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EDITED TRANSCRIPT

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

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MAY 11, 2017 / 4:00PM, ENF.TO - Enbridge Income Fund Holdings Inc Annual Shareholders Meeting

CORPORATE PARTICIPANTS

David Taniguchi

Ernest F. H. Roberts *Enbridge Income Fund Holdings Inc. - Chairman*

Perry Frank Schuldhaus *Enbridge Income Fund Holdings Inc. - President*

PRESENTATION

Ernest F. H. Roberts - Enbridge Income Fund Holdings Inc. - Chairman

As it is now 10:00, the meeting will come to order. Welcome to the Annual Meeting of Shareholders of Enbridge Income Fund Holdings Inc. I would also like to welcome those shareholders listening in to 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. David Taniguchi, Corporate Secretary, Enbridge Income Fund of Enbridge Management Services Inc., is seated to my right, and he will act as Secretary of the meeting. I would also like to introduce Perry Schuldhaus, President of the corporation and the President of Enbridge Management Services Inc., who is seated to my left. I'd also like to acknowledge that today's meeting is being held within the traditional territory of Treaty 7 First Nations.

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

David Taniguchi

Thank you, Mr. Chairman. The emergency exits are at the back of the room. In an emergency, the building's alarm system will sound, and you should exit the building in an orderly manner in the same way that you came in. Please proceed out to the main doors leading to 4th Avenue and away from the building. You will be advised if and when it is safe to return. Please also take a moment right now to turn off your cell phone or set it to vibrate.

Ernest F. H. Roberts - Enbridge Income Fund Holdings Inc. - Chairman

Thank you, Mr. Taniguchi. We have important business of items 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 on a specific item of business is welcome to ask it at the time that, that item of business is being considered. 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.

There are non-shareholders present at the meeting, and I trust that 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 an 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 a 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 meeting has been called as an Annual Meeting of the Holders of Common Shares of Enbridge Income Fund Holdings Inc. This morning, we will deal with the items of business specified in the notice of the meeting. Shareholders will receive the financial statements of the corporation for the year ended December 31, 2016, together with the accompanying report of the auditors. Shareholders will then be asked to vote on the appointment of the auditor for the upcoming year and to authorize the directors to fix its remuneration. Next, shareholders will be asked to elect the directors for the ensuing year. Finally, shareholders will be asked to consider one item of special business, which is the approval and ratification of the corporation's shareholder rights plan. The special business is outlined in the information circular.



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Assuming no other business is properly brought before the meeting, the formal portion of the meeting will then be terminated. Mr. Schuldhuis will then review the corporation's performance over the past year. A general question period will follow, during which we ask questions concerning the corporation.

I'm pleased to report that all seven of the directors standing for election are here today. We also have in the audience a number of members of our senior management team. Each member of senior management is wearing a silver name tag, and each director is wearing a white name tag. Following this morning's proceedings, we will have an informal gathering with refreshments at the back of the meeting room, and I encourage you to approach these individuals to discuss any questions or comments you may have.

We will now move on to the business of the meeting. Ms. Sylvia Stake and Ms. Sandra Evans of CST Trust Company, the corporation's registrar and transfer agent, are in attendance today, and I appoint them to act as scrutineers of the meeting. Could the scrutineers please identify themselves by raising their hands? At the back. Thank you.

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

David Taniguchi

Thank you, Mr. Chairman. A notice of this meeting was mailed on April 6, 2017 to all shareholders of record at the close of business on March 23, 2017. A copy of the notice of meeting and proof of service of registered shareholders will be filed with the records of this meeting.

The scrutineer's report on attendance at this meeting shows nine shareholders in attendance in person and 75 shareholders represented by proxy, holding a total of 67,671,152 common shares, representing 54.31% of the issued and outstanding common shares of the corporation.

Based on the scrutineer's report on attendance, I can confirm that a quorum is present.

Ernest F. H. Roberts - Enbridge Income Fund Holdings Inc. - Chairman

Thank you. I declare this meeting to be properly constituted for the transaction of business. Today's voting on the election of directors and the continuation of the shareholder rights plan will be conducted by ballot. Each registered shareholder who has not previously filed a proxy and each proxy holder in attendance today will have received a single ballot card containing these two items of business when they registered today.

