

ENBRIDGE INC  
Form 6-K  
November 15, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 6-K**

**Report of Foreign Issuer**  
**Pursuant to Rule 13a-16 or 15d-16 of**  
**the Securities Exchange Act of 1934**  
**Dated November 14, 2016**  
**Commission file number 001-15254**

**ENBRIDGE INC.**

**(Exact name of Registrant as specified in its charter)**

**Canada**  
**(State or other jurisdiction)**

**98-0377957**  
**(I.R.S. Employer Identification No.)**

**of incorporation or organization)**

**200, 425 1 Street S.W.**

**Calgary, Alberta, Canada T2P 3L8**

**(Address of principal executive offices and postal code)**

**(403) 231-3900**

**(Registrants telephone number, including area code)**

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by regulation S-T Rule 101(b)(7):

Yes

No

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes  is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b):

N/A

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM S-8 (FILE NO. 333-145236, 333-127265, 333-13456, 333-97305 AND 333-6436), FORM F-3 (FILE NO. 33-77022), FORM F-4 (FILE NO. 333-213764) AND FORM F-10 (FILE NO. 333-198566) OF ENBRIDGE INC. AND TO BE PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.



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The following documents are being submitted herewith:

1. Notice of Meeting and Management Information Circular; and
2. Form of Proxy.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENBRIDGE INC.  
(Registrant)

Date: November 14, 2016

By: /s/ Tyler W. Robinson

Tyler W. Robinson  
Vice President & Corporate Secretary

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**ENBRIDGE INC.**

Special Meeting of the Shareholders

to be held on December 15, 2016

in Calgary, Alberta

**NOTICE OF SPECIAL MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

November 10, 2016

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November 10, 2016

Dear Shareholders:

You are invited to attend a special meeting (the **Enbridge Special Meeting**) of the holders (**Enbridge Shareholders**) of common shares (**Enbridge Common Shares**) of Enbridge Inc. (**Enbridge**) to be held at the Calgary Marriott Downtown Hotel, Kensington Room, 110 9<sup>th</sup> Avenue SE, Calgary, Alberta at 1:00 p.m. on December 15, 2016 for the purpose of considering, and if deemed advisable, approving, the issuance of Enbridge Common Shares (the **Enbridge Common Share Issuance**) and an amendment to the by-laws of Enbridge (the **By-law Amendment**), each in connection with the Agreement and Plan of Merger dated as of September 5, 2016 (the **Merger Agreement**) among Enbridge, Sand Merger Sub, Inc., a direct wholly-owned subsidiary of Enbridge, and Spectra Energy Corp (**Spectra Energy**). The Merger Agreement provides for the combination of Enbridge and Spectra Energy through a share-for-share merger, after which Spectra Energy will become a direct wholly-owned subsidiary of Enbridge (the **Merger**).

If the Merger is completed, Spectra Energy stockholders will receive 0.984 of an Enbridge Common Share for each share of Spectra Energy common stock that they own (the **Merger Consideration**). This exchange ratio is fixed and will not be adjusted to reflect changes in the prices of Spectra Energy common stock or Enbridge Common Shares prior to the completion of the Merger. The Enbridge Common Shares issued in connection with the Merger will be listed on the New York Stock Exchange (the **NYSE**) and the Toronto Stock Exchange.

The value of the Merger Consideration will fluctuate with the market price of Enbridge Common Shares. Based on the closing price of Enbridge Common Shares on the NYSE of US\$40.99 on September 2, 2016, the last trading day before the public announcement of the Merger Agreement on September 6, 2016, the exchange ratio represented approximately US\$40.33 in Enbridge Common Shares for each share of Spectra Energy common stock. Based on the closing price of Enbridge Common Shares on the NYSE of US\$42.07 on November 10, 2016, the exchange ratio represented approximately US\$41.40 in Enbridge Common Shares for each share of Spectra Energy common stock.

Please refer to the accompanying management information circular (the **Management Information Circular**) for a more detailed description of the Merger, including information about Spectra Energy, the terms and conditions of the Merger Agreement, the opinions of Enbridge's financial advisors, the Enbridge Common Share Issuance, the By-law Amendment and the risk factors relating to the completion of the Merger. Please give the Management Information Circular your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

***The board of directors of Enbridge recommends that Enbridge Shareholders vote FOR the Enbridge Common Share Issuance and FOR the By-law Amendment.***

**Your vote is very important regardless of the number of Enbridge Common Shares you own.** The Merger cannot be completed without Enbridge Shareholders approving the Enbridge Common Share Issuance and the By-law Amendment. Enclosed with this letter is the Notice of Special Meeting and Management Information Circular and a form of proxy or voting instruction form. Please complete and deliver your proxy or voting instruction form prior to 6:00 p.m. (Calgary time) on December 13, 2016, to ensure your representation at the Enbridge Special Meeting.

Yours truly,

(signed) *Al Monaco*

Al Monaco,

President and Chief Executive Officer

Enbridge Inc.

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**ENBRIDGE INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that a special meeting (the **Enbridge Special Meeting**) of the holders (**Enbridge Shareholders**) of common shares (**Enbridge Common Shares**) of Enbridge Inc. (**Enbridge**) will be held on December 15, 2016 at 1:00 p.m. (Calgary time) at the Calgary Marriott Downtown Hotel, Kensington Room, 110 9<sup>th</sup> Avenue SE, Calgary, Alberta for the purposes of:

1. considering, and if deemed advisable, passing with or without variation, an ordinary resolution (the **Enbridge Common Share Issuance Resolution**) authorizing and approving the issuance by Enbridge of such number of common shares in the capital of Enbridge as is necessary pursuant to the terms of the Agreement and Plan of Merger dated as of September 5, 2016 (the **Merger Agreement**) among Enbridge, Sand Merger Sub, Inc., a direct wholly-owned subsidiary of Enbridge, and Spectra Energy Corp;
2. considering, and if deemed advisable, passing with or without variation, an ordinary resolution (the **By-law Amendment Resolution**) ratifying, confirming and approving certain amendments to General By-law No. 1 of Enbridge, which amendments are conditional upon the completion of the merger with Spectra Energy Corp pursuant to the terms of the Merger Agreement; and
3. transacting such other business that may properly come before the Enbridge Special Meeting or any adjournment or postponement thereof.

This Notice of Special Meeting is accompanied by the management information circular dated November 10, 2016 (the **Management Information Circular**) and a voting instruction form or a form of proxy (as applicable). Enbridge Shareholders are referred to the Management Information Circular for more detailed information regarding the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution.

The directors of Enbridge have fixed November 7, 2016 as the record date. Enbridge Shareholders of record at the close of business on November 7, 2016 are entitled to notice of the Enbridge Special Meeting and to vote thereat or at any adjournment or postponement thereof.

In order to be valid and acted upon at the Enbridge Special Meeting, proxies must be received by Enbridge, c/o CST Trust Company, the Registrar and Transfer Agent of Enbridge, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attention: Proxy Department or by fax: 1-866-781-3111 (toll-free in North America; outside of North America: 1-416-368-2502), not later than 6:00 p.m. (Calgary time) on December 13, 2016, or if the Enbridge Special Meeting is adjourned or postponed, not later than 6:00 p.m. (Calgary time) on the day that is two business days before the Enbridge Special Meeting is reconvened. Late proxies may be accepted or rejected by the Chairman at his discretion and the Chairman is under no obligation to accept or reject any particular late proxy. The time limit for the deposit of proxies may be waived or extended by the Chairman at his discretion without notice.

If you are a beneficial (non-registered) holder of Enbridge Common Shares and receive these materials through a broker or through another intermediary, you must provide your voting instructions or complete, sign and return the voting instruction form in accordance with the instructions provided by such broker or other intermediary.

**Your vote is very important, regardless of the number of Enbridge Common Shares you own.** The Merger cannot be completed without Enbridge Shareholders approving the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. Whether or not you expect to attend in person, you should authorize a proxy to vote your Enbridge Common Shares as promptly as possible so that your Enbridge Common Shares may be represented and voted at the Enbridge Special Meeting.

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If you have any questions about the information contained in this Notice of Special Meeting and the accompanying Management Information Circular or require assistance in voting your Enbridge Common Shares, please contact Enbridge's strategic advisors and proxy solicitation and information agents:

**Canada and outside North America:** Kingsdale Shareholder Services, by telephone at 1-888-518-1554 (North American Toll Free) or 1-416-867-2272 (Collect Outside North America), or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**United States:** MacKenzie Partners, Inc., by telephone at 1-800-322-2885 (North American Toll Free) or 1-212-929-5500 (Collect Outside North America), or by email at [enbridge@mackenziepartners.com](mailto:enbridge@mackenziepartners.com).

DATED at Calgary, Alberta, this 10<sup>th</sup> day of November, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) *Tyler W. Robinson*

Tyler W. Robinson

Vice President & Corporate Secretary

Enbridge Inc.

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**ENBRIDGE INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**INFORMATION CONTAINED IN MANAGEMENT INFORMATION CIRCULAR**

This Management Information Circular dated November 10, 2016 is furnished in connection with the solicitation by management of Enbridge of proxies from Enbridge Shareholders for use at the Enbridge Special Meeting for the purposes set out in the accompanying Notice of Special Meeting. No person has been authorized to give any information or make any representation in connection with the Merger or any other matters described herein other than those statements and representations contained in this Management Information Circular. Information in this Management Information Circular is given as of November 10, 2016 or, in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies.

If you have any questions about the information contained in this Management Information Circular or require assistance in voting your Enbridge Common Shares, please contact:

**Canada and outside North America:** Kingsdale Shareholder Services, by telephone at 1-888-518-1554 (North American Toll Free) or 1-416-867-2272 (Collect Outside North America), or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**United States:** MacKenzie Partners, Inc., by telephone at 1-800-322-2885 (North American Toll Free) or 1-212-929-5500 (Collect Outside North America), or by email at [enbridge@mackenziepartners.com](mailto:enbridge@mackenziepartners.com).

Enbridge has supplied all information contained in or incorporated by reference into this Management Information Circular relating to Enbridge, and Spectra Energy has supplied all information contained in or incorporated by reference into this Management Information Circular relating to Spectra Energy. With respect to information relating to Spectra Energy, the Enbridge board of directors has relied exclusively upon Spectra Energy, without independent verification by Enbridge. Although Enbridge does not have any knowledge that would indicate that such information is untrue or incomplete, neither Enbridge nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information including any of Spectra Energy's financial statements, or for the failure by Spectra Energy to disclose events or information that may affect the completeness or accuracy of such information. For further information regarding Spectra Energy, please refer to Spectra Energy's filings with the SEC which may be obtained at <http://www.sec.gov>. Except as otherwise indicated, the information contained in, or that can be accessed through, the SEC's website is not intended to be incorporated into this Management Information Circular.

Enbridge Shareholders should not construe the contents of this Management Information Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters which pertain to their individual circumstances.

Capitalized terms used in this Management Information Circular and not otherwise defined have the meanings set forth under the heading *Glossary of Terms*.

**Cautionary Statement regarding Forward-Looking Statements**



Certain information provided in this Management Information Circular, including documents incorporated by reference herein, constitutes forward-looking statements or information (collectively, **forward-looking statements** ). This information has been included to provide readers with information about the Merger and Enbridge and Spectra Energy and their respective subsidiaries, including management's assessment of Enbridge's and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as anticipate, expect, project, estimate, forecast, plan, intend, target and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements included or incorporated by reference in this Management Information Circular include, but are not limited to, statements with respect to the following:

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expectations regarding whether the transactions contemplated by the Merger Agreement, including the Merger, the issuance of Enbridge Common Shares and the By-law Amendment, will be completed, including whether conditions to the completion of such transactions will be satisfied, or the timing for completing such transactions; future composition of the Enbridge board of directors and senior management of Enbridge; expectations for the effects of the transactions or the ability of the combined company to successfully achieve strategic objectives, including integrating the respective businesses of Enbridge and Spectra Energy, or the effects of unexpected costs, liabilities or delays; anticipated impact of the Merger on Enbridge, future growth opportunities, business prospects, natural gas and crude oil supply and demand dynamics, regulatory proceedings, receipt of regulatory approvals, transaction synergies and other perceived benefits of the Merger; expected EBIT, expected earnings/(loss), expected earnings/(loss) per share, expected ACFFO and expected ACFFO per share; expected costs related to proposed projects and projects under construction; expected in-service dates for proposed projects and projects under construction; expected capital expenditures; future financing requirements and plans and expected future sources of financing; estimated future dividends and expectations regarding the impact of the dividend payout policy and dividend payout expectation; expected future actions of regulators; expected costs related to leak remediation and potential insurance recoveries; operations, maintenance and replacement timing and costs; and expectations regarding commodity prices and supply forecasts.

Although Enbridge believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: expected timing and terms of the Merger; anticipated completion of the Merger; timely receipt of required regulatory, TSX, NYSE and shareholder/stockholder consents and approvals with respect to the Merger; the ability of the parties to the Merger to satisfy, in a timely manner, the other conditions to the closing; impact of the Merger; debt and equity market conditions; the expected supply of and demand for crude oil, natural gas, NGL and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; exchange rates; inflation; interest rates; availability and price of labour and construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for proposed projects and projects under construction; anticipated in-service dates; weather; future cash flows; credit ratings; capital project funding; expected EBIT; expected earnings/(loss), expected earnings/(loss) per share, expected ACFFO; expected ACFFO per share; and estimated future dividends.

Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for Enbridge's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which Enbridge operates and may impact levels of demand for Enbridge's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected EBIT, earnings/(loss) and ACFFO and associated per share amounts, or estimated future dividends. The most relevant assumptions associated with forward-looking statements on proposed projects and projects under construction, including estimated completion dates and expected capital expenditures, include the following: the availability and price of labour and construction materials; the effects of inflation and foreign exchange rates on labour and material costs; the effects of interest rates on borrowing costs; the impact of weather; and customer and regulatory approvals on construction and in-service schedules.

Forward-looking statements of Enbridge are subject to risks and uncertainties pertaining to the possibility that the Merger does not close when expected or at all because required regulatory, shareholder/stockholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all; that Enbridge and Spectra Energy may be required to modify the terms and conditions of the Merger Agreement to

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achieve regulatory or shareholder/stockholder approval, or that the anticipated benefits of the Merger are not realized as a result of such things as the strength or weakness of the economy and competitive factors in the areas where Enbridge and Spectra Energy do business; general business and economic conditions in Canada, the United States and other countries in which Enbridge or Spectra Energy conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of competition in the markets in which Enbridge or Spectra Energy operate; the impact of changes in the laws and regulations regulating the oil and gas industries or affecting domestic and foreign operations; judicial or regulatory judgments and legal proceedings; ability to successfully integrate the two companies; success in retaining the services of executives, key personnel and other employees that the combined company needs in order to realize all of the anticipated benefits of the Merger; the risk that expected synergies and benefits of the Merger will not be realized within the expected time frame or at all; reputational risks; the outcome of various litigation and proceedings in which Enbridge or Spectra Energy are involved and the adequacy of reserves maintained therefor; and other factors that may affect future results of Enbridge or Spectra Energy, including changes in trade policies, timely development and introduction of new products and services, changes in tax laws, technological and regulatory changes, and adverse developments in general market, business, economic, labor, regulatory and political conditions. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and Enbridge's future courses of action depend on management's assessment of all information available at the relevant time.

Readers should be cautioned that there is no assurance that the Merger will be completed in the manner contemplated, or at all, or that the current market conditions and the assumptions and forecasts based on such market conditions will not materially change.

**Non-GAAP Measures**

This Management Information Circular contains references to adjusted EBIT, adjusted earnings/(loss) and ACFFO. Adjusted EBIT represents EBIT adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. Adjusted earnings/(loss) represent earnings or loss attributable to Enbridge Shareholders adjusted for unusual, non-recurring or non-operating factors included in adjusted EBIT, as well as adjustments for unusual, non-recurring or non-operating factors in respect of interest expense, income taxes, noncontrolling interests and redeemable noncontrolling interests on a consolidated basis. These factors, referred to as adjusting items, are reconciled and discussed in the financial results sections for the affected business segments.

ACFFO is defined as cash flow provided by operating activities before changes in operating assets and liabilities (including changes in environmental liabilities) less distributions to noncontrolling interests and redeemable noncontrolling interests, preference share dividends and maintenance capital expenditures, and further adjusted for unusual, non-recurring or non-operating factors.

Management of Enbridge believes the presentation of adjusted EBIT, adjusted earnings/(loss) and ACFFO gives useful information to investors and shareholders as they provide increased transparency and insight into the performance of Enbridge. Management of Enbridge uses adjusted EBIT and adjusted earnings/(loss) to set targets and to assess the performance of Enbridge. Management of Enbridge also uses ACFFO to assess the performance of Enbridge and to set its dividend payout target. Adjusted EBIT, adjusted EBIT for each segment, adjusted earnings/(loss) and ACFFO are not measures that have standardized meaning prescribed by U.S. GAAP and are not U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers.

For a reconciliation of EBIT to earnings see Note 4 of the notes to Enbridge's amended consolidated financial statements filed on SEDAR for the fiscal year ended December 31, 2015 and Note 3 of the notes to Enbridge's

unaudited interim condensed consolidated financial statements filed on SEDAR for the nine months ended September 30, 2016, both of which are incorporated by reference into this Management Information Circular. For a reconciliation of ACFFO to cash provided by operating activities (a U.S. GAAP measure) see *Non-GAAP Reconciliation ACFFO* in Enbridge's management discussion and analysis of financial condition and results

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of operations for the three and nine months ended September 30, 2016 and *Non-GAAP Measures Available Cash Flow from Operations* in Enbridge's amended management discussion and analysis of financial condition and results of operations for the year ended December 31, 2015.

**Notice to U.S. Securityholders**

Enbridge is currently a foreign private issuer within the meaning of Rule 3b-4 under the U.S. Exchange Act. As a foreign private issuer, Enbridge is exempt from rules under the U.S. Exchange Act that impose disclosure requirements, as well as procedural requirements, for proxy solicitations under Section 14 of the U.S. Exchange Act. Accordingly, the solicitation contemplated herein is being made to Enbridge Shareholders resident in the U.S. only in accordance with applicable Canadian corporate and securities laws, and this Management Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian securities laws. Enbridge Shareholders resident in the U.S. should be aware that, in general, such Canadian disclosure requirements are different from those applicable to proxy statements, prospectuses or registration statements prepared in accordance with U.S. laws. The financial statements of Enbridge incorporated by reference herein and Spectra Energy attached as Schedule A and Schedule B to *Appendix F Information Concerning Spectra Energy Corp* have been prepared in accordance with U.S. GAAP.

In connection with the Merger, Enbridge and Spectra Energy have filed relevant materials with the SEC, including an Enbridge U.S. registration statement on Form F-4 that includes a proxy statement of Spectra Energy and constitutes a prospectus of Enbridge (the **proxy statement/prospectus**), which will be the sole means pursuant to which Enbridge will offer any securities to U.S. holders of shares of Spectra Energy common stock in connection with the Merger.

Enbridge is organized under the laws of Canada. A substantial portion of Enbridge's assets are located outside the U.S., and many of Enbridge's directors and officers and some of the experts named in this Management Information Circular or documents incorporated by reference herein are residents of jurisdictions outside of the U.S. As a result, it may be difficult for investors to effect service within the U.S. upon Enbridge and those directors, officers and experts, or to realize in the U.S. upon judgments of courts of the U.S. predicated upon civil liability of Enbridge and such directors, officers and experts under U.S. federal securities laws. There is uncertainty as to the enforceability in Canada by a court in original actions, or in actions to enforce judgments of U.S. courts, of the civil liabilities predicated upon the federal securities laws.

**Information Incorporated by Reference**

The following documents, filed with the securities commissions or similar regulatory authorities in Canada and with the SEC, are specifically incorporated by reference in, and form an integral part of, this Management Information Circular, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Management Information Circular or in any other subsequently filed document that is also incorporated by reference in this Management Information Circular:

1. annual information form of Enbridge dated February 19, 2016 for the year ended December 31, 2015;
2. amended consolidated comparative financial statements of Enbridge for the years ended December 31, 2015 and 2014 and the auditors' report thereon;

3. amended management's discussion and analysis of financial condition and results of operations of Enbridge for the year ended December 31, 2015;
4. unaudited interim comparative consolidated financial statements of Enbridge for the three and nine months ended September 30, 2016;
5. management's discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2016;

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6. material change report of Enbridge filed on September 7, 2016 announcing the entering into of the Merger Agreement;
7. management information circular of Enbridge dated March 8, 2016 relating to the annual meeting of Enbridge Shareholders held on May 12, 2016;
8. the following sections of the annual report on Form 10-K of Spectra Energy for the year ended December 31, 2015:
  - (a) Part I. Item 1A. Risk Factors (pages 27 to 32);
  - (b) Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (pages 35 to 63);
  - (c) Part II. Item 9A. Controls and Procedures (pages 122 to 123);
9. the following sections of the definitive proxy statement on Form DEF 14A of Spectra Energy filed March 16, 2016:
  - (a) Information on our Nominees (pages 4 to 9);
  - (b) Corporate Governance (pages 10 to 14);
  - (c) Report of the Corporate Governance Committee (pages 15 to 17);
  - (d) Director Compensation (page 18);
  - (e) Report of the Audit Committee (page 22);
  - (f) Compensation Discussion and Analysis (pages 34 to 51); and
  - (g) Compensation Tables (pages 52 to 61);
- 10.



the following sections of the quarterly report on Form 10-Q of Spectra Energy for the quarter ended September 30, 2016:

- (a) Part I. Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations (pages 34 to 46);
- (b) Part I. Item 3. Quantitative and Qualitative Disclosures about Market Risk (page 46);
- (c) Part I. Item 4. Controls and Procedures (page 46);
- (d) Part II. Other Information (pages 47-49);

11. current reports on Form 8-K of Spectra Energy filed March 1, 2016, April 8, 2016, May 2, 2016 (two Form 8-Ks), September 6, 2016, October 4, 2016 and November 2, 2016 (Item 8.01).

Any documents of the type referred to above, any audited annual consolidated financial statements, unaudited interim consolidated financial statements and related management's discussion and analysis, any material change reports (except confidential material change reports) and business acquisition reports filed by Enbridge or Spectra Energy with the various securities commissions or similar authorities in Canada, which will be subsequently filed by Enbridge on SEDAR, after the date of this Management Information Circular and prior to the Effective Time, shall be deemed to be incorporated by reference into this Management Information Circular.

The foregoing documents may be viewed on SEDAR at <http://www.sedar.com> and are also available on request without charge from Enbridge's Corporate Secretary by sending a written request to 200, 425<sup>st</sup> Street S.W., Calgary, Alberta, T2P 3L8, by faxing a written request to 1-403-231-5929, by calling 1-403-231-3900 or by sending an e-mail to [corporatesecretary@enbridge.com](mailto:corporatesecretary@enbridge.com).

### **Currency**

All references in this Management Information Circular to dollars or \$ are to Canadian dollars, unless otherwise indicated. All references in this Management Information Circular to US\$ are to U.S. dollars.

**Table of Contents****Currency Exchange Rate Data**

The following table shows, for the years and dates indicated, certain information regarding the Canadian dollar/U.S. dollar exchange rate. The information is based on the noon exchange rate as reported by the Bank of Canada. Such exchange rate on November 10, 2016 was C\$1.3475 = US\$1.00.

	<b>Period End</b>	<b>Average<sup>(1)</sup></b>	<b>Low</b>	<b>High</b>
<b>Year ended December 31, (C\$ per US\$)</b>				
2015	1.3840	1.2787	1.1728	1.3990
2014	1.1601	1.1045	1.0614	1.1643
2013	1.0636	1.0299	0.9839	1.0697
2012	0.9949	0.9996	0.9710	1.0418
2011	1.0170	0.9891	0.9449	1.0604

	<b>Low</b>	<b>High</b>
<b>Month ended, (C\$ per US\$)</b>		
October 2016	1.3104	1.3403
September 2016	1.2843	1.3248
August 2016	1.2775	1.3180
July 2016	1.2844	1.3225
June 2016	1.2695	1.3091
May 2016	1.2548	1.3136
April 2016	1.2544	1.3170

**Note:**

(1) The average of the noon buying rates during the relevant period.

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**GLOSSARY OF TERMS**

**2014 Spectra Energy PSU** means each outstanding Spectra Energy performance stock unit granted in the 2014 calendar year;

**2015 Spectra Energy PSU** means each outstanding Spectra Energy performance stock unit granted in the 2015 calendar year;

**ACFFO** means available cash flow from operations, as further described in the section entitled *Information Contained in Management Information Circular – Non-GAAP Measures* ;

**acquisition proposal** has the meaning given to such term in the section entitled *The Merger Agreement – No Solicitation* ;

**Advisory Compensation Proposal** means the proposal to Spectra Energy stockholders to consider and vote to approve, on an advisory (non-binding) basis, certain specified compensation that will or may be paid by Spectra Energy to its named executive officers that is based on or otherwise relates to the Merger;

**alternative acquisition agreement** has the meaning given to such term in the section entitled *The Merger Agreement – Board of Directors Recommendations* ;

**Amended By-law No. 1** means By-law No. 1, after giving effect to the By-law Amendment;

**Beneficial Shareholders** means Enbridge Shareholders who do not hold Enbridge Common Shares in their own name (i.e. non-registered Enbridge Shareholders);

**Broadridge** means Broadridge Financial Solutions, Inc.;

**By-law Amendment** means certain amendments to General By-law No. 1 of Enbridge, which amendments are conditional upon the completion of the Merger pursuant to the terms of the Merger Agreement;

**By-law Amendment Resolution** means an ordinary resolution of Enbridge Shareholders ratifying, confirming and approving certain amendments to General By-law No. 1 of Enbridge, which amendments are conditional upon the completion of the Merger pursuant to the terms of the Merger Agreement, as more fully described in the section entitled *General Information for the Meeting – By-law Amendment Resolution* ;

**By-law No. 1** means General By-law No. 1 of Enbridge, before giving effect to the By-law Amendment;

**Canada Corporations Act** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and the regulations promulgated thereunder;

**Canada Transportation Act** means the *Canada Transportation Act*, S.C. 1996, c.10, and the regulations promulgated thereunder;

**Canada Transportation Act Approval** means written approval by the Minister of Transport under the Canada Transportation Act;

