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EDITED TRANSCRIPT

ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

EVENT DATE/TIME: AUGUST 20, 2015 / 07:30PM GMT



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

CORPORATE PARTICIPANTS

Harry Roberts *Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors*

Perry Schuldhaus *Enbridge Management Services Inc. - President*

Debra Poon *Enbridge Management Services Inc. - Corporate Secretary*

CONFERENCE CALL PARTICIPANTS

Jana Hordichuk *Proxy Holder*

Andrew Swales *Proxy Holder*

Allison Morley *Proxy Holder*

Stephanie Pytak *Proxy Holder*

PRESENTATION

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

Ladies and gentlemen, as it is now 1.30 p.m., the meeting is called to order.

Welcome to the Special Meeting of Shareholders of Enbridge Income Fund Holdings Inc. I would also like to welcome those shareholders listening into the live webcast. My name is Harry Roberts. I am chairman of the Board of Directors, and I will act as chairman of the meeting.

Debra Poon, Corporate Secretary of Enbridge Management Services, Inc., seated to my right, will act as Secretary of the meeting.

And I would also like to introduce Perry Schuldhaus, president of the corporation and of Enbridge Management Services Inc. who is seated on my left.

Before commencing the formal part of the meeting, I will ask Ms. Poon to advise of the emergency evacuation procedures.

Debra Poon - Enbridge Management Services Inc. - Corporate Secretary

Thank you, Mr. Chairman.

In an emergency, the building alarm system will sound and you should exit in an orderly manner, the same way that you came into the room. Please listen to the overhead announcements and exit through the main lobby door onto 4th Avenue and away from the building.

Finally, please take a moment to turn off your phone or set it to vibrate.

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

Thank you, Ms. Poon. We have an important item of business to address today, and we sincerely appreciate your interest and attendance.

In order to ensure that the business of the meeting proceeds in a timely manner, certain shareholders or proxy holders have volunteered to move or second the proposals relating to the business identified in the notice of meeting. Any shareholder or proxy holder with a question pertaining to the item of business is welcome to ask it.

If you wish to make a general comment or ask a question not directly related to the business under discussion, I would appreciate if you could wait until the general question period after the close of the formal part of the meeting.



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

There are non-shareholders present at this meeting, and I trust there is no objection on the part of shareholders to their presence. I remind you that only shareholders or proxy holders are entitled to vote, ask questions, or take any active part in the meeting.

When asking a question, or making, or seconding a motion, please state your full name, confirm your status as a shareholder or proxy holder. This will assist in correctly recording the proceedings.

Please use the microphone that has been placed in the aisle for this purpose.

This is a Special Meeting of the holders of common shares of Enbridge Income Fund Holdings Inc. called to consider and, if deemed advisable, approve the acquisition transaction described in the Information Circular of the Corporation dated June 29, 2015, which accompanied the Notice of Meeting.

Assuming no other business is properly brought before the meeting, the formal portion of the meeting will be terminated, and if the resolution is approved, Mr. Schuldhaus will review the benefits of the transaction.

A general question period will follow during which you may ask questions concerning the corporation. We invite you to join us for light refreshments at the end of the proceedings. We will now move on to the business of the meeting.

Sylvia Stake and [Kirsten Dylan] of CST Trust Company, the corporation's registrar and transfer agent, are in attendance today, and I appoint them to act as scrutineers for the meeting.

I will now ask Ms. Poon to confirm that proper notice of the meeting was given and that a quorum is present.

Debra Poon - Enbridge Management Services Inc. - Corporate Secretary

Mr. Chairman, notice of this meeting was mailed on July 15, 2015 to all shareholders of record on July 10, 2015. A copy of the notice of meeting and proof of service on registered shareholders will be filed with the records of this meeting.

The scrutineers' report on attendance at the meeting shows that there are seven shareholders in attendance in person and 65 shareholders represented by proxy, holding a total of 39,111,522 common shares, representing 55.5% of the issued and outstanding common shares. Based on the scrutineers' report on attendance, I confirm that a quorum is present.

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

I declare this meeting to be properly constituted for the transaction of business.

Voting on the acquisition transaction will be conducted by a ballot. Each shareholder or proxy holder in attendance will have received a blue ballot from the scrutineers for completion on their way into the meeting. The scrutineers will present the report on the results of the ballot at the appropriate point of the meeting.

Ms. Poon, will you please explain the ballot procedure?

Debra Poon - Enbridge Management Services Inc. - Corporate Secretary

Each registered shareholder and proxy holder who has not previously filed a proxy must complete the ballot given to you when you registered for the meeting in order to vote your share. You must indicate your vote on the ballot by marking an X, either for or against.

When you have completed your ballot, please sign up with your usual name and hand the completed ballot to the scrutineer when requested to do so by the Chairman.

Many shareholders present will have already filed their proxy with the corporation. If you have done so, you will not have to complete a ballot since your share will be voted in accordance with your preference expressed in the proxy.



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

We will now proceed with the business of the meeting.