Mr. Taniguchi, will you please explain the ballot procedure to be followed today?

David Taniguchi

Thank you. Each registered shareholder and proxy holder who has not previously filed a proxy must complete their ballot card in order to vote their shares. You will be given a moment after each matter is brought before the meeting to cast your vote by marking an X either for the motion or, depending on the matter being considered, to withhold, vote against or abstain from voting, as the case may be. Following completion of all items of business, you will be asked by the Chairman to sign your ballot card and hand it to one of our scrutineers. The results of the balloting will be announced at the end of today's question-and-answer period.

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 card since your shares will be voted in accordance with your preferences expressed in the proxy.

Unless a ballot is demanded as permitted by law, voting on all other matters before the meeting will be conducted by a show of hands.



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Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

The first item of business is the placing before the shareholders of the corporation financial statements and auditor's report for the year ended December 31, 2016. The financial statements, auditor's report and the MD&A for the year ended December 31, 2016 were approved by the directors and mailed to registered shareholders with the notice of this meeting. They are also available on the corporation's website.

The corporation's auditor is PricewaterhouseCoopers LLP. I would like to introduce Shannon Ryhorchuk of PricewaterhouseCoopers LLP and ask her to stand for your recognition. Ms. Ryhorchuk will be available during the general question period following the President's remarks to answer any questions appropriately directed to the corporation's auditor regarding the financial statements.

Next item of business is the appointment of the auditor for the corporation. The Board of Directors, on the advice of the Audit Committee, recommends the reappointment of PricewaterhouseCoopers LLP.

May I have a motion that PricewaterhouseCoopers LLP be appointed as the auditor for Enbridge Income Fund Holdings Inc. until the close of the next Annual Meeting of Shareholders or until its successor is appointed at such remuneration that shall be fixed by the directors of Enbridge Income Fund Holdings Inc.?

Unidentified Shareholder

Mr. Chairman, my name is Pat Murray. I'm a proxy holder, and I so move.

Unidentified Shareholder

Mr. Chairman, my name is Rebecca Langille. I'm a proxy holder, and I second the motion.

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

You have heard the motion, which has been seconded. As a ballot is not required for this matter, will those in favor of the motion please indicate their approval by raising their right hand?

(Voting)

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

Contrary?

(Voting)

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

Motion carried. The next item of business on the agenda is the election of directors for the ensuing year. The Articles of the Corporation provide for a minimum of six and a maximum of 10 directors. Management has nominated the following seven individuals, being all of the incumbent directors. Each has agreed to stand for election: J. Richard Bird, Laura A. Cillis, Brian E. Frank, M. George Lewis, E. F. H. (Harry) Roberts, Bruce G. Waterman and John K. Whelen. As no other nominations for directors were received in accordance with the corporation's advanced notice bylaw, I hereby advise that nominations are closed.

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May I have a motion that J. Richard Bird, Laura A. Cillis, Brian E. Frank, M. George Lewis, E. F. H. (Harry) Roberts, Bruce G. Waterman and John K. Whelen be elected as directors of Enbridge Income Fund Holdings Inc. to hold office until the next Annual Meeting of Shareholders or until their successors are elected or appointed?

Unidentified Shareholder

Mr. Chairman, my name is Wanda Opheim. I am a shareholder, and I so move.

Unidentified Shareholder

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

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

You've heard the motion, which has been seconded. We will conduct a vote on this motion by ballot. Please take a moment now to vote for the election of the directors by marking an X either for or withheld for each director on your ballot card, which will be collected following the last item of business today.

(Voting)

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

The final item of business today is a resolution to ratify, confirm and approve the shareholder rights plan. The shareholder rights plan resolution must be passed for the shareholder rights plan to continue. Otherwise, it will terminate. The Board of Directors has determined that the continuation of the shareholder rights plan, with amendments as described in the information circular, is in the best interest of the corporation and recommends that voters vote for this resolution.