**Canadian Exchange Offer** refers to the offer by Enbridge to each Canadian Spectra Energy shareholder to purchase all of the shares of Spectra Energy common stock held by such Canadian Spectra Energy shareholder in exchange for the Merger Consideration;

**Canadian Spectra Energy shareholder** refers to each holder of Spectra Energy common stock who is (i) a resident of Canada for the purposes of the Canadian Tax Act or (ii) a partnership, at least one partner of which is a resident of Canada for the purposes of the Canadian Tax Act;

**Canadian Tax Act** means the *Income Tax Act*, R.S.C. 1985, c. 1<sup>st</sup>(Supp), and the regulations promulgated thereunder;

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**CFIUS** means the Committee on Foreign Investment in the United States;

**CFIUS Clearance** has the meaning given to such term in the section entitled *The Merger Agreement Filings; Other Actions; Notification CFIUS Clearance* ;

**CFIUS Notice** has the meaning given to such term in the section entitled *The Merger Regulatory Approvals Required for the Merger CFIUS* ;

**change of recommendation** has the meaning given to such term in the section entitled *The Merger Agreement Board of Directors Recommendations* ;

**Closing Date** refers to the date on which the Merger is completed;

**Code** means the Internal Revenue Code of 1986, as amended;

**Competition Act (Canada)** means the *Competition Act*, R.S.C. 1985, c. C-34, and the regulations promulgated thereunder;

**Competition Act (Canada) Clearance** has the meaning given to such term in the section entitled *Summary Regulatory Approvals Required for the Merger* ;

**Confidentiality Agreement** means the confidentiality agreement dated as of June 17, 2016, between Enbridge and Spectra Energy;

**continuing employees** has the meaning given to such term in the section entitled *The Merger Agreement Employee Benefits* ;

**Continuing Enbridge Directors** has the meaning given to such term in the section entitled *General Information for the Meeting By-law Amendment Resolution* ;

**Continuing Spectra Energy Directors** has the meaning given to such term in the section entitled *General Information for the Meeting By-law Amendment Resolution* ;

**Credit Suisse** means Credit Suisse Securities (Canada), Inc., one of Enbridge's financial advisors engaged in connection with the Merger;

**D&O insurance** has the meaning given to such term in the section entitled *The Merger Agreement Director & Officer Indemnification and Insurance* ;

**DBRS** means DBRS Limited;

**divestiture action** has the meaning given to such term in the section entitled *The Merger Agreement Filings; Other Actions; Notification Certain Limitations on Spectra Energy's and Enbridge's Obligations to Obtain Antitrust Approvals* ;

**divestiture agreement** has the meaning given to such term in the section entitled *The Merger Agreement Filings; Other Actions; Notification Antitrust Approvals* ;

**DOJ** means the Antitrust Division of the U.S. Department of Justice;

**DPA** means the Defense Protection Act of 1950, as amended;

**DRIP** means Enbridge's dividend reinvestment and share purchase plan;

**EBIT** means earnings before interest and taxes;

**Effective Time** refers to the time on the Closing Date at which the Merger becomes effective as specified in the certificate of merger of Spectra Energy and Merger Sub to be filed with the Secretary of State of the State of Delaware;

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**Eligible Shares** means each share of Spectra Energy common stock issued and outstanding immediately prior to the Effective Time (other than shares of Spectra Energy common stock owned directly by Enbridge, Merger Sub or Spectra Energy, and in each case not held on behalf of third parties);

**Enbridge** means Enbridge Inc., a Canadian corporation;

**Enbridge board recommendation** refers to the recommendation of the Enbridge board of directors for the Enbridge Shareholders to vote to approve the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution;

**Enbridge Common Shares** means the common shares in the capital of Enbridge, without par value;

**Enbridge Common Share Issuance** means the issuance by Enbridge of common shares in the capital of Enbridge pursuant to the terms of the Merger Agreement;

**Enbridge Common Share Issuance Resolution** means an ordinary resolution of Enbridge Shareholders authorizing and approving the issuance by Enbridge of such number of common shares in the capital of Enbridge as is necessary pursuant to the terms of the Merger Agreement, as more fully described in the section entitled *General Information for the Meeting Enbridge Common Share Issuance Resolution* ;

**Enbridge DSU** means a notional share that has the same value as one Enbridge Common Share;

**Enbridge Shareholders** means the holders of Enbridge Common Shares;

**Enbridge Special Meeting** means the special meeting of the Enbridge Shareholders to be held at 1:00 p.m. (Calgary time) on December 15, 2016 at the Calgary Marriott Downtown Hotel, Kensington Room, 110 9<sup>th</sup> Avenue SE, Calgary, Alberta and any adjournments or postponements thereof to consider the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution;

**Enbridge Stock-Based RSU** has the meaning given to such term in the section entitled *The Merger Agreement Treatment of Spectra Energy Equity Awards Post - 2015 Performance Stock Units* ;

**Enbridge termination fee** has the meaning given to such term in the section entitled *The Merger Agreement Termination of the Merger Agreement Termination Fees* ;

**Exchange Agent** refers to a nationally recognized financial institution or trust company selected by Enbridge with Spectra Energy's prior approval;

**Exchange Ratio** refers to 0.984 of a validly issued, fully paid and non-assessable Enbridge Common Share for each share of Spectra Energy common stock;

**FERC** means the Federal Energy Regulatory Commission;

**forward-looking statements** has the meaning given to such term in the section entitled *Information Contained in Management Information Circular Cautionary Statement regarding Forward-looking Statements* ;

**FTC** means the Federal Trade Commission;

**Governance Committee** means the governance committee of the board of directors of Enbridge;

**HSR Act** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder;

**intervening event** has the meaning given to such term in the section entitled *The Merger Agreement Board of Directors Recommendations* ;



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**Management Information Circular** means this management information circular of Enbridge dated November 10, 2016, together with all appendices hereto and documents incorporated by reference herein;

**material adverse effect** has the meaning given to such term in the section entitled *The Merger Agreement – Material Adverse Effect* ;

**McCarthy Tétrault** means McCarthy Tétrault LLP, Enbridge's Canadian legal counsel engaged in connection with the Merger;

**Merger** refers to the proposed merger of Merger Sub with and into Spectra Energy, pursuant to which Spectra Energy will survive the merger as a direct wholly-owned subsidiary of Enbridge;

**Merger Agreement** refers to the Agreement and Plan of Merger, dated as of September 5, 2016, among Enbridge, Merger Sub and Spectra Energy, as it may be amended;

**Merger Consideration** refers to the conversion of each Eligible Share into the right to receive 0.984 of a validly issued, fully paid and non-assessable Enbridge Common Share;

**Merger Proposal** means the proposal to Spectra Energy stockholders to consider and vote to adopt the Merger Agreement, pursuant to which Merger Sub will merge with and into Spectra Energy, with Spectra Energy surviving the Merger as a direct wholly-owned subsidiary of Enbridge;

**Merger Sub** refers to Sand Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Enbridge;

**Moody's** means Moody's Investor Service, Inc.;

**NEB** means the National Energy Board;

**NGL** means natural gas liquids;

**NYSE** means the New York Stock Exchange;

**Notice of Special Meeting** means the notice regarding the Enbridge Special Meeting accompanying this Management Information Circular;

**OEB** means the Ontario Energy Board;

**Post-2015 Spectra Energy PSU** means each outstanding Spectra Energy performance stock unit granted after December 31, 2015;

**proxy statement/prospectus** has the meaning given to such term in the section entitled *Information Contained in Management Information Circular – Notice to U.S. Securityholders* ;

**RBC** means RBC Dominion Securities Inc., one of Enbridge's financial advisors engaged in connection with the Merger;

**S&P** means Standard & Poor's Ratings Services;

**SEC** means the U.S. Securities and Exchange Commission;

**SEDAR** means the System for Electronic Document Analysis and Retrieval;

**SEP** means Spectra Energy Partners, LP;

**Specified Board Period** has the meaning given to such term in the section entitled *General Information for the Meeting By-law Amendment Resolution* ;

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**Specified Chair Period** has the meaning given to such term in the section entitled *General Information for the Meeting By-law Amendment Resolution* ;

**Spectra Energy** refers to Spectra Energy Corp, a Delaware corporation;

**Spectra Energy board recommendation** refers to the recommendation of the Spectra Energy board of directors for the Spectra Energy stockholders to vote to adopt the Merger Agreement;

**Spectra Energy common stock** means the outstanding shares of Spectra Energy s common stock, par value US\$0.001 per share;

**Spectra Energy Designees** has the meaning given to such term in the section entitled *The Merger Board of Directors and Management of Enbridge after the Merger Board of Directors* ;

**Spectra Energy option** means each outstanding option to purchase Spectra Energy common stock;

**Spectra Energy performance stock unit** means an outstanding performance stock unit denominated in shares of Spectra Energy common stock;

**Spectra Energy phantom unit** means each outstanding phantom unit denominated in Spectra Energy common stock;

**Spectra Energy Special Meeting** means the special meeting of the Spectra Energy stockholders to be held on December 15, 2016 at 2:00 p.m. (Central time) at 5400 Westheimer Court, Houston, Texas 77056 and any adjournments or postponements thereof to consider the Merger Proposal and the Advisory Compensation Proposal;

**Spectra Energy stockholders** refers to the holders of Spectra Energy common stock, par value US\$0.001 per share;

**Spectra Energy termination fee** has the meaning given to such term in the section entitled *The Merger Agreement Termination of the Merger Agreement Termination Fees* ;

**Sullivan & Cromwell** means Sullivan & Cromwell LLP, Enbridge s outside U.S. legal counsel engaged in connection with the Merger;

**superior proposal** has the meaning given to such term in the section entitled *The Merger Agreement No Solicitation* ;

**Surviving Corporation** has the meaning given to such term in the section entitled *Summary The Merger and the Merger Agreement* ;

**tail period** has the meaning given to such term in the section entitled *The Merger Agreement Director & Officer Indemnification and Insurance* ;

**TSX** means the Toronto Stock Exchange;

**Union Gas** means Union Gas Limited, a subsidiary of Spectra Energy;

**U.S. GAAP** means accounting principles generally accepted in the United States;

**U.S.** or **United States** means the United States of America;

**U.S. Exchange Act** means the U.S. Securities Exchange Act of 1934, as amended;

**U.S. Securities Act** means the U.S. Securities Act of 1933, as amended; and

**Wachtell Lipton** means Wachtell, Lipton, Rosen & Katz, Spectra Energy's outside U.S. legal counsel engaged in connection with the Merger.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE ENBRIDGE SPECIAL MEETING**

*The following questions and answers are intended to briefly address some commonly asked questions regarding the Merger and matters to be addressed at the Enbridge Special Meeting. These questions and answers may not address all questions that may be important to you. To better understand these matters, and for a description of the legal terms governing the Merger, you should carefully read this entire Management Information Circular, including the attached appendices, as well as the documents that have been incorporated by reference into this Management Information Circular. For more information, see the section entitled Information Contained in Management Information Circular .*

**Q: What is the Merger?**

On September 5, 2016, Enbridge entered into the Merger Agreement among Enbridge, Merger Sub and Spectra Energy. The Merger Agreement provides for the combination of Enbridge and Spectra Energy through a share-for-share merger, after which Spectra Energy will become a direct wholly-owned subsidiary of Enbridge.

**Q: When and where will the Enbridge Special Meeting be held?**

The Enbridge Special Meeting will be held on December 15, 2016 at 1:00 p.m. (Calgary time) at the Calgary Marriott Downtown Hotel, Kensington Room, 110 9<sup>th</sup> Avenue SE, Calgary, Alberta.

**Q: Why is the Enbridge Special Meeting being held?**

The Enbridge Special Meeting is being held so that Enbridge Shareholders may consider, and if deemed advisable, pass with or without variation, the following ordinary resolutions:

1. **Enbridge Common Share Issuance Resolution:** authorizing and approving the issuance by Enbridge of such number of common shares in the capital of Enbridge as shall be necessary pursuant to the terms of the Merger Agreement; and
2. **By-law Amendment Resolution:** ratifying, confirming and approving certain amendments to General By-law No. 1 of Enbridge, which amendments are conditional upon the completion of the Merger pursuant to the terms of the Merger Agreement.

The Merger cannot be completed without Enbridge Shareholders approving both the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution.

**Q: Why am I receiving this Notice of Special Meeting and Management Information Circular?**

As required by law, you are receiving this Notice of Special Meeting and Management Information Circular in connection with the solicitation by or on behalf of the Enbridge board of directors and management of Enbridge of proxies of Enbridge Shareholders to vote ***FOR*** the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution.

**Q: Does the Enbridge board of directors recommend that I vote *FOR* the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution?**

Yes. At its meeting held on September 5, 2016, after due consideration and consultation with Enbridge's management and outside legal and financial advisors, the Enbridge board of directors unanimously determined, by all directors present, that the Merger is in the best interests of Enbridge and resolved to recommend that Enbridge Shareholders vote in favour of the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. ***The board of directors of Enbridge recommends that Enbridge Shareholders vote FOR the Enbridge Common Share Issuance Resolution and FOR the By-law Amendment Resolution.***

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**Q: How will Enbridge's directors and executive officers vote?**

It is expected that the Enbridge directors and executive officers who are Enbridge Shareholders will vote ***FOR*** the Enbridge Common Share Issuance Resolution and ***FOR*** the By-law Amendment Resolution, although none of them has entered into any agreement requiring them to do so.

