith, willful misconduct, gross negligence or a breach of their respective standards of care. In particular, none of the Corporation, the Manager or the Plan Agent shall have any liability with respect to the prices at which Common Shares are purchased for the Plan Participant's accounts or the times at which such purchases are made.

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

Plan Participants should recognize that none of the Corporation, the Manager or the Plan Agent can assure a gain or protect against loss as a result of Plan Participants acquiring Common Shares under the Plan or holding such Common Shares.

Amendments, Suspension or Termination of Plan and Plan Agent

The Manager may terminate the Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants either directly if a Registered Shareholder or via the CDS Participants through which the Plan Participants hold their Common Shares. The Manager may also amend, modify or suspend the Plan at any time, in accordance with the Agreement, provided that it gives notice of that amendment, modification or suspension to the CDS Participants through which the Plan Participants hold their Common Shares. The

Corporation is not required to issue Common Shares into any jurisdiction where that issuance would be illegal. Any amendments to the Plan are subject to prior approval by The Toronto Stock Exchange.

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

Notices

All notices required to be given to Plan Participants will be given via the CDS Participants through which they hold their Common Shares or if a Registered Shareholder, to their address specified in the Corporation's Common Share Register. Written communications to the Plan Agent or the Corporation should be addressed to:

AST Trust Company (Canada)
The Dome Tower
600, 333 – 7th Avenue SW
Calgary, Alberta T2P 2Z1

Enbridge Income Fund Holdings Inc.
c/o Enbridge Management Services Inc.
200, 425 – 1st Street SW
Calgary, AB T2P 3L8

Attention: Manager
Telephone: (403) 776-3900
Facsimile: (403) 776-3916

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