



DIVIDEND
REINVESTMENT AND
SHARE PURCHASE PLAN

OFFERING CIRCULAR

February 14, 2018

**DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN
OFFERING CIRCULAR**

Shareholders should read carefully the entire Offering Circular before making any decisions regarding the Dividend Reinvestment and Share Purchase Plan described below.

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ENQUIRIES

All enquiries relating to the plan should be addressed to:

AST Trust Company
P.O. Box 4229, Station A, Toronto, Ontario M5W 0G1
Telephone: (416) 682-3860 or toll free 1-800-387-0825

THE CORPORATION

Enbridge Inc. (the “**Corporation**”) is a North American energy infrastructure company with strategic business platforms that include an extensive network of crude oil, liquids and natural gas pipelines, regulated natural gas distribution utilities and renewable power generation assets. The Corporation is a public company trading on both the Toronto Stock Exchange and the New York Stock Exchange under the symbol “ENB”. The Corporation was incorporated under *the Companies Ordinance of the Northwest Territories* on April 13, 1970 and was continued under the *Canada Business Corporations Act* on December 15, 1987. The Corporation’s principal executive offices are located at Suite 200, 425 - 1st Street S.W., Calgary, Alberta, Canada T2P 3L8.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this offering circular to provide information about the Corporation’s 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", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: use of proceeds from the Plan; and the timing of dividend payments. Although the Corporation 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.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Dividend Reinvestment and Share Purchase Plan (the “**Plan**”), which was last amended February 14, 2018, enables holders of record of common shares of the Corporation (“**Common Shares**”) to purchase additional Common Shares by reinvesting all of the cash dividends paid on the Common Shares and also by making optional cash payments of up to Cdn\$5,000 per quarter, in both cases without incurring brokerage or other transaction expenses. Common Shares distributed under the Plan will, at the option of the Corporation, be issued directly from the treasury of the Corporation or be purchased on a stock exchange. The declaration of dividends to the holders of Common Shares is at the discretion of the Board of Directors of the Corporation. Dividends in respect of the Corporation’s Common Shares have generally been paid on March 1, June 1, September 1 and December 1 of each year.

The following constitutes only a summary of some features of the Plan. If any interpretation of the Plan is required, the text of the Plan shall govern.

Price

The price of the Common Shares purchased on behalf of a registered holder of Common Shares who participates in the Plan (a “**Participant**”) with reinvested dividends will be 98% of the weighted average of the trading prices for the Common Shares on the Toronto Stock Exchange (the “**TSX**”) on the five trading days preceding a dividend payment date. The Directors may, in their sole discretion, at any time, with effect at the time of declaration of the next dividend payment, determine to change or eliminate the then-applicable discount; provided however, that the price at which the Common Shares will be issued under the Plan will not be lower than 95% of the weighted average of the trading prices for the Common Shares on the TSX on the five trading days preceding the next dividend payment.

Optional cash payments by holders of record of up to Cdn\$5,000 per quarter will be used to purchase Common Shares under the Plan at a price equal to 100% of the weighted average of the trading prices for the Common Shares on the TSX on the five trading days preceding a dividend payment date.

The term “**trading day**”, means a day on which not less than 500 Common Shares were traded through the facilities of the TSX.

Benefits to Participants

The following are certain of the benefits to Participants in the Plan:

1. There are no brokerage commissions or service charges for Common Shares purchased through the Plan. All administration costs of the Plan will be paid by the Corporation.
2. Full reinvestment of dividends is achieved since the Plan permits fractions of Common Shares and dividends in respect of such fractions to be credited to a Participant's account.
3. All Common Shares purchased under the Plan will be held for the Participant's account by AST Trust Company (the "**Trustee**") as trustee on behalf of the Participant. The Trustee will provide a statement to the Participant following each dividend payment date.
4. Participation in the Plan may be terminated by a Participant at any time (but no more than once per year) subject to the notice and settlement requirements in the Plan.

Participation

If your Common Shares are registered in your name:

Except as described below, a registered holder of Common Shares is eligible at any time to participate in the Plan with respect to all of the Common Shares registered in such holder's name by completing the applicable enrolment form, as provided by the Trustee or the Corporation from time to time (an "**Enrolment Form**"), and sending it to the Trustee.

If your Common Shares are not registered in your name:

A beneficial owner of Common Shares whose shares are not registered in his or her own name may participate in the Plan after having those shares transferred into his or her own name or into a specific segregated registered account. A beneficial owner whose shares are held in a specific segregated registered account, such as a numbered account with a bank, trust company or broker, may request that entity, subject to any restriction imposed by such entity, to enroll such account in the Plan with respect to those shares.

Participation

Once a shareholder has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan. (See "*Termination of Participation*" below.)

Under the Plan, registered holders of Common Shares may direct the Trustee to reinvest cash dividends on all of the Common Shares registered in a particular name or manner, and to apply optional cash payments of up to Cdn\$5,000 per quarter, to purchase new Common Shares.

A registered holder of Common Shares will become a Participant in the Plan as of the first dividend record date following receipt by the Trustee of a properly completed Enrolment Form provided that the Enrolment Form is received not later than five business days before such dividend record date. If an Enrolment Form is received by the Trustee less than five business days before the record date for a particular dividend, that dividend will be paid to the shareholder in the usual manner and participation in the Plan will commence with the next dividend. Dividend record dates for the Common Shares have generally been on February 15, May 15, August 15 and November 15 in each year. Notice of the record date and payment date for any particular dividend is published in the financial press at least seven days before the record date.

A Participant should note that Common Shares acquired outside of the Plan which are not registered in exactly the same name or manner as Common Shares enrolled in the Plan will not be automatically enrolled in the Plan. A

Participant purchasing additional Common Shares outside of the Plan is advised to contact the Trustee to ensure that all Common Shares owned by it are enrolled in the Plan.

Method of Purchase

Cash dividends payable on Common Shares registered for a Participant in the Plan, after deduction of any applicable withholding tax, will be paid to the Trustee and applied automatically by the Trustee on each dividend payment date to the purchase of Common Shares for that Participant.

A Participant's account will be credited with the number of Common Shares, including fractions computed to three decimal places, which is equal to the aggregate amount of the cash dividends after the deduction of any applicable withholding tax, reinvested for such Participant divided by the applicable purchase price. Full reinvestment of dividends under the Plan is possible because fractions of Common Shares, as well as whole Common Shares, are credited to a Participant's account. The rounding of any fractional interest is determined by the Trustee using such methods as it deems appropriate in the circumstances.

Optional Cash Payments

Optional cash payments received by the Trustee from a Participant not less than five business days prior to a dividend payment date will be applied by the Trustee to the purchase of Common Shares in the same manner as described under "*Method of Purchase*" above. Cash dividends paid on Common Shares purchased with optional cash payments will automatically be reinvested in additional Common Shares in the same manner as described under "*Method of Purchase*" above.

The option to make cash payments is available to a Participant each quarter is not subject to a minimum but may not exceed Cdn\$5,000 per quarter. To make an initial optional cash payment, a Participant must (i) complete an Optional Cash Purchase Form, (ii) enclose a personal cheque made payable to AST Trust Company. (iii) complete and sign an AST Trust Company Participant Declaration Form and deliver these three items to the Trustee. (See "*Federal Anti-Terrorism and Anti-Money Laundering Legislation*" below.) If a Participant has not previously delivered a completed Enrolment Form to the Trustee, the Participant must do so together with items (i)-(iii) above. To make subsequent optional cash payments, a Participant must deliver subsequent payments to the Trustee by personal cheque, certified cheque, bank draft or other means acceptable to the Trustee. The same amount of money need not be sent each quarter and there is no obligation to make an optional cash payment each quarter.

Optional cash payments received by the Trustee less than five business days preceding a dividend payment date will be held by the Trustee until the next dividend payment date. No interest will be paid by the Corporation or by the Trustee on any funds received prior to a dividend payment date. Any interest earned on such funds will be applied by the Corporation to offset the costs of the Plan.

Costs

There are no brokerage commissions payable by a Participant with respect to Common Shares purchased under the Plan. Common Shares purchased on behalf of a Participant are either purchased directly from the treasury of the Corporation, in which case there are no brokerage commissions, or purchased on a stock exchange, in which case all brokerage commissions are paid by the Corporation. A Participant will be responsible for the brokerage commission on a disposition of whole Common Shares effected by the Trustee if the Corporation terminates a Participant from that Plan as described under "*Termination of Participation*". All administrative costs of the Plan are paid by the Corporation.

Federal Anti-Terrorism and Anti-Money Laundering Legislation

Federal anti-terrorism and anti-money laundering legislation requires that certain personal information be provided by Participants wishing to make optional cash payments. If an optional cash payment is being made, Participants will initially be required to complete a declaration on AST Trust Company's Participant Declaration Form, provide a personal cheque and submit these items to the Trustee with a completed Optional Cash Purchase

Form. A Participant's initial Optional Cash Purchase Form and optional cash payment will not be processed without a duly completed and signed AST Trust Company Participant Declaration Form and a personal cheque.

Statements of Account

The Trustee will establish and maintain an account for each Participant in the Plan. A statement of account will be mailed by the Trustee to each Participant within a reasonable period, usually approximately two weeks, after each dividend payment date. This statement will set out the amount of the cash dividend paid on the Participant's Common Shares, the amount of any applicable withholding tax, the amount of any optional cash payment made by the Participant, the number of Common Shares purchased through the Plan with respect to such dividend and optional cash payment, the purchase price per Common Share and the updated total number of Common Shares being held by the Trustee for the Participant in his or her account. These statements of account are a Participant's continuing record of the cost of purchases and should be kept for tax purposes. In addition, each Participant will receive the appropriate information annually for reporting dividends for tax purposes.

Share Certificates

Generally, Common Shares purchased through the Plan will be held in the name of the Trustee for a Participant and reported on the Participant's statement of account. This service protects against loss, theft or destruction of share certificates. However, a Participant who requires a share certificate but who does not wish to terminate participation in the Plan may obtain a certificate for any number of whole Common Shares held in his or her account by written request to the Trustee. A certificate will not be issued for a fraction of a share.

A Plan account will