As of the record date for the Enbridge Special Meeting, the Enbridge directors and executive officers had the right to vote approximately 1,524,040 Enbridge Common Shares, representing approximately 0.16% of the Enbridge Common Shares then outstanding and entitled to vote at the Enbridge Special Meeting.

**Q: What are Enbridge's reasons for the Merger?**

In approving the Merger Agreement, the Enbridge board of directors considered the business, assets, and liabilities, results of operations, financial performance, strategic direction and prospects of Enbridge and Spectra Energy, with a view to the best interests of Enbridge and its stakeholders, including Enbridge Shareholders, employees, debtholders and other creditors, customers, governments and the environment, among others. A detailed description of the factors that the Enbridge board of directors considered is included at the section entitled *The Merger – Enbridge's Reasons for the Merger*. After consideration of the various factors, the Enbridge board of directors determined that, overall, the potential benefits of the Merger outweighed the potential risks.

**Q: What will Spectra Energy stockholders receive if the Merger is completed?**

If the Merger is completed, Spectra Energy stockholders will receive 0.984 of an Enbridge Common Share for each share of Spectra Energy common stock that they own. This Exchange Ratio is fixed and will not be adjusted to reflect changes in the price of Spectra Energy common stock or Enbridge Common Shares prior to the completion of the Merger. The Enbridge Common Shares issued in connection with the Merger will be listed on the TSX and the NYSE.

**Q: What is the maximum number of Enbridge Common Shares issuable pursuant to the Merger Agreement?**

Based on the number of shares of Spectra Energy common stock, stock options, phantom units, performance stock units and certain other equity-based awards outstanding as of October 31, 2016, Enbridge will issue approximately 694,771,332 Enbridge Common Shares to Spectra Energy stockholders pursuant to the Merger Agreement. The actual number of Enbridge Common Shares to be issued pursuant to the Merger Agreement will be determined at the Effective Time based on the Exchange Ratio, the number of shares of Spectra Energy common stock outstanding at such time and the number of Spectra Energy stock options, phantom units, performance stock units and certain other equity-based awards outstanding at such time.

**Q: Following the completion of the Merger, what percentage of the outstanding shares of the combined company will Spectra Energy stockholders own?**

Enbridge expects that, immediately following completion of the Merger, former holders of Spectra Energy common stock will hold approximately 42.38% (on a fully diluted basis) of the outstanding Enbridge Common Shares.

**Q: Is the obligation of each of Enbridge and Spectra Energy to complete the Merger subject to any conditions?**

Yes. The completion of the Merger is subject to the satisfaction or waiver of a number of conditions including, among others, (i) the adoption of the Merger Agreement by an affirmative vote of the holders of a majority of all





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of the outstanding shares of Spectra Energy common stock entitled to vote at the Spectra Energy Special Meeting, (ii) the approval of each of the issuance of Enbridge Common Shares in connection with the Merger and the By-law Amendment by a majority of the votes cast in respect of such matters by holders of Enbridge Common Shares present in person or represented by proxy at the Enbridge Special Meeting, (iii) the approval for listing on the NYSE and the TSX of the Enbridge Common Shares to be issued to Spectra Energy stockholders in connection with the Merger, subject to official notice of issuance, (iv) the expiration or early termination of the applicable waiting period under the HSR Act, (v) receipt of the Competition Act (Canada) Clearance, (vi) receipt of the Canada Transportation Act Approval, (vii) approval by CFIUS, (viii) the absence of any law, injunction or other order that prohibits the completion of the Merger, (ix) the absence of proceedings by certain governmental antitrust entities relating to the Merger or the other transactions contemplated by the Merger Agreement that could subject Enbridge or Spectra Energy or any of their respective subsidiaries, directors, officers or employees to criminal or quasi-criminal penalties or material monetary sanctions, (x) the Enbridge U.S. registration statement on Form F-4 having been declared effective by the SEC and (xi) other customary closing conditions, including the accuracy of each party's representations and warranties (subject to specified materiality qualifiers), and each party's material compliance with its covenants and agreements contained in the Merger Agreement. For a more detailed discussion of the conditions to the completion of the Merger, see the section entitled *The Merger Agreement – Conditions that Must Be Satisfied or Waived for the Merger to Occur*.

**Q: Are there risks associated with the Merger?**

Yes. Before making a decision on whether and how to vote, you are urged to carefully read the section entitled *Risk Factors*.

**Q: When will the Merger be completed?**

Enbridge and Spectra Energy are working to complete the Merger as quickly as possible. In addition to regulatory and shareholder/stockholder approvals, other important conditions to the completion of the Merger exist. Assuming the satisfaction of all necessary conditions, Enbridge expects to complete the Merger in the first quarter of 2017. The Merger Agreement contains an outside date and time of 5:00 p.m. Eastern Time on March 31, 2017 for the completion of the Merger, which may be extended by intervals of three months, up to a date not beyond December 29, 2017, by either Enbridge or Spectra Energy in certain circumstances. For a discussion of the conditions to the completion of the Merger, see the sections entitled *The Merger – Regulatory Approvals Required for the Merger* and *The Merger Agreement – Conditions that Must Be Satisfied or Waived for the Merger to Occur*.

**Q: What happens if the Merger is not completed?**

If the Merger is not completed for any reason, Spectra Energy stockholders will not receive any consideration for their Spectra Energy common stock, and Enbridge and Spectra Energy will each remain public companies independent of one another.

**Q: Who is entitled to vote at the Enbridge Special Meeting?**

Only Enbridge Shareholders of record at the close of business on November 7, 2016, which is the record date for the Enbridge Special Meeting, are entitled to notice of the Enbridge Special Meeting and to vote thereat or at any adjournment or postponement thereof. As of the close of business on November 7, 2016, there were issued and outstanding a total of 938,681,216 Enbridge Common Shares. Each issued and outstanding Enbridge Common Share on the record date is entitled to one vote on each of the resolutions to be considered and voted on at the Enbridge Special Meeting.

**Q: What is the quorum for the Enbridge Special Meeting?**

At least three persons holding, or representing by proxy, at least 25% of the issued and outstanding Enbridge Common Shares entitled to vote at the Enbridge Special Meeting must be present at the Enbridge Special Meeting in order to constitute a quorum. If you submit a properly executed form of proxy or vote by telephone or the Internet, you will be considered part of the quorum.

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**Q: What vote is required to approve each resolution?**

The Merger cannot be completed without Enbridge Shareholders approving the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. Approval of each of the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution requires the affirmative vote of a majority of the votes cast in respect of the respective resolutions by holders of Enbridge Common Shares present in person or represented by proxy at the Enbridge Special Meeting. The board of directors of Enbridge recommends that Enbridge Shareholders vote ***FOR*** the Enbridge Common Share Issuance Resolution and ***FOR*** the By-law Amendment Resolution.

Your vote is very important, regardless of the number of Enbridge Common Shares you own. Whether or not you expect to attend in person, you should authorize a proxy to vote your Enbridge Common Shares as promptly as possible so that your Enbridge Common Shares may be represented and voted at the Enbridge Special Meeting.

**Q: How do I vote my Enbridge Common Shares?**

Enbridge Shareholders whose Enbridge Common Shares are registered in their names may vote their Enbridge Common Shares in the following ways:

**Telephone:** using a touch-tone telephone by calling 1-888-489-7352 (toll-free).

**Internet:** through the internet at <http://www.cstvotemyproxy.com>.

**Mail or Fax:** by completing the enclosed form of proxy and signing, dating and returning the form of proxy using the enclosed return envelope or sending it to:

CST Trust Company

Attention: Proxy Department

P.O. Box 721

Agincourt, Ontario, M1S 0A1

Attention: Proxy Department

Fax: 1-866-781-3111 (toll-free in North America; outside of North America: 1-416-368-2502)

**In Person:** attending the Enbridge Special Meeting and voting in person.

If your Enbridge Common Shares are not registered in your name, but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution), you should have received a package of materials from your nominee and you should follow the instructions therein. In addition, Beneficial Shareholders may be contacted by Kingsdale Shareholder Services and MacKenzie Partners Inc., Enbridge's strategic advisors and proxy solicitation agents, to conveniently obtain a vote directly over the telephone. Beneficial Shareholders who wish to

attend the Enbridge Special Meeting and indirectly vote their Enbridge Common Shares may only do so as proxyholder for the registered Enbridge Shareholder.

**Q: What is a proxy?**

A proxy is your legal designation of another person, referred to as a proxyholder, to vote your Enbridge Common Shares. The document used to designate a proxyholder to vote your Enbridge Common Shares is called a form of proxy .

**Q: Can I appoint someone other than the person(s) designated by management of Enbridge to vote my Enbridge Common Shares?**

Yes. An Enbridge Shareholder who wishes to appoint some other person (who is not required to be an Enbridge Shareholder) as his or her representative at the Enbridge Special Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy and deleting the names printed thereon or by completing a proper proxy. Such Enbridge Shareholder should notify the nominee of his or her appointment and instruct the nominee on how the Enbridge Common Shares are to be voted.

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**Q: If I am not going to attend the Enbridge Special Meeting, should I return my form of proxy or otherwise vote my Enbridge Common Shares?**

Yes. Completing, signing, dating and returning the form of proxy by mail or fax, submitting a proxy by calling the toll-free number shown on the form of proxy or submitting a proxy by visiting the website shown on the form of proxy ensures that your shares will be represented and voted at the Enbridge Special Meeting, even if you otherwise do not attend.

**Q: Can I change my vote?**

Yes. If you are a registered Enbridge Shareholder, you can change a vote you made by proxy by voting again on the internet or by telephone, or completing a new form of proxy that is dated later than the form of proxy previously submitted and mailing it or faxing it to CST Trust Company. Your new instructions will revoke your earlier instructions. CST Trust Company must receive your new instructions by 6:00 p.m. (Calgary time) on December 13, 2016 regardless of the voting method you choose. If the Enbridge Special Meeting is adjourned or postponed, CST Trust Company must receive your new instructions by 6:00 p.m. (Calgary time) two business days before the Enbridge Special Meeting is reconvened.

If you are a Beneficial Shareholder, contact your nominee for instructions on how to change your vote.

**Q: Can I revoke my vote?**

Yes. If you are a registered Enbridge Shareholder, you can revoke a vote you made by proxy by:

    sending CST Trust Company notice in writing (from you or a person authorized to sign on your behalf). CST Trust Company must receive it by 6:00 p.m. (Calgary time) on December 14, 2016, or by 6:00 p.m. (Calgary time) on the business day before the meeting is reconvened if it was adjourned or postponed. Send your notice to CST Trust Company, at P.O. Box 721, Agincourt, Ontario, M1S 0A1, Attention: Proxy Department or by fax: 1-866-781-3111 (toll-free in North America; outside of North America: 1-416-368-2502);

    giving your notice to the Chair of the Enbridge Special Meeting before the start of the meeting. If you give the Chair of the Enbridge Special Meeting your notice after the meeting has started, your revocation will apply only to the items of business that have not already been voted on; or

    in any other manner permitted by law.

If your Enbridge Common Shares are owned by a corporation, your notice must be executed under corporate seal or by a duly authorized officer or attorney of the corporation.

If you are a Beneficial Shareholder, contact your nominee for instructions on how to revoke your vote.

**Q: What do I need to do now in order to vote on the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution?**

You should carefully read and consider the information contained in this Management Information Circular. Registered Enbridge Shareholders should then complete, sign and date the enclosed form of proxy and return it in the enclosed return envelope or by fax: 1-866-781-3111 (toll-free in North America; outside of North America: 1-416-368-2502), so that your Enbridge Common Shares may be voted at the Enbridge Special Meeting. To vote by internet, please access <http://www.cstvotemyproxy.com> and follow the online voting instructions. To vote using the telephone voting services, call 1-888-489-7352 (toll-free). Please complete and deliver your proxy or voting instruction form prior to 6:00 p.m. (Calgary time) on December 13, 2016, to ensure your representation at the Enbridge Special Meeting.

If your Enbridge Common Shares are not registered in your name, but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution), you should follow the instructions provided by your nominee to ensure your vote is counted at the Enbridge Special Meeting.

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**Q: Who can answer my questions?**

If you have any questions about the information contained in this Management Information Circular or require assistance in completing your form of proxy or voting instruction form, please contact Enbridge's strategic advisors and proxy solicitation and information agents:

**Canada and outside North America:** Kingsdale Shareholder Services, by telephone at 1-888-518-1554 (North American Toll Free) or 1-416-867-2272 (Collect Outside North America), or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**United States:** MacKenzie Partners, Inc., by telephone at 1-800-322-2885 (North American Toll Free) or 1-212-929-5500 (Collect Outside North America), or by email at [enbridge@mackenziepartners.com](mailto:enbridge@mackenziepartners.com).

**Q: Where can I find more information about Enbridge, Spectra Energy and the transactions contemplated by the Merger Agreement?**

You can find out more information about Enbridge, Spectra Energy and the transactions contemplated by the Merger Agreement by reading this Management Information Circular and from various sources described in the sections entitled *Information Contained in Management Information Circular*, *Information Incorporated by Reference* and *Additional Information*.