May I have a motion that the amended and restated shareholder right plan agreement between the corporation and CST Trust Company as rights agent, dated as of December 17, 2010, as amended and restated effective May 5, 2014 and as further amended and restated by the board on February 15, 2017, be and is hereby approved, ratified and confirmed?

Unidentified Shareholder

Mr. Chairman, my name is Alen Capps. I'm a proxy holder, and I so move.

Unidentified Shareholder

Mr. Chairman, my name is Rebecca Langille. I'm a proxy holder, and I second the motion.

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

You've heard the motion, which has been seconded. We will conduct the vote by ballot. The resolution must be approved by a majority of the votes cast at this meeting. Please take a moment now to vote on this proposal by placing an X either for or against the motion on your ballot card.

(Voting)



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Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

We have now completed all scheduled business of the meeting. For those registered shareholders and proxy holders who have completed ballots on the items of the business being considered today, please sign your ballot card where indicated and raise your hand, so our scrutineers can collect the cards.

While we wait for the scrutineers to tabulate and confirm the results of the balloting, I would like to express, on behalf of the corporation, my thanks to all of our directors for the advice and counsel they have provided over the year. I would also like to take this opportunity to recognize Charlie Fischer, Herb England and Cathy Williams, who resigned from the board on February 27, 2017.

I would ask that each director please stand as your name is called so that you may be recognized and remain standing until all directors have been introduced. Please hold your applause until all directors have been introduced. J. Richard Bird,

Laura A. Cillis, Brian E. Frank, M. George Lewis. I won't stand but I'm next. Bruce G. Waterman and John K. Whelen.

Finally, I would like to thank the Enbridge management group for their fine leadership. I would also like to take -- pardon me, I would also like to thank our shareholders for taking time to participate this morning, either in person or in our Internet-listening audience.

I will now announce the results of the balloting. Scrutineers have confirmed that all nominated directors have been elected; that PricewaterhouseCoopers LLP has been appointed auditors of the corporation for the ensuing year; and that the shareholder rights plan has been ratified, confirmed and approved.

Accordingly, I declare the resolutions considered at today's meeting as carried. We will provide you with the percentage of votes for the balloted resolution following the general question-and-answer session. And the exact numbers of votes cast in respect of each matter will be filed on SEDAR and made available on our website.

Thank you again for your strong show of support by attending today's meetings. As all matters of business have been addressed, I will now ask for a motion for the meeting to be terminated.

Unidentified Shareholder

Mr. Chairman. My name is Andrew Swales. I'm a proxy holder, and I move that this meeting be terminated.

Unidentified Shareholder

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

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

For those in favor, please indicate your approval by raising your right hand.

(Voting)

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

Motion carried. I declare this meeting terminated.



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I now call upon Perry Schuldhaus, President of the corporation, to review the corporation's performance over the past year. Please hold your questions until the conclusion of Mr. Schuldhaus' presentation.

Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

Those lights are blinding. Good morning, and welcome to the Enbridge Income Fund Holdings 2017 Annual General Meeting of Shareholders.

I'm very pleased to be here today to provide you with an update on the company or as I'll often refer to it by its trading symbol, ENF. And for your awareness, I'll refer to Enbridge Income Fund and the entities held within Enbridge Income Fund as the Fund Group.

This call is webcast. I encourage those listening on the phone line to view the supporting slides, which are available on our website. A replay and podcast of the call will be available later today, and a transcript will be posted to the website shortly thereafter.

Before we begin, I would like to point out that I will refer to forward-looking information in connection with -- connection to our outlook for Enbridge Income Fund Holdings during today's presentation. By its nature, this information contains forecast assumptions and expectations about future outcomes. So we remind you, it is subject to the risks and uncertainties affecting every business, including ours.

This slide includes a summary of the significant factors and risks that could affect Enbridge Income Fund Holdings and more broadly, the Fund Group or could affect future outcomes for Enbridge Income Fund Holdings or the Fund Group, which are discussed more fully in our public disclosure filings available on the SEDAR system.

Today, I'll walk you through a discussion regarding the Fund Group's 2016 performance and look ahead to our expectations for 2017. I'll recap the competitive positioning of our asset base, including an update on our largest asset, the Canadian Mainline, and its current and future competitive positioning. Finally, I will wrap up with an overview of our investor value proposition and how we are looking towards the future.