Shareholders have been asked to consider and, if deemed advisable, pass the ordinary resolution to approve the transaction set forth on Page 93 of the Information Circular.

May I please have a motion for approval of the resolution? The full text of which is set out on Page 93 on the Management Information Circular of the Corporation dated June 29, 2015. This resolution relates to approval of the transaction, the contribution agreement and matters contemplated therein, the issuance of common shares to the public and to Enbridge Inc. by the corporation to fund the subscription of additional fund units, and the issuance and listing common shares on the Toronto Stock Exchange pursuant to the exercise of the exchange rates.

Jana Hordichuk Proxy Holder

My name is Jana Hordichuk. I'm a proxy holder, and I so move.

Andrew Swales Proxy Holder

My name is Andrew Swales. I'm a proxy holder, and I second the motion.

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

The resolution must be passed by a majority of the shareholders present in person or represented by proxy, excluding those votes held by Enbridge Inc., related parties of Enbridge Inc. and joint actors with Enbridge Inc.

Ms. Poon explained how the ballot is to be completed at the beginning of the meeting. Please ensure that you complete and sign the blue ballot and hand it in to the scrutineers.

I have received confirmation from the scrutineers that the ordinary resolution has passed. Accordingly, I declare the ordinary resolution carried.

The exact numbers of votes for and against the resolution can be obtained from the corporate secretary and will be filed on SEDAR, as well as available on the corporation's website.

We have concluded the scheduled business of the meeting. Thank you for your show of support by attending and expressing your voting preferences.

There being no further business, I will ask for a motion that the formal part of the meeting now terminate.

Allison Morley Proxy Holder

My name is Allison Morley. I'm a proxy holder, and I so move.

Stephanie Pytak Proxy Holder

My name is Stephanie Pytak. I'm a proxy holder, and I second the motion.

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

Will those in favor indicate your approval by raising your right hand?



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

I declare the formal portion of the meeting to be ended. I am now pleased to proceed to the President's remarks and the general question period. I call upon Perry Schuldhaus, President of the Corporation and of Enbridge Management Services Inc. to review the transaction approved by shareholders today. Please hold your questions until the conclusion of Mr. Schuldhaus' presentation.

Perry Schuldhaus - Enbridge Management Services Inc. - President

Thank you, Mr. Chairman.

Good afternoon. I'd like to personally extend a welcome to shareholders of Enbridge Income Fund Holdings to this special meeting for the purpose of approving the proposed transaction.

Thank you for joining us. My name is Perry Schuldhaus, president of the company, and I am very pleased with the results of the shareholder proxy vote and what is overwhelming support from the shareholders, which will enable the Corporation and the Fund to move forward with this transformational transaction.

I'd like to thank the board for its support to the transaction. We have all the board members here today. I'd like to recognize them and ask each board member to please stand when I call their name -- Mr. Richard Bird, Ms. Elizabeth Cannon, Mr. Charles Fischer, Mr. Brian Frank, Mr. Harry Roberts, and Mr. Bruce Waterman.

I'd also like to recognize the four independent board members who made up the special committee and who worked diligently with external advisors and ENF management to evaluate the significant opportunity, and negotiate terms that are in the best interest of ENF shareholders.

Before going any further, I would ask you to please take a moment to acknowledge our legal disclaimer on forward-looking statements as some of my remarks this afternoon may fall to the category of forward-looking information.

This transaction is comprised of Enbridge's Canadian liquid pipeline business, the remainder of Enbridge's Canadian renewable energy assets not currently in the Fund, as well as \$13 billion in embedded and secured growth yet to come into service. The 2015 EBITDA associated with this transaction is approximately \$2.2 billion based on estimated second half EBITDA annualized.

I would now like to briefly provide a bit more detail on the assets incumbent to the transaction. The first part of the transaction I will highlight is the Canadian main line. This system is the backbone of a network of pipelines that move Western Canadian production to the US market.

With this series of six pipelines moving over half of Western Canadian production that is delivered to the US market each and every day. There are also a number of pipelines in Eastern Canada shown in blue, which includes Line 7, 8, 9, 10, and 11, that serve the markets in Eastern Canada and in Northeastern US.

Also shown here in orange is residual interest in the Southern Lights Canada Pipeline. You may recall that the transaction completed November of 2014 involved the Fund purchasing Class A units, which provide a defined cash flow stream from Southern Lights Pipeline. We are now taking on complete ownership of the Canadian segment of this pipeline.

We are excited to have this high-quality, high strategic set of assets in our portfolio. They provide the Fund with future growth to our already commercially secured projects as well as through potential for efficient bolt-on expansions that can serve future transportation needs for the energy industry.

The regional assets in the oil sand system were also included in the transaction. This system is well-positioned in the oil sands to deliver productions to the key pipeline hubs located at Edmonton and Hardisty, Alberta. This system also includes a number of commercially secured capital projects, which are under construction and which are predominantly backed by well-capitalized companies who are committed to their oil sands projects and take a long-term view on commodity prices into projects that they are constructing are expected to be long live projects.