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**SUMMARY**

*The following is a summary of certain information contained elsewhere in this Management Information Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Management Information Circular, including the appendices hereto and the documents incorporated by reference herein. It is recommended that Enbridge Shareholders read this Management Information Circular and consult with their own legal, tax, financial and other professional advisors with respect to the matters to be acted on at the Enbridge Special Meeting. Capitalized terms used but not otherwise defined in this summary have the meanings set forth under the heading *Glossary of Terms* .*

**The Enbridge Special Meeting**

***Time, Date and Place of Meeting***

The Enbridge Special Meeting will be held on December 15, 2016 at 1:00 p.m. (Calgary time) at the Calgary Marriott Downtown Hotel, Kensington Room, 110 9<sup>th</sup> Avenue SE, Calgary, Alberta.

***Purpose of the Meeting***

At the Enbridge Special Meeting, Enbridge Shareholders will be asked to consider, and if deemed advisable, pass with or without variation, the following ordinary resolutions:

1. **Enbridge Common Share Issuance Resolution:** authorizing and approving the issuance by Enbridge of such number of common shares in the capital of Enbridge as shall be necessary pursuant to the terms of the Merger Agreement; and
2. **By-law Amendment Resolution:** ratifying, confirming and approving certain amendments to General By-law No. 1 of Enbridge, which amendments are conditional upon the completion of the Merger pursuant to the terms of the Merger Agreement.

The Merger cannot be completed without Enbridge Shareholders approving both the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. See *General Information for the Meeting Enbridge Common Share Issuance Resolution* and *General Information for the Meeting By-law Amendment Resolution* .

***Record Date and Enbridge Shareholders Entitled to Vote***

The directors of Enbridge have fixed November 7, 2016 as the record date. Enbridge Shareholders of record at the close of business on November 7, 2016 are entitled to notice of the Enbridge Special Meeting and to vote thereat or at any adjournment or postponement thereof.

As of the close of business on November 7, 2016, there were issued and outstanding a total of 938,681,216 Enbridge Common Shares. Each issued and outstanding Enbridge Common Shares on the record date is entitled to one vote on each of the resolutions to be considered and voted on at the Enbridge Special Meeting. As of the date of this Management Information Circular, there are also 18 series of preference shares issued and outstanding. The issued and outstanding preference shares do not have voting rights and none will be voting at the Enbridge Special Meeting.



***Quorum***

At least three persons holding, or representing by proxy, at least 25% of the issued and outstanding Enbridge Common Shares entitled to vote at the Enbridge Special Meeting must be present at the Enbridge Special Meeting in order to constitute a quorum. If you submit a properly executed form of proxy or vote by telephone or the Internet, you will be considered part of the quorum. See *General Information for the Meeting Quorum* .

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***Required Vote***

The Merger cannot be completed without Enbridge Shareholders approving the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. Approval of each of the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution requires the affirmative vote of a majority of the votes cast in respect of the respective resolutions by holders of Enbridge Common Shares present in person or represented by proxy at the Enbridge Special Meeting.

***Voting by Directors and Executive Officers***

As of the record date for the Enbridge Special Meeting, the Enbridge directors and executive officers had the right to vote approximately 1,524,040 Enbridge Common Shares, representing approximately 0.16% of the Enbridge Common Shares then outstanding and entitled to vote at the Enbridge Special Meeting. It is expected that the Enbridge directors and executive officers who are Enbridge Shareholders will vote ***FOR*** the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution, although none of them has entered into any agreement requiring them to do so.

***Proxy solicitation agents***

If you have any questions about the Merger, the other transactions contemplated by the Merger Agreement, including the Enbridge Common Share Issuance Resolution or the By-law Amendment, the Enbridge Special Meeting or the proxy materials or if you need assistance submitting your proxy or voting your Enbridge Common Shares or need additional copies of this document or the enclosed form of proxy, you should contact Enbridge's strategic advisors and proxy solicitation and information agents:

**Canada and outside North America:** Kingsdale Shareholder Services, by telephone at 1-888-518-1554 (North American Toll Free) or 1-416-867-2272 (Collect Outside North America), or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**United States:** MacKenzie Partners, Inc., by telephone at 1-800-322-2885 (North American Toll Free) or 1-212-929-5500 (Collect Outside North America), or by email at [enbridge@mackenziepartners.com](mailto:enbridge@mackenziepartners.com).

**The Spectra Energy Special Meeting and Stockholder Approval**

The Spectra Energy Special Meeting will be held on December 15, 2016 at 2:00 p.m. (Central time) at 5400 Westheimer Court, Houston, Texas 77056. At the Spectra Energy Special Meeting, Spectra Energy stockholders will be asked to consider and vote on the following proposals:

1. **Merger Proposal:** to adopt the Merger Agreement, pursuant to which Merger Sub will merge with and into Spectra Energy. Spectra Energy will survive the Merger as a direct wholly-owned subsidiary of Enbridge; and
2. **Advisory Compensation Proposal:** to approve, on an advisory (non-binding) basis, certain specified compensation that will or may be paid by Spectra Energy to its named executive officers that is based on or

otherwise relates to the Merger.

A majority of the shares entitled to vote must be present in person or by proxy at the Spectra Energy Special Meeting in order to constitute a quorum.

Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Spectra Energy common stock. The approval of the Merger Proposal is a condition to the obligations of Enbridge and Spectra Energy to complete the Merger.

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Approval, on an advisory (non-binding) basis, of the Advisory Compensation Proposal requires the affirmative vote of holders of a majority of the shares of Spectra Energy common stock that are present at the Spectra Energy Special Meeting in person or by proxy and are entitled to vote on the Advisory Compensation Proposal. The approval of the Advisory Compensation Proposal is not a condition to the obligations of Enbridge or Spectra Energy to complete the Merger and is not binding on Enbridge or Spectra Energy following the Merger.

The Spectra Energy board of directors unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are fair to, and in the best interests of, Spectra Energy and its stockholders, and has approved and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Merger. Accordingly, the Spectra Energy board of directors recommended that Spectra Energy stockholders vote for the approval of both the Merger Proposal and the Advisory Compensation Proposal.

In connection with the Merger and the Spectra Energy Special Meeting, Enbridge and Spectra Energy have filed with the SEC the proxy statement/prospectus.

**Information about the Companies**

***Enbridge Inc.***

Enbridge was incorporated under the *Companies Ordinance* of the Northwest Territories and was continued under the Canada Corporations Act. Enbridge is a North American leader in delivering energy. As a transporter of energy, Enbridge operates, in Canada and the United States, the world's longest crude oil and liquids transportation system. Enbridge also has significant and growing involvement in natural gas gathering, transmission and midstream businesses. As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company and provides distribution services in Ontario, Quebec, New Brunswick and New York State. As a generator of energy, Enbridge has interests in nearly 2,000 MW of net renewable and alternative energy generating capacity which is operating, secured or under construction, and Enbridge continues to expand its interests in wind, solar and geothermal power. Enbridge employs nearly 11,000 people, primarily in Canada and the United States. Enbridge holds all of the common stock of Merger Sub, a direct wholly-owned subsidiary formed in Delaware for the sole purpose of completing the Merger.

Enbridge is a public company trading on both the TSX and the NYSE under the ticker symbol ENB. Enbridge's principal executive offices are located at 200, 425 - 1<sup>st</sup> Street S.W., Calgary, Alberta, Canada T2P 3L8, and its telephone number is 1-403-231-3900.

Additional information about Enbridge can be found on its website at <http://www.enbridge.com>. The information contained in, or that can be accessed through, Enbridge's website is not intended to be incorporated into this Management Information Circular. For additional information about Enbridge, see the sections entitled *Information Contained in Management Information Circular*, *Information Incorporated by Reference* and *Additional Information* and *Appendix G Information Concerning Enbridge Inc.*

***Sand Merger Sub, Inc.***

Merger Sub, a Delaware corporation and a direct wholly-owned subsidiary of Enbridge, was formed solely for the purpose of facilitating the Merger. Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the Merger Agreement. By operation of the Merger, Merger Sub will be merged with and into Spectra Energy. As a result, Spectra Energy will survive the Merger as a direct wholly-owned subsidiary of Enbridge. Upon completion of the

Merger, Merger Sub will cease to exist as a separate entity.

Merger Sub's principal executive offices are located at 200, 425 -<sup>st</sup> Street S.W., Calgary, Alberta, Canada T2P 3L8, and its telephone number is 1-403-231-3900.

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**Table of Contents*****Spectra Energy Corp***

Spectra Energy is a Delaware corporation. Spectra Energy, through its subsidiaries and equity affiliates, owns and operates a large and diversified portfolio of complementary natural gas-related energy assets and is one of North America's leading natural gas infrastructure companies. Spectra Energy also owns and operates a crude oil pipeline system that connects Canadian and U.S. producers to refineries in the U.S. Rocky Mountain and Midwest regions. For over a century, Spectra Energy and its predecessor companies have developed critically important pipelines and related energy infrastructure connecting natural gas supply sources to premium markets. Spectra Energy currently operates in three key areas of the natural gas industry: gathering and processing, transmission and storage, and distribution. Spectra Energy provides transmission and storage of natural gas to customers in various regions of the northeastern and southeastern U.S., the Maritime Provinces in Canada, the Pacific Northwest in the U.S. and Canada, and in the Province of Ontario, Canada. Spectra Energy also provides natural gas sales and distribution services to retail customers in Ontario, and natural gas gathering and processing services to customers in western Canada. Spectra Energy also owns a 50% interest in DCP Midstream, LLC, based in Denver, Colorado, one of the leading natural gas gatherers in the U.S., and one of the largest U.S. producers and marketers of natural gas liquids.

Spectra Energy is a public company trading on the NYSE under the ticker symbol **SE**. Spectra Energy's principal executive offices are located at 5400 Westheimer Court, Houston, Texas 77056, and its telephone number is 1-713-627-5400.

Additional information about Spectra Energy can be found on its website at <http://www.spectraenergy.com>. The information contained in, or that can be accessed through, Spectra Energy's website is not intended to be incorporated into this Management Information Circular. For additional information about Spectra Energy, see the sections entitled *Information Contained in Management Information Circular*, *Information Incorporated by Reference* and *Additional Information* and *Appendix F Information Concerning Spectra Energy Corp*.

**Risk Factors**

The Merger and the transactions contemplated by the Merger Agreement involve risks, some of which are related to the Merger. In considering the Merger and the transactions contemplated by the Merger Agreement, including whether to vote for the Enbridge Common Share Issuance Resolution or the By-law Amendment Resolution, Enbridge Shareholders should carefully consider the information about these risks set forth under the section entitled *Risk Factors*, together with the other information included or incorporated by reference in this Management Information Circular.

**The Merger and the Merger Agreement**

The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, at the Effective Time, Merger Sub, a direct wholly-owned subsidiary of Enbridge, will merge with and into Spectra Energy. As a result, Spectra Energy will continue as the surviving corporation in the Merger, become a direct wholly-owned subsidiary of Enbridge and cease to be a publicly traded company (Spectra Energy is referred to in such capacity as the **Surviving Corporation**).

The terms and conditions of the Merger are contained in the Merger Agreement. The terms of the Merger Agreement are summarised at the section entitled *The Merger Agreement* and a complete copy of the Merger Agreement is attached as *Appendix A Merger Agreement*. Enbridge Shareholders are encouraged to read the Merger Agreement carefully, as it is the legal document that governs the Merger. All descriptions in this Management Information Circular of the terms and conditions of the Merger are qualified by reference to the Merger Agreement.



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Upon the terms and subject to the conditions set forth in the Merger Agreement, each share of Spectra Energy common stock issued and outstanding immediately prior to the Effective Time (other than Spectra Energy common stock owned directly by Enbridge, Merger Sub or Spectra Energy, and in each case not held on behalf of third parties) will be converted into, and become exchangeable for, 0.984 of a validly issued, fully paid and non-assessable Enbridge Common Share (i.e. the Merger Consideration).

Based on the number of shares of Spectra Energy common stock, stock options, phantom units, performance stock units and certain other equity-based awards outstanding as of October 31, 2016, Enbridge will issue approximately 694,771,332 Enbridge Common Shares to Spectra Energy stockholders pursuant to the Merger Agreement. The actual number of Enbridge Common Shares to be issued pursuant to the Merger Agreement will be determined at the Effective Time based on the Exchange Ratio, the number of shares of Spectra Energy common stock outstanding at such time and the number of Spectra Energy stock options, phantom units, performance stock units and certain other equity-based awards outstanding at such time. Based on the number of shares of Spectra Energy common stock outstanding as of October 31, 2016, and the number of Enbridge Common Shares outstanding as of October 31, 2016, immediately after completion of the Merger, former Spectra Energy stockholders would own approximately 42.54% of the outstanding Enbridge Common Shares on a fully-diluted basis (42.38% on a basic basis).

For a full description of the treatment of Spectra Energy options, phantom units, performance stock units and other equity-based awards, see the sections entitled *The Merger Agreement - Treatment of Spectra Energy Equity Awards* and *The Merger Agreement - Merger Consideration*.

**Enbridge's Board of Directors' Recommendation**

At its meeting held on September 5, 2016, having undertaken a review of, and carefully considered, information concerning Spectra Energy, the proposed Merger and alternatives, including in-depth consultation with Enbridge's management and Enbridge's legal and financial advisors (including, among other things, a review and consideration of the opinion of Credit Suisse and the opinion of RBC), and consideration of such other matters as the board of directors of Enbridge considered relevant, the Enbridge board of directors unanimously determined, by all directors present, that the Merger is in the best interests of Enbridge and resolved to recommend that Enbridge Shareholders vote in favour of the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. ***Accordingly, the board of directors of Enbridge recommends that Enbridge Shareholders vote FOR the Enbridge Common Share Issuance Resolution and FOR the By-law Amendment Resolution.***

For further information regarding Enbridge's reasons for the Merger, see the section entitled *The Merger - Enbridge's Reasons for the Merger*.

**Opinions of Enbridge's Financial Advisors*****Opinion of Credit Suisse***

Enbridge engaged Credit Suisse as one of its financial advisors in connection with the proposed Merger. On September 5, 2016, Credit Suisse rendered its oral opinion to the Enbridge board of directors (which was subsequently confirmed in writing by delivery of its written opinion dated the same date) to the effect that, as of such date, and based upon and subject to the procedures followed and the assumptions, qualifications, limitations and other matters considered in connection with the preparation of such opinion, the Exchange Ratio in the Canadian Exchange Offer and in the Merger pursuant to the Merger Agreement was fair, from a financial point of view, to Enbridge. Credit



Suisse's opinion was only one of many factors considered by the Enbridge board of directors in evaluating the Merger and was not determinative of the views of the Enbridge board of directors with respect to the Merger or the Exchange Ratio.

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Credit Suisse's opinion was directed to the Enbridge board of directors and addressed only the fairness, from a financial point of view, to Enbridge, of the Exchange Ratio in the Canadian Exchange Offer and in the Merger pursuant to the Merger Agreement and did not address any other aspect or implication of the Merger or any related matter. The summary of Credit Suisse's opinion in this Management Information Circular is qualified in its entirety by reference to the full text of Credit Suisse's opinion, which is included as *Appendix C Opinion of Credit Suisse Securities (Canada), Inc.* to this Management Information Circular and sets forth the procedures followed and the assumptions, qualifications, limitations and other matters considered by Credit Suisse in connection with the preparation of its opinion. Credit Suisse's opinion was furnished for the use of the Enbridge board of directors (solely in its capacity as such) in connection with its evaluation of the Merger, and the opinion is subject to the limitations and qualifications contained therein. Credit Suisse's opinion does not constitute a recommendation to the Enbridge board of directors or any other person as to how to act or vote with respect to the Merger, the Enbridge Common Share Issuance Resolution or any related matter.

***Opinion of RBC***

The Enbridge board of directors engaged RBC as one of its financial advisors to provide advice and assistance in evaluating the Merger. In connection with this engagement, on September 5, 2016, RBC rendered to the Enbridge board of directors its oral opinion, subsequently confirmed by delivery of a written opinion dated September 5, 2016, to the effect that, as of such date, and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken in connection with the rendering of such opinion, the Exchange Ratio was fair, from a financial point of view, to Enbridge. RBC's opinion was only one of many factors considered by the Enbridge board of directors in evaluating the Merger and was not determinative of the views of the Enbridge board of directors with respect to the Merger or the Exchange Ratio set forth in the Merger Agreement.

The full text of the written opinion of RBC dated September 5, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken in connection with the rendering of such opinion, is attached as *Appendix D Opinion of RBC Dominion Securities Inc.* to this Management Information Circular and should be read carefully and in its entirety. RBC provided its opinion for the use of the Enbridge board of directors in connection with its consideration of the Merger and the opinion is subject to the limitations and qualifications contained therein. The opinion of RBC does not constitute a recommendation to any Enbridge Shareholder as to how such shareholder should vote with respect to the Enbridge Common Share Issuance Resolution or any other matter.

**Impact on Credit Ratings**

In connection with its evaluation of the Merger, Enbridge considered the potential impact of the Merger on its credit ratings.

On September 6, 2016, following the announcement of the Merger, S&P affirmed its BBB+ long-term corporate credit and senior unsecured debt ratings on Enbridge and confirmed that the outlook was stable.

On September 6, 2016, following the announcement of the Merger, DBRS placed Enbridge's credit ratings on Under Review with Developing Implications and indicated that it would soon provide updated commentary on the potential impacts of the Merger on Enbridge. On September 8, 2016, DBRS confirmed that it would maintain the existing ratings of Enbridge and maintain Enbridge's credit ratings as Under Review with Developing Implications. DBRS indicated that it expects to confirm Enbridge's ratings with stable trends in the event that the Merger is completed as contemplated.

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On September 6, 2016, following the announcement of the Merger, Moody's affirmed the Baa2 senior unsecured rating for Enbridge and indicated that the rating outlook for Enbridge remained negative. Moody's

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indicated that it is maintaining a negative rating outlook for Enbridge until Enbridge executes the Merger, its capital program in 2017 and certain deleveraging plans.

### **Accounting Treatment of the Merger**

In accordance with U.S. GAAP, the Merger will be accounted for as a business combination applying the acquisition method of accounting. Accordingly, the aggregate fair value of the Merger Consideration paid by Enbridge in connection with the Merger will be allocated to Spectra Energy's net assets based on their fair values as of the completion of the transaction. The excess of the total purchase consideration over the fair value of the identifiable assets acquired, liabilities assumed and any noncontrolling interest in Spectra Energy will be allocated to goodwill. The results of operations of Spectra Energy will be included in Enbridge's consolidated results of operations only for periods subsequent to the completion of the Merger.

### **Listing of Enbridge Common Shares**

Enbridge Common Shares are currently listed on the TSX and the NYSE under the ticker symbol `ENB`. Spectra Energy common stock is currently listed on the NYSE under the ticker symbol `SE`.

It is a condition to the completion of the Merger that the Enbridge Common Shares issued pursuant to the Merger Agreement are approved for listing on the NYSE and the TSX, subject to official notice of issuance. Enbridge must use its best efforts to obtain the listing and admission for trading of the Enbridge Common Shares issued as Merger Consideration on both the NYSE and the TSX.

The TSX has conditionally approved the listing of the Enbridge Common Shares to be issued to Spectra Energy stockholders pursuant to the Merger Agreement, which Enbridge Common Shares will be registered in the U.S. pursuant to the Enbridge U.S. registration statement on Form F-4. Listing of such Enbridge Common Shares is subject to Enbridge fulfilling all of the requirements of the TSX on or before the business day following the Closing Date. Enbridge is required under the terms of the Merger Agreement to apply to the NYSE to list the Enbridge Common Shares to be issued to Spectra Energy stockholders pursuant to the Merger Agreement on the NYSE, which Enbridge Common Shares will be registered in the U.S. pursuant to the Enbridge U.S. registration statement on Form F-4. Listing will be subject to Enbridge fulfilling all the listing requirements of the NYSE. There can be no assurance that the Enbridge Common Shares will be accepted for listing on the TSX or the NYSE.

### **Delisting and Deregistration of Spectra Energy Common Stock**

As promptly as practicable after the Effective Time, and in any event no more than 10 days after the Effective Time, Spectra Energy common stock currently listed on the NYSE will cease to be listed on the NYSE and will be deregistered under the U.S. Exchange Act.

### **Regulatory Approvals Required for the Merger**

To complete the Merger, Enbridge and Spectra Energy must make certain filings, submissions and notices to obtain required authorizations, approvals, consents or expiration or termination of waiting periods from U.S. and Canadian governmental and regulatory bodies, including antitrust and other regulatory authorities. Enbridge is not currently aware of any material governmental filings, authorizations, approvals or consents that are required prior to the completion of the Merger other than those described below and in the section entitled *The Merger – Regulatory Approvals Required for the Merger*.

Completion of the Merger is subject to antitrust review in the United States and Canada. Under the HSR Act and the rules promulgated thereunder, the Merger cannot be completed until the parties to the Merger Agreement have given notification and furnished information to the FTC and the DOJ and until the applicable waiting period (or any extension of the waiting period) has expired or has been terminated.

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The Merger cannot be completed until the parties to the Merger Agreement have given notifications and furnished information to the Canadian Competition Bureau and until any of the following occurs (the **Competition Act (Canada) Clearance**): (i) the issuance of an advance ruling certificate by the Commissioner of Competition pursuant to section 102 of the Competition Act (Canada), (ii) Enbridge and Spectra Energy have given the notice required under section 114 of the Competition Act (Canada) and the applicable waiting period under section 123 of the Competition Act (Canada) (or any extension of the waiting period) has expired or has been terminated, or (iii) the obligation to give the requisite notice has been waived pursuant to paragraph 113(c) of the Competition Act (Canada), and, in the case of (ii) or (iii), Enbridge has been advised in writing by the Commissioner of Competition that he does not intend to make an application under section 92 of the Competition Act (Canada).

On October 3, 2016, Enbridge and Spectra Energy each filed a pre-merger notification and report form under the HSR Act.

On October 3, 2016, Enbridge and Spectra Energy each filed pre-merger notifications and Enbridge filed a request for an advance ruling certificate under the Competition Act (Canada). On November 2, 2016, Spectra Energy and Enbridge received a request for additional information and *documentary material from the* FTC (the **Second Request**) and a Supplementary Information Request from the Canadian Competition Bureau in connection with the FTC's and Canadian Competition Bureau's reviews, respectively, of the Merger. The Second Request was issued under the notification requirements of the HSR Act and the Supplementary Information Request was issued under the Competition Act (Canada). Issuance of the Second Request and the Supplementary Information Request is a standard part of the regulatory process. The effect of the Second Request and the Supplementary Information Request is to extend the waiting period under the HSR Act and Competition Act (Canada), respectively, until thirty days after Spectra Energy and Enbridge have substantially complied with the Second Request and the Supplementary Information Request, unless that period is terminated earlier by the FTC or the Canadian Competition Bureau, respectively. Spectra Energy and Enbridge are continuing to work closely and cooperatively with the FTC and Canadian Competition Bureau as the agencies conduct their review of the merger.

The Merger Agreement provides for Enbridge and Spectra Energy to file a joint voluntary notice with CFIUS pursuant to the DPA. Under the terms of the Merger Agreement, completion of the Merger is subject to the satisfaction or waiver of the condition that Enbridge will have received the CFIUS Clearance (as described in the sections entitled *The Merger - Regulatory Approvals Required for the Merger* and *The Merger Agreement - Filings; Other Actions; Notification*).

On October 11, 2016, Enbridge and Spectra Energy submitted a draft joint voluntary notice with CFIUS. On November 2, 2016, Enbridge and Spectra Energy submitted the final joint voluntary notice with CFIUS. Spectra Energy and Enbridge are awaiting confirmation from CFIUS that it has accepted the parties' joint voluntary notice.

Completion of the Merger is also subject to the Canada Transportation Act Approval. Enbridge filed a notification with the Minister of Transport under the Canada Transportation Act on October 7, 2016.

The Merger Agreement requires Enbridge and Spectra Energy to cooperate and use (and cause their respective subsidiaries to use) their reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable to complete the Merger as soon as reasonably practicable. Enbridge must take any and all steps, including divestitures, necessary to obtain antitrust approval for the Merger and Spectra Energy must take divestiture actions to assist Enbridge in complying with this obligation (with all such actions being contingent on the completion of the Merger), except that neither Enbridge nor Spectra Energy is required to take any divestiture action with respect to the Enbridge Canadian Mainline



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System, the Enbridge U.S. Mainline System or the Texas Eastern Transmission pipeline, respectively. Enbridge and Spectra Energy must agree to any action, condition or restriction required by CFIUS in order to receive the CFIUS Clearance as promptly as reasonably practicable.

Although Enbridge believes that the required authorizations and approvals described above will be received in order to complete the Merger, there can be no assurance as to the timing of these consents and approvals, Enbridge's or Spectra Energy's ultimate ability to obtain such consents or approvals (or any additional consents or approvals that may otherwise become necessary), or the conditions or limitations that such approvals may contain or impose.



**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ENBRIDGE**

The following selected historical consolidated financial data prepared in accordance with U.S. GAAP is derived from Enbridge's audited consolidated financial statements for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and unaudited consolidated financial statements for the nine months ended September 30, 2016 and 2015. The information set forth below is only a summary that you should read together with the historical audited consolidated financial statements of Enbridge and the related notes, as well as the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Enbridge's amended consolidated financial statements for the fiscal year ended December 31, 2015 filed on SEDAR on May 12, 2016 and Enbridge's unaudited interim condensed consolidated financial statements and related notes for the nine months ended September 30, 2016 filed on SEDAR on November 3, 2016, each of which is incorporated by reference into this Management Information Circular. The selected historical financial data of Enbridge as of December 31, 2013, 2012 and 2011, and for the years ended December 31, 2013, 2012 and 2011 have been derived from Enbridge's audited consolidated financial statements for such years, which have not been incorporated by reference into this Management Information Circular. Historical results are not necessarily indicative of any results to be expected in the future. For more information, see the sections entitled *Information Contained in Management Information Circular - Information Incorporated by Reference* and *Additional Information*.

<b>Consolidated Statements of Earnings</b> <i>(millions of Canadian dollars; except per share amounts)</i>	<b>For the Nine Months Ended</b>		<b>For the Year Ended December 31,</b>				
	<b>September 30, 2016</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Revenue	25,222	24,880	33,794	37,641	32,918	24,660	26,789
Earnings before interest and taxes <sup>(1)</sup>	2,814	794	1,635	3,302	1,560	2,027	2,940
Earnings/(loss) from continuing operations	1,462	(535)	(159)	1,562	490	1,015	1,489
Earnings/(loss)	1,462	(535)	(159)	1,608	494	936	1,221
Earnings/(loss) attributable to Enbridge common shareholders	1,411	(415)	(37)	1,154	446	602	801
Earnings/(loss) per common share attributable to Enbridge common shareholders							
Continuing Operations	1.56	(0.49)	(0.04)	1.34	0.55	0.88	1.08
Discontinued Operations				0.05		(0.10)	(0.01)
	1.56	(0.49)	(0.04)	1.39	0.55	0.78	1.07
Diluted earnings/(loss) per common share attributable to Enbridge common shareholders							
Continuing Operations	1.55	(0.49)	(0.04)	1.32	0.55	0.87	1.06
Discontinued Operations				0.05		(0.10)	(0.01)
	1.55	(0.49)	(0.04)	1.37	0.55	0.77	1.05
Dividends declared per share	1.59	1.395	1.86	1.40	1.26	1.13	0.98

Dividends declared per share	US\$)	1.20	1.11	1.45	1.27	1.22	1.13	0.99
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**Notes:**

- (1) Enbridge reports EBIT as an alternative performance measure. EBIT is a non-GAAP measure. Management of Enbridge believes the presentation of EBIT gives useful information to investors as it provides consistency, facilitates period to period comparisons and insight into the performance of Enbridge. While EBIT is frequently used by investors and securities analysts in their evaluations of companies, EBIT and similar non-GAAP measures have limitations as analytical tools and investors should not consider them in isolation or as a substitute for an analysis of Enbridge's results of operations as reported under U.S. GAAP. For a reconciliation of EBIT to earnings see Note 4 of the notes to Enbridge's amended consolidated financial statements filed on SEDAR for the fiscal year ended December 31, 2015 and Note 3 of the notes to Enbridge's unaudited interim condensed consolidated financial statements filed on SEDAR for the nine months ended September 30, 2016, both of which are incorporated by reference into this Management Information Circular.

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(2) Converted into U.S. dollars using the average noon exchange rate as reported by the Bank of Canada for each of the respective periods.

<b>Consolidated Statements of Financial Position</b>	<b>As at September 30,</b>		<b>As at December 31,</b>				
	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<i>(millions of Canadian dollars; number of shares in millions)</i>							
Total Assets	83,682	81,570	84,515	72,741	57,568	46,800	41,494
Total Long-term debt <sup>(1)</sup>	35,552	38,927	39,391	33,307	22,357	20,203	19,251
Net assets <sup>(2)</sup>	23,490	21,204	22,339	21,050	18,563	14,504	11,255
<b>Share Capital</b>							
Preference shares	6,515	6,515	6,515	6,515	5,141	3,707	1,056
Common shares	10,262	7,219	7,391	6,669	5,744	4,732	3,969
Number of common shares outstanding	938	864	868	852	831	805	781

**Notes:**

(1) Excludes current maturities.

(2) Defined as Total Assets minus Total Liabilities.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SPECTRA ENERGY**

The following selected historical consolidated financial data prepared in accordance with U.S. GAAP is derived from Spectra Energy's audited consolidated financial statements for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and unaudited consolidated financial statements for the nine months ended September 30, 2016 and 2015. The information set forth below is only a summary that you should read together with the historical audited consolidated financial statements of Spectra Energy and the related notes attached as Schedule A and Schedule B to *Appendix F Information Concerning Spectra Energy Corp.*, as well as the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Spectra Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and quarterly report on Form 10-Q for the three months ended September 30, 2016, that Spectra Energy previously filed with the SEC and the Canadian Securities Administrators and that are incorporated by reference into this Management Information Circular. These documents, and other information with respect to Spectra Energy, are available on the SEC's website at <http://www.sec.gov> and under Spectra Energy's SEDAR profile available at [www.sedar.com](http://www.sedar.com). Historical results are not necessarily indicative of any results to be expected in the future. For more information, see the sections entitled *Information Contained in Management Information Circular Information Incorporated by Reference* and *Additional Information*.

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
<i>(U.S. dollars in millions; except per-share amounts)</i>							
<b>Statements of Operations</b>							
Operating revenues	3,618	3,918	5,234	5,903	5,518	5,075	5,351
Operating income	1,186	1,336	1,433	1,924	1,666	1,575	1,763
Income from continuing operations	812	648	460	1,283	1,159	1,045	1,257
Net income noncontrolling interests	234	189	264	201	121	107	98
Net income controlling interests	578	459	196	1,082	1,038	940	1,184
<b>Ratio of Earnings to Fixed Charges</b>	2.8	3.1	3.1	3.6	2.9	2.8	3.4
<b>Common Stock Data</b>							
Earnings per share from continuing operations							
Basic	0.84	0.68	0.29	1.61	1.55	1.44	1.78
Diluted	0.83	0.68	0.29	1.61	1.55	1.43	1.77
Earnings per share							
Basic	0.84	0.68	0.29	1.61	1.55	1.44	1.82
Diluted	0.83	0.68	0.29	1.61	1.55	1.43	1.81
Dividends per share	1.215	1.11	1.48	1.375	1.22	1.145	1.06

	As at September 30,		As at December 31,				
	2016	2015	2015	2014	2013	2012	2011
<b>Balance Sheets</b>							
Total assets	35,937	33,259	32,923	33,998	33,486	30,544	28,096
	13,094	12,898	12,892	12,727	12,441	10,610	10,104

Long-term debt including capital  
leases, less current maturities

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The following selected unaudited *pro forma* condensed consolidated financial data was prepared using the acquisition method of accounting for business combinations under U.S. GAAP, with Enbridge being the accounting and legal acquirer. The following information should be read in conjunction with the respective audited consolidated financial statements of Enbridge and Spectra Energy for the year ended December 31, 2015, including the respective notes thereto, and the respective unaudited consolidated financial statements of Enbridge and Spectra Energy for the nine months ended September 30, 2016, which for Enbridge are incorporated by reference into this Management Information Circular and for Spectra Energy are attached as Schedule A and Schedule B to *Appendix F Information Concerning Spectra Energy Corp* .

The selected unaudited *pro forma* condensed consolidated statements of earnings for the nine months ended September 30, 2016 and for the year ended December 31, 2015 have been prepared to give effect to the Merger as if it occurred on January 1, 2015. The selected unaudited *pro forma* condensed consolidated statement of financial position as at September 30, 2016 has been prepared to give effect to the Merger as if it had occurred on September 30, 2016.

The selected *pro forma* condensed consolidated financial data, which is preliminary in nature, has been derived from, and should be read in conjunction with, the more detailed unaudited *pro forma* combined financial information of the combined company and the accompanying notes appearing in the section entitled *Unaudited Pro Forma Condensed Consolidated Financial Statements* . The unaudited *pro forma* condensed consolidated financial statements have been presented for illustrative purposes only and are not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the Merger been completed as of the dates indicated. In addition, the selected unaudited *pro forma* condensed consolidated financial data does not purport to project the future financial position or operating results of the combined company.

<b>Unaudited Pro Forma Condensed Consolidated Statements of Earnings</b> <i>(millions of Canadian dollars; except per share amounts)</i>	<b>For the Nine Months Ended</b>	
	<b>September 30, 2016</b>	<b>For the Year Ended December 31, 2015</b>
Revenue	30,005	40,487
Earnings before interest and taxes	4,703	3,242
Earnings/(loss) from continuing operations	2,612	501
Earnings/(loss)	2,612	501
Earnings/(loss) attributable to Enbridge common shareholders	2,252	285
Earnings/(loss) per common share attributable to Enbridge common shareholders	1.41	0.19
Diluted earnings/(loss) per common share attributable to Enbridge common shareholders	1.40	0.18

<b>Unaudited Pro Forma Condensed Consolidated Statements of Financial Position</b> <i>(millions of Canadian dollars; number of shares in millions)</i>	<b>As at September 30, 2016</b>
Total Assets	159,748

Total Long-term debt <sup>(1)</sup>	54,654
Net assets	66,405
<b>Share Capital</b>	
Preference shares	6,515
Common shares	48,363
Number of common shares outstanding	1,628

**Note:**

(1) Excludes current maturities.

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**Table of Contents****RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this Management Information Circular, including the matters addressed in the section entitled **Cautionary Statement Regarding Forward-Looking Statements**, Enbridge Shareholders should carefully consider the following risks in deciding whether to vote for the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution. In addition, you should read and consider the risks associated with each of the businesses of Enbridge and Spectra Energy because these risks will relate to the combined company following the completion of the Merger. Descriptions of some of these risks can be found in (i) the section entitled **Risk Factors** in the annual information form of Enbridge dated February 19, 2016 for the year ended December 31, 2015 and (ii) the section entitled **Risk Factors** in the Annual Report of Spectra Energy on Form 10-K for the year ended December 31, 2015, as filed February 25, 2016. See **Information Contained in Management Information Circular – Information Incorporated by Reference and Additional Information**.*

**Risks Relating to the Merger**

***The Exchange Ratio is fixed and will not be adjusted in the event of any change in the price of either Enbridge Common Shares or shares of Spectra Energy common stock.***

As Merger Consideration, Spectra Energy stockholders will receive a fixed number of Enbridge Common Shares, not a number of shares that will be determined based on a fixed market value. The market value of Enbridge Common Shares and the market value of Spectra Energy common stock at the Effective Time may vary significantly from their respective values on the date that the Merger Agreement was executed or at other dates, such as the date of this Management Information Circular or the date of the Enbridge Special Meeting. Stock price changes may result from a variety of factors, including changes in Enbridge's or Spectra Energy's respective businesses, operations or prospects, regulatory considerations and general business, market, industry or economic conditions. The Exchange Ratio will not be adjusted to reflect any changes in the market value of Enbridge Common Shares, the comparative value of the Canadian dollar and U.S. dollar or market value of the Spectra Energy common stock. Therefore, the aggregate market value of the Enbridge Common Shares that a Spectra Energy stockholder is entitled to receive at the time that the Merger is completed could vary significantly from the value of such shares on the date of this Management Information Circular, the date of the Enbridge Special Meeting or the date on which Enbridge Common Shares are actually issued to Spectra Energy stockholders.

***The market price for Enbridge Common Shares following the completion of the Merger may be affected by factors different from those that historically have affected Enbridge Common Shares.***

Enbridge's businesses differ from those of Spectra Energy, and accordingly, the results of operations of Enbridge will be affected by some factors that are different from those currently affecting the results of operations of Enbridge.

***There is no assurance when or if the Merger will be completed.***

The completion of the Merger is subject to the satisfaction or waiver of a number of conditions as set forth in the Merger Agreement, including, among others, (i) the adoption of the Merger Agreement by an affirmative vote of the holders of a majority of all of the outstanding shares of Spectra Energy common stock entitled to vote at the Spectra Energy Special Meeting, (ii) the approval of each of the issuance of Enbridge Common Shares in connection with the Merger and the By-law Amendment by a majority of the votes cast in respect of such matters by holders of Enbridge Common Shares present in person or represented by proxy at the Enbridge Special Meeting, (iii) the approval for listing on the NYSE and the TSX of the Enbridge Common Shares to be issued to Spectra Energy stockholders in



connection with the Merger, subject to official notice of issuance, (iv) the expiration or early termination of the applicable waiting period under the HSR Act, (v) receipt of the Competition Act (Canada) Clearance, (vi) receipt of the Canada Transportation Act Approval, (vii) approval by

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CFIUS, (viii) the absence of any law, injunction or other order that prohibits the completion of the Merger, (ix) the absence of proceedings by certain governmental antitrust entities relating to the Merger or the other transactions contemplated by the Merger Agreement that could subject Enbridge or Spectra Energy or any of their respective subsidiaries, directors, officers or employees to criminal or quasi-criminal penalties or material monetary sanctions, (x) the Enbridge U.S. registration statement on Form F-4 having been declared effective by the SEC and (xi) other customary closing conditions, including the accuracy of each party's representations and warranties (subject to specified materiality qualifiers), and each party's material compliance with its covenants and agreements contained in the Merger Agreement. There can be no assurance as to when these conditions will be satisfied or waived, if at all, or that other events will not intervene to delay or result in the failure to complete the Merger.

Enbridge and Spectra Energy have made various filings and submissions and are pursuing all required consents, orders and approvals in accordance with the Merger Agreement. No assurance can be given that the required consents, orders and approvals will be obtained or that the required conditions to the completion of the Merger will be satisfied. Even if all such consents, orders and approvals are obtained and such conditions are satisfied, no assurance can be given as to the terms, conditions and timing of such consents, orders and approvals. For example, these consents, orders and approvals may impose conditions on or require divestitures relating to the divisions, operations or assets of Enbridge and Spectra Energy or may impose requirements, limitations or costs or place restrictions on the conduct of Enbridge's or Spectra Energy's business, and if such consents, orders and approvals require an extended period of time to be obtained, such extended period of time could increase the chance that an adverse event occurs with respect to Enbridge or Spectra Energy. Such extended period of time also may increase the chance that other adverse effects with respect to Enbridge or Spectra Energy could occur, such as the loss of key personnel. Each party's obligation to complete the Merger is also subject to the accuracy of the representations and warranties of the other party (subject to certain qualifications and exceptions) and the performance in all material respects of the other party's covenants under the Merger Agreement. As a result of these conditions, Enbridge cannot provide assurance that the Merger will be completed on the terms or timeline currently contemplated, or at all. For more information, see the sections entitled *The Merger - Regulatory Approvals Required for the Merger* and *The Merger Agreement - Conditions that Must Be Satisfied or Waived for the Merger to Occur*.

The Enbridge Special Meeting may take place before all of the required regulatory approvals have been obtained and before all conditions to such approvals, if any, are known. Notwithstanding the foregoing, if the Enbridge Common Share Issuance Resolution and the By-law Amendment Resolution are approved by Enbridge Shareholders, Enbridge would not be required to seek further approval of Enbridge Shareholders, even if the conditions imposed in obtaining required regulatory approvals could have an adverse effect on Enbridge either before or after completing the Merger.

***The combined company may not realize all of the anticipated benefits of the Merger.***

Enbridge believes that the Merger will provide benefits to the combined company as described elsewhere in this Management Information Circular. However, there is a risk that some or all of the expected benefits of the Merger may fail to materialize, or may not occur within the time periods anticipated by Enbridge. The realization of such benefits may be affected by a number of factors, including regulatory considerations and decisions, many of which are beyond the control of Enbridge. The challenge of coordinating previously independent businesses makes evaluating the business and future financial prospects of the combined company following the Merger difficult. Enbridge and Spectra Energy have operated and, until completion of the Merger, will continue to operate, independently. The success of the Merger, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully integrate the operations of both companies in a manner that results in various benefits, including, among other things, an increase in the dividend, an expanded market reach and operating efficiencies, and that does not materially disrupt existing client relationships nor result in decreased revenues or dividends due to the full or partial loss of clients. The past financial performance of each of Enbridge and Spectra Energy may not be indicative of their

future financial performance. Realization of the anticipated benefits in the Merger will depend, in part, on the combined company's ability to successfully integrate

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Enbridge's and Spectra Energy's businesses. The combined company will be required to devote significant management attention and resources to integrating its business practices and support functions. The diversion of management's attention and any delays or difficulties encountered in connection with the Merger and the coordination of the two companies' operations could have an adverse effect on the business, financial results, financial condition or the share price of the combined company following the Merger. The coordination process may also result in additional and unforeseen expenses.

Failure to realize all of the anticipated benefits of the Merger may impact the financial performance of the combined company, the price of the combined company's common shares and the ability of the combined company to continue paying dividends on its common shares at rates consistent with current dividend guidance or at all. The declaration of dividends by the combined company will be at the discretion of its board of directors, which may determine at any time to cease paying dividends, lower the dividend rate or not increase the dividend rate.

### ***Enbridge may not have discovered undisclosed liabilities of Spectra Energy, if any.***

In the course of the due diligence review of Spectra Energy that Enbridge conducted prior to the execution of the Merger Agreement, Enbridge may not have discovered, or may have been unable to quantify, undisclosed liabilities of Spectra Energy and its subsidiaries, if any, and Enbridge will not be indemnified for any of these liabilities. If Spectra Energy has undisclosed liabilities, Enbridge, as a successor owner, may be responsible for such undisclosed liabilities. Such undisclosed liabilities could have an adverse effect on the business, results of operations, financial condition and cash flows of Enbridge and on the value of the Enbridge Common Shares after the completion of the Merger.

### ***The announcement and pendency of the Merger could adversely affect Enbridge's business, results of operations and financial condition.***

The announcement and pendency of the Merger could cause disruptions in and create uncertainty surrounding Enbridge's businesses, including affecting Enbridge's relationships with its existing and future customers, suppliers and employees, which could have an adverse effect on Enbridge's business, results of operations and financial condition, regardless of whether the Merger is completed. In particular, Enbridge could potentially lose important personnel as a result of the departure of employees who decide to pursue other opportunities in light of the Merger. Enbridge could also potentially lose customers or suppliers, and new customer or supplier contracts could be delayed or decreased. In addition, Enbridge has expended, and continues to expend, significant management resources in an effort to complete the Merger, which resources are being diverted from Enbridge's day-to-day operations.

If the Merger is not completed, the price of Enbridge Common Shares may fall to the extent that the current price of Enbridge Common Shares reflects a market assumption that the Merger will be completed. In addition, the failure to complete the Merger may result in negative publicity or a negative impression of Enbridge in the investment community and may affect Enbridge's relationships with employees, customers, suppliers and other partners in the business community.

### ***Enbridge and Spectra Energy will incur substantial transaction fees and costs in connection with the Merger.***

Enbridge and Spectra Energy have incurred and expect to incur additional material non-recurring expenses in connection with the Merger and completion of the transactions contemplated by the Merger Agreement, including costs relating to obtaining required approvals and compensation change in control payments. Enbridge and Spectra Energy have incurred significant legal, advisory and financial services fees in connection with the process of negotiating and evaluating the terms of the Merger. Additional significant unanticipated costs may be incurred in the course of coordinating the businesses of Enbridge and Spectra Energy after completion of the Merger. Even if the

Merger is not completed, Enbridge and Spectra Energy will need to pay certain costs relating to the Merger incurred prior to the date the Merger was abandoned, such as legal, accounting, financial advisory,

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filing and printing fees. Such costs may be significant and could have an adverse effect on the parties' future results of operations, cash flows and financial condition. In addition to its own fees and expenses, each of Enbridge and Spectra Energy may be required to reimburse the other party for its reasonable out-of-pocket expenses incurred in connection with the Merger Agreement, subject to a cap of US\$100 million, in the event the Enbridge Shareholders or Spectra Energy stockholders, respectively, do not approve the matters required to be voted upon by Enbridge Shareholders or Spectra Energy stockholders, respectively, and the Merger Agreement is terminated.

### ***Significant demands will be placed on Enbridge as a result of the Merger.***

As a result of the pursuit and completion of the Merger, significant demands will be placed on the managerial, operational and financial personnel and systems of Enbridge. Enbridge cannot assure you that its systems, procedures and controls will be adequate to support the expansion of operations following and resulting from the Merger. The future operating results of the combined company will be affected by the ability of its officers and key employees to manage changing business conditions and to implement and expand its operational and financial controls and reporting systems in response to the Merger.

### ***Additional capital requirements.***

Following completion of the Merger, the combined company will require significant ongoing capital expenditures and, although Enbridge anticipates that the combined company will be able to fund these expenditures through usage of the combined company's lines of credit and subsequent debt, equity or hybrid offerings, there can be no assurances that the combined company will be able to obtain financing on acceptable terms.

### ***The credit rating of the combined company will be subject to ongoing evaluation.***

The terms of the combined company's financing will, in part, be dependent on the credit ratings assigned to its securities by independent credit rating agencies. The combined company's ratings upon completion of the Merger will reflect each rating organization's opinion of the combined company's financial strength, operating performance and ability to meet the obligations associated with its securities. The credit rating of the combined company will be subject to ongoing evaluation by credit rating agencies, and there can be no assurances that such ratings will be maintained in the future. Downgrades in the combined company's ratings could adversely affect the combined company's business, cash flows, financial condition, operating results and share and debt prices.

### ***The unaudited pro forma condensed consolidated financial information of Enbridge and Spectra Energy is presented for illustrative purposes only and may not be indicative of the results of operations or financial condition of the combined company following the Merger.***

The unaudited *pro forma* condensed consolidated financial information included in this Management Information Circular has been prepared using the consolidated historical financial statements of Enbridge and Spectra Energy, is presented for illustrative purposes only and should not be considered to be an indication of the results of operations or financial condition of the combined company following the Merger. In addition, the *pro forma* combined financial information included in this Management Information Circular is based in part on certain assumptions regarding the Merger. These assumptions may not prove to be accurate, and other factors may affect the combined company's results of operations or financial condition following the Merger. Accordingly, the historical and *pro forma* financial information included in this Management Information Circular does not necessarily represent the combined company's results of operations and financial condition had Enbridge and Spectra Energy operated as a combined entity during the periods presented, or of the combined company's results of operations and financial condition following completion of the Merger. The combined company's potential for future business success and operating profitability

must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently combined companies.

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In preparing the *pro forma* financial information contained in this Management Information Circular, Enbridge has given effect to, among other items, the completion of the Merger, the payment of the Merger Consideration and the indebtedness of Enbridge on a consolidated basis after giving effect to the Merger, including the indebtedness of Spectra Energy. The unaudited *pro forma* financial information does not reflect all of the costs that are expected to be incurred by Enbridge and Spectra Energy in connection with the Merger. For more information, see the section entitled *Unaudited Pro Forma Condensed Consolidated Financial Statements*, including the notes thereto.

***While the Merger Agreement is in effect, Enbridge, Spectra Energy and their respective subsidiaries businesses are subject to restrictions on their business activities.***

Under the Merger Agreement, Enbridge, Spectra Energy and their respective subsidiaries are subject to certain restrictions on the conduct of their respective businesses and generally must operate their respective businesses in the ordinary course prior to completing the Merger (unless Enbridge or Spectra Energy obtains the other's consent, as applicable, which is not to be unreasonably withheld, conditioned or delayed), which may restrict Enbridge's and Spectra Energy's ability to exercise certain of their respective business strategies. These restrictions may prevent Enbridge and Spectra Energy from pursuing otherwise attractive business opportunities, making certain investments or acquisitions, selling assets, engaging in capital expenditures in excess of certain agreed limits, incurring indebtedness or making changes to Enbridge's and Spectra Energy's respective businesses prior to the completion of the Merger or termination of the Merger Agreement, as applicable. These restrictions could have an adverse effect on Enbridge's and Spectra Energy's respective businesses, financial results, financial condition or stock price.

In addition, the Merger Agreement prohibits Enbridge and Spectra Energy from (i) initiating, soliciting, proposing, knowingly encouraging or taking any action to knowingly facilitate, subject to certain exceptions set forth in the Merger Agreement, any inquiry or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, an acquisition proposal, (ii) engaging in, continuing or otherwise participating in any discussions with or negotiations relating to any acquisition proposal or any inquiry, proposal or offer that would reasonably be expected to lead to an acquisition proposal or (iii) providing any non-public information to any person in connection with any acquisition proposal or any proposal or offer that would reasonably be expected to lead to an acquisition proposal. Enbridge may be required to pay Spectra Energy a termination fee of \$1.75 billion if the Merger Agreement is terminated under the circumstances specified in the Merger Agreement. Spectra Energy may be required to pay Enbridge a termination fee of US\$1.0 billion if the Merger Agreement is terminated under the circumstances specified in the Merger Agreement.

***The termination of the Merger Agreement could negatively impact Enbridge.***

If the Merger is not completed for any reason, including in the event the Enbridge Shareholders or Spectra Energy stockholders, respectively, do not approve the matters required to be voted upon by Enbridge Shareholders or Spectra Energy stockholders, respectively, the ongoing business of Enbridge may be adversely affected and, without realizing any of the anticipated benefits of having completed the Merger, Enbridge would be subject to a number of risks, including the following:

Enbridge may experience negative reactions from the financial markets, including a decline of its share price (which may reflect a market assumption that the Merger will be completed);



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Enbridge may experience negative reactions from the investment community, its customers, regulators and employees and other partners in the business community;

Enbridge may be required to pay certain costs relating to the Merger, whether or not the Merger is completed; and

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matters relating to the Merger will have required substantial commitments of time and resources by Enbridge management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to Enbridge had the Merger not been contemplated.

If the Merger Agreement is terminated under the circumstances specified in the Merger Agreement, Enbridge may be required to pay Spectra Energy a termination fee of \$1.75 billion or reimburse Spectra Energy for its reasonable and documented out-of-pocket expenses incurred in connection with the Merger Agreement subject to a cap of US\$100 million, depending on the circumstances surrounding the termination. If the Merger Agreement is terminated under the circumstances specified in the Merger Agreement, Spectra Energy may be required to pay Enbridge a termination fee of US\$1.0 billion or reimburse Enbridge for its reasonable and documented out-of-pocket expenses incurred in connection with the Merger Agreement subject to a cap of US\$100 million, depending on the circumstances surrounding the termination. If an expense reimbursement is paid by Enbridge or Spectra Energy and the Enbridge termination fee or Spectra Energy termination fee subsequently becomes due, then the amount of the Enbridge termination fee or Spectra Energy termination fee, as applicable, will be reduced by the amount of reimbursement expenses previously paid.

See the section entitled *The Merger Agreement - Termination of the Merger Agreement* for a more complete discussion of the circumstances under which the Merger Agreement could be terminated and when the termination fee and expense reimbursement may be payable by Enbridge or Spectra Energy, as applicable.

***Except in specified circumstances, if the Merger is not completed by 5:00 p.m. Eastern Time on March 31, 2017, subject to extension in specified circumstances by either Enbridge or Spectra Energy to December 29, 2017, either Enbridge or Spectra Energy may choose not to proceed with the Merger.***

Either Enbridge or Spectra Energy may terminate the Merger Agreement if the Merger has not been completed by 5:00 p.m. Eastern Time on March 31, 2017. However, this right to terminate the Merger Agreement will not be available to Enbridge or Spectra Energy if the failure of such party to perform any of its obligations under the Merger Agreement has