I'd like to start by looking at the performance during 2016. However, to set the stage, it is important to revisit the prior year: 2015. 2015 was a transformative year for ENF and the Fund Group. This was a year where the Fund closed on a \$30 billion drop-down of assets from Enbridge Inc. As a result, 2016 was our first full year with a much larger portfolio of assets within the Fund Group. And this, in turn, drove a significant increase in our ACFFO performance in 2016 and translated into higher earnings at ENF and a higher dividend per share for shareholders.

With the 10% dividend increase we enacted in September 2015, when the transaction first closed, combined with the further 10% increase in January 2016, ENF shareholders saw their 2016 dividends increase 17% when compared to the prior year. And we continue to deliver on our dividend per share growth target of 10% annual increases, having announced a further 10% increase in January of this year.

So very solid performance, driven by our significantly expanded business and consistent with the plans we communicated when the transformational drop-down was completed in September of 2015.

On the financing side, we also had a solid year. In April 2016, we raised -- we issued \$600 million of common equity in an offering that was significantly over-subscribed. 70% of that offering was taken up by institutional firms, which underscores the attractiveness of our investor value proposition. The Fund Group entity, Enbridge Pipelines Inc., raised \$800 million of debt funding on attractive terms in August of 2016. And in December, we satisfied all of our equity funding needs through the end of 2017 through the sale of our South Prairie Region assets for \$1.075 billion. This sale allowed us to monetize non-core assets at an attractive valuation and to reinvest the proceeds into our portfolio of growth projects currently in execution, which positioned us well heading into 2017.

Looking at 2017, again, we expect to generate strong cash flows, which, in turn, support the 10% dividend increase we announced in January of this year. Demand for our existing assets is expected to remain strong, which was evident this morning when we announced record ex-Gretna throughput on our Mainline of 2.6 million barrels per day in the first quarter of this year.



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Alliance is also expected to perform well. Fundamentals for the Alliance Pipeline continue to remain robust, and demand for seasonal firm service was again strong in the first quarter. We are also pleased with the continued progress that has been made at Alliance with respect to operational efficiencies, which continue to drive costs down.

Another important factor to our 2017 outlook is progress against our secured growth program. Earlier this year, we placed the Athabasca Twin pipeline into service. And on May 1, the Norlite Diluent pipeline entered commercial service as well. Later this year, the Wood Buffalo Extension is also due to come online. The in-service date of this project was deferred until December at the request of our shippers. But importantly, this timing expectation is reflected in our outlook for 2017, and the project's full life cycle churns remain intact.

These projects are expected to continue to contribute to our 2017 outlook and drive growth in the future, at least partly because many of them have what we refer to as tilted return profiles. Just over \$2 billion of the capital placed into service this year has this type of return profile, which means that the cash flows this capital generates are actually expected to increase over the first four years following the capital being placed into service. On a larger scale, approximately 60% of the capital that has been placed into service between 2013 and 2017 has this type of tilted return profile over the first four to seven years following the in-service date. This embedded cash flow growth supports our outlook for dividend growth through 2019 and beyond.

The Line 3 Replacement Program is the largest growth project we currently have in execution. The Canadian portion of the project was approved by the federal government late last year, and we are currently working on addressing the pre-construction conditions that were laid out in this approval. We are still confident that this project will be brought into service in 2019.

Before I get into our asset base, I wanted to remind you all of the key part of the Enbridge Income Fund story: the reliability and predictability inherent in our business. We provide strong predictable results across all market cycles because of our strong commercial constructs, low exposure to market prices and the strength of our counterparty credit worthiness. 99% of our cash flows are underpinned by strong commercial constructs, which provides the predictability of earnings and cash flow you are seeing.

We also look to avoid direct market price exposure in our businesses. Where residual exposure does exist, we closely manage that risk through disciplined hedging programs. As you can see, less than 1% of expected cash flow is subject to market price risk. This includes commodity price, foreign exchange and interest rate risk.

We are very disciplined about who we do business with. 96% of our counterparties have investment-grade credit ratings or they have posted security that gets us to the same place. More specifically, the listed customers on the Canadian mainline and the Regional Oil Sands systems, the assets must generate the lion's share of the Fund Group's cash flow, largely consist of the biggest and most well-capitalized players in the energy space. And many of those customers are integrated with downstream refineries.

We view the risk management side of our business as a critical factor to providing predictability and stability to our cash flow. And therefore, we believe this low-risk business model is a key aspect of how we provide value to shareholders.

This slide shows the portfolio of assets held within the Fund Group's three business segments: liquid pipelines, gas pipelines and green power.

80% of the Fund Group's cash flows are derived from the strategically positioned Canadian liquids pipeline's assets -- perhaps the most strategically important energy infrastructure assets in North America, connecting Western Canada's and the Bakken's massive oil resources to the best refining markets in the United States and Central Canada.

This is one of the most complex liquid pipeline systems in the world, and it cannot be replicated. The system includes the following principal segments:

First, the Canadian portion of the Enbridge Mainline, the backbone of the network, which moves approximately 2.6 million barrels per day of crude production across the border. Each day, over 50% of the Canadian crude exports into the United States move through the system, which equates to about 23% of total imports into the United States each day.



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Second, the Regional Oil Sands system, which currently connects nine major oil sands projects to the key market hubs of Edmonton and Hardisty and to the mainline. By the end of this year, we will have 11 oil sands projects connected to the system, and this system moves the bulk of the oil sands production in Alberta to the market hubs. And as you all know, oils sands production is projected to continue to grow by about 700,000 barrels per day over the next 10 years.

The third piece of the Liquids Pipeline's business is the Southern Lights Pipeline, which is a fully contracted pipeline that transports condensate from the U.S. Midwest back into Alberta to be used to dilute oil sands bitumen to pipeline spec so it can, in turn, be transported to market on the major export pipelines. I'll provide a bit more detail on this important business segment in a few moments.

The second business segment is Natural Gas Transmission. The Fund Group has a 50% interest in the Alliance natural gas pipeline system. This is a very strategically located pipeline positioned to capture volumes from the growing liquids-rich production from the prolific Montney and Duvernay producing regions in Western Canada and the Bakken formation in North Dakota. Alliance is uniquely positioned in this region as the only gas pipeline out of Western Canada able to move liquid-rich gas. This allows Alliance customers to move liquids-rich gas to premium markets in the U.S. Midwest, where they can obtain better pricing for the components in the gas stream.

The last business segment shown here is our renewable energy assets. The Fund Group has an interest in over 1,400 megawatts of renewable energy in Alberta, Saskatchewan, Ontario and Quebec, making us one of the largest producers of environmentally friendly power in North America. This portfolio of clean power generation assets is underpinned by long-term power purchase agreements with strong credit off-takers at an average term of 15 years.

Moving back for a few minutes to our most significant business segment, Liquid Pipelines, this slide shows historical and expected throughput on the mainline versus the capacity of the system. The mainline has added low-cost incremental capacity that's been important for the Western Canadian producer given the significant delays to all other major export pipelines out of the basin. And we have continued to find ways to get more throughput through the existing pipelines. The system is getting pretty close to full utilization, and for the first quarter of 2017, ex-Gretna volumes set a record average -- set a record, averaging over 2.6 million barrels per day.

While there's not a large gap between our actual throughput and the system's current capacity of 2.85 million barrels per day, we continue to work through optimization efforts. The heavy space on the mainline system has been under significant apportionment due to a general lack of export pipeline capacity out of Western Canada. However, the light space on the mainline has been experiencing some underutilization. We are currently developing plans to make use of this space and transport up to an incremental 100,000 to 150,000 barrels per day of throughput to ensure that every barrel of crude oil that can be moved on our system is moved, thereby reducing the need for shippers to rely on rail as a stopgap measure. We don't foresee any new major export pipelines coming online until at least 2019, and so we should remain near full capacity through the end of the decade.

In 2019, the replacement of Line 3 will provide the industry with another 375,000 barrels per day of capacity, which we expect will be utilized right away given forecast growth out of Western Canada and a shift of volumes from rail to pipe as soon as this capacity becomes available.

The competitive position of our Mainline system is unparalleled. The system is connected to the WCSB, where supply is expected to grow by 700,000 barrels per day through the middle of the next decade. The projects producing this growing supply of oil sands bitumen are long-life projects, with large upfront capital investments that are expected to produce for 30 to 40 years. As a result, we expect there to be a strong base of supply from the basin for a long, long time.

The size and scale of our system provides the most competitive tools to the best markets. Market access for shippers on the Mainline and connected to Enbridge affiliate systems through the U.S. is unrivaled by competing pipelines and provides tremendous flexibility for our customers when market upsets occur. Through this network of Enbridge-affiliated pipelines, we are directly connected to approximately 2 million barrels per day of refining capacity in our traditional markets in the U.S. Midwest and Southwestern Ontario. Many of these refineries are now designed to consume large quantities of Canadian heavy crude, and they traditionally have represented the strongest price opportunity for our customers, leading to continued attractive netbacks.



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In addition, Enbridge's market access initiatives in the last several years have added 1.2 million barrels per day of downstream pipeline access to markets in Eastern Canada, Patoka and the first large volume access for Canadian crude to the U.S. Gulf coast.

And finally, we have unmatched storage and operational flexibility, which our customers find valuable.

Overall, the Mainline is extremely well positioned to sustain and grow volumes. We have capacity expansion options, established market access and competitive tolls that are attractive to the market, which enables us to create transportation solutions for industry as they are needed.

Industry typically likes to have a reasonable amount of pipeline capacity above the projected supply curve to allow for what they term "sprint capacity". As you can see with Line 3 replacement in service and only one third-party export pipeline, there should be sufficient pipeline export capacity with a buffer of about 10% above the CAPP 2016 supply forecast in the early part of the next decade. Also shown is the gap between the CAPP Operating and In Construction case and the upper dotted line, which is the CAPP 2016 forecast. This gap reflects oil sands production growth that is not yet sanctioned. Therefore, the Enbridge incremental staged expansions can be brought into service as the market requires it and as the growth, beyond 2022, is sanctioned by the Western Canadian producers. These incremental staged expansions are cost-effective and can be brought into service with modest permitting requirements given there is no new pipe required to be built. We believe this is an attractive alternative to the costly option of building a second major export pipeline out of Western Canada and creating a massive amount of overbuilt capacity for several years.

This strong positioning of our assets, the low-risk business model and our growth projects that are currently in execution provide clear visibility in our ability to deliver 10% annual dividend increases through 2019. Beyond 2019, we see other opportunities to extend our dividend growth profile. We have embedded cash flow growth that is generated by the tilted return profiles associated with many of the capital projects we are bringing into service. And we think there are exciting opportunities with respect to our low-cost phased expansions of the Mainline, the potential to -- for an expansion of the Alliance system and other opportunities to grow our existing asset footprint.

To conclude today's presentation, I'd like to wrap up with a reminder of our shareholder value proposition and what we believe makes ENF the premier Canadian energy infrastructure income investment. Firstly, our outstanding asset footprint of high-quality, highly strategic assets that connect growing supply to premium markets. Secondly, our attention to risk and the low-risk model that is prevalent in our high-quality commercial structures, our minimal exposure to market prices and our attention to the credit quality of our customer base. Our low-risk business model is designed to provide stability and perform predictably under all market conditions. We will work diligently to maintain this by adhering to prudent financial policies and practices. Third, the visible growth we offer. We expect to generate 10% annual dividend growth per share through 2019, driven by our existing assets and projects in execution. Further, we see opportunity for incremental growth beyond 2019, as I have discussed.

And the last element is that we continue to have the support and access to the expertise from our sponsor, Enbridge Inc., which provides value through our ability to benefit from the full bench of the Enbridge organization for things such as operational, financial and project execution expertise.

I'd like to thank you very much for your attendance at today's meeting and your support to ENF and the fund over the past year. At this time, I'd be happy to take any questions.

QUESTIONS AND ANSWERS

Ernest F. H. Roberts - *Enbridge Income Fund Holdings Inc. - Chairman*

Thanks, Perry. So we'll now open the meeting for the general question period. (Operator Instructions)

Unidentified Shareholder

Mark Timble. I'm a shareholder. Just looking at -- I guess you came out with your Q1 results today. Is that correct?



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Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

Yes.

Unidentified Shareholder

I noticed in Q4, your cash flow was higher than expected mainly because of the lower maintenance CapEx on your Mainline. Is this something that you -- was a onetime thing? Or has it been deferred? Or where do you expect your maintenance CapEx -- how was it in this quarter? And where do you see it being towards 2017, like \$100 million or something?

Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

2017 maintenance CapEx is expected to be in the \$90 million to \$140 million range, somewhere in that range, again, depending on execution of the program as we go through the year.

Unidentified Shareholder

And I think most of the analyst community was expecting it to be about double that. Where was the disconnect as far as the guidance in that?

Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

I'm actually not clear on that. We can maybe talk to one of our financial folks after the meeting if you'd like to, and we can explore that further.

Unidentified Shareholder

The other question I have, with the acquisition of Veresen, do you see the Alliance Pipeline -- the terms and conditions being renegotiated? Or I mean, I guess it's a little early right now. But where do you see that going forward with the -- your 50% part being acquired?

Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

Well, we think that Pembina should be a good partner. Obviously, as we go forward here, we'll learn more about the relationship with them on that particular asset. But we have, right now, contracted Alliance to about an average of just below five years contract length. We're working to -- with Veresen currently to look to extend those contracts even further and potentially to expand Alliance pipelines. So we think Pembina likely will be aligned with that approach on that asset, but time will tell as we go forward here.

Unidentified Shareholder

(inaudible), shareholder. I noticed on this map here that the heat -- waste heat recovery stops at the border. Why? And why doesn't -- and secondly, the heat recovery, do we have a co-gen feature with that heat recovery? And how much of that is used -- how much of our income is attributable to electrical production?

Perry Frank Schuldhaus - *Enbridge Income Fund Holdings Inc. - President*

So if you look at the second part of your question, if you look at the renewable portfolio overall, it's about 10% of our cash flow within the fund. And if you look at the waste heat recovery (inaudible), it's a very small component of that. We are effectively just taking the waste heat off the



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Alliance Pipeline and using that waste heat to generate electricity and sell that back into the grid. I'm not clear why we wouldn't have looked at it in the U.S., to be honest with you, at this point, but it is something that has been -- we had four facilities on Alliance for a number of years, and we added a fifth one a few years ago. And there may be just circumstances around the particular dynamics of signing that back into the grid in Canada versus what they've looked at on the U.S. side.

Unidentified Shareholder

Okay. And could you elaborate about Line 3? Where is it situated? And I don't follow the fact that you're not putting in new pipe to get that extra production.

Perry Frank Schuldhaus - Enbridge Income Fund Holdings Inc. - President

Well, Line 3 is new pipe, so effectively, Line 3 is a replacement project. So we have an existing pipeline that was built a number of decades ago that has got some integrity issues, and we, a few years ago, working with the shipper group, decided it was more effective to replace that pipeline to recover the capacity that we could make available through that pipeline. And so this Line 3 project is a replacement of the existing Line 3, effectively building the pipe adjacent to the existing corridor, for the most part, through Canada and the U.S. down to Superior, Wisconsin.

Unidentified Shareholder

So where does it cross the border?

Perry Frank Schuldhaus - Enbridge Income Fund Holdings Inc. - President

At Gretna, Manitoba. Any other questions?

Ernest F. H. Roberts - Enbridge Income Fund Holdings Inc. - Chairman

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

On the matters voted upon today by ballot, I have received confirmation that each of the directors has been elected by at least 99% of the total votes cast on the election of directors. And the motion to ratify, confirm and approve the shareholder rights plan has been approved by at least 99% of the votes cast on that resolution.

Thank you again for attending today's meeting, and we invite you to join the directors and management for some light refreshments that are set up at the back of the meeting room.



MAY 11, 2017 / 4:00PM, ENF.TO - Enbridge Income Fund Holdings Inc Annual Shareholders Meeting

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