Over 75% of near-term supply growth in the oil sands is already under construction, and over 90% of that growth in near-term supply is from major oil companies, integrated producers, or national oil companies. So we are confident it will proceed as planned.

The last part of the dropdown, includes the remainder of Enbridge Inc.'s Canadian renewable energy assets, which are not already held within the Fund. These assets are a nice complement to the portfolio of environmentally-friendly power generating assets that are currently in the Fund.



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

Acquiring the ownership interest in these assets will further geographically diversify our investments in renewable energy into other regions of the country with strong wind resource. Given the periodic variability in wind and solar resource, that can occur at a specific site, this geographic diversity creates a portfolio of benefit within this business unit, which stabilize the cash flow.

This transaction is transformational for ENF not only in relation to the quality of the assets being acquired and the massive growth in scope and scale of the underlying business, but this transaction will also generate strong cash flow accretion, and premium dividend growth. With additional cash flow generated by the acquired assets and the associated commercially secured growth, we are projecting an increase in ENF's dividend of approximately 10% on closing the transaction and by a further 10% in 2016 and each year thereafter through 2019.

To wrap up, I would like to summarize the benefits we see from this transaction. This acquisition will materially increase the scale and scope of the Fund's business and transform it into a premier Canadian energy infrastructure investment vehicle.

This high-quality suite of assets has an established and comparatively favorable position in North American infrastructure space. The assets also come with a significant growth program consisting of \$13 billion of secured growth, as well as further opportunities for low-risk organic growth. As mentioned earlier, through this acquisition, ENF plans to increase its dividend by 10% upon closing and an additional 10% per year through 2019.

Lastly, as ENF issues equity to fund the future growth and increase its investment in the Fund, we expect growing market capitalization will result in steadily improving trade and liquidity for ENF shares, which should serve to further strengthen ENF moving forward.

To summarize, it is a very exciting time for the fund. We are establishing a diverse and stable low-risk asset base with steady and growing cash flow generating capability in regions with strong supply and demand fundamentals.

The board and management believe this acquisition will transform ENF into the premier Canadian energy infrastructure investment vehicle characterized by one of the lowest risk business models and yet providing premium dividend growth with shareholders.

Thank you so much for your attendance at today's meeting. I'm happy to answer any questions at this point.

QUESTION AND ANSWER

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

Thank you, Perry. I will now open the meeting for the general question period.

To ensure that everyone in attendance and listening to the webcast can hear the questions, please use the microphone, which has been placed in the aisle for this purpose. State your name and status as a shareholder or proxy holder prior to proceeding with your question.

Unidentified Shareholder

Hello. (Mark Dibble), company shareholder. The first question I have is when you look at your current assets, what percentage of that is affected by commodity prices? Let's just say that low commodity prices were to [go down] for another two years. How would that affect your dividend growth strategy? Are you immune from commodity prices or some of your group project is affected?

Perry Schuldhaus - Enbridge Management Services Inc. - President

We are pretty much immune from commodity prices so the assets that we have in the portfolio are underpinned by long-term take-or-pay contracts for the most part, the cost of service type structures. And to the extent that we do have some commodity price exposure in areas like where we collect allowance oil, we have a very proactive hedging program for that. But really the cash flows from these assets are virtually impacted by commodity prices in the current environment.

Unidentified Shareholder



AUGUST 20, 2015 / 07:30PM GMT, ENF.TO - Enbridge Income Fund Holdings Inc Special Shareholders Meeting

And, I guess, you're going to have to issue a significant amount of equity with today's market affecting not just oil and gas stocks, but infrastructure stocks as well. Do you suspect there is going to be an equity overhang from having to issue equity at this point.

Perry Schuldhaus - Enbridge Management Services Inc. - President

We don't view it as a huge issue. One of the key features of this transaction that we have is the Enbridge backstop. So to the extent that the markets for ENF equity aren't favorable, we do have flexibility in terms of timing with respect to accessing the markets through that backstop from the sponsor Enbridge. And so ultimately, the Enbridge family will look at the most optimal way to access the capital markets to fund the growth going forward.

Unidentified Shareholder

okay. So post closing, if I understood your slides correctly, it means Enbridge own 90% or 92%...

Perry Schuldhaus - Enbridge Management Services Inc. - President

Roughly, yes, roughly 92% upon closing of transaction. The expectation in the base plan is that as ENF accesses the equity capital markets, it was slowly dilute Enbridge over time.

Unidentified Shareholder

Okay. And you expect being a merger company just would actually help you get more ownership from institutional investors going forward?

Perry Schuldhaus - Enbridge Management Services Inc. - President

Ultimately, the improving market capitalization, improving liquidity should allow more institutions to participate in the ownership of the stock.

Unidentified Shareholder

okay. Thank you.

Perry Schuldhaus - Enbridge Management Services Inc. - President

You're welcome. My pleasure.

Any other questions?

Harry Roberts - Enbridge Income Fund Holdings Inc. - Chairman, Board of Directors

As there are no further questions, the general question period is concluded.

We hope you will join your directors and management for light refreshments. Thank you very much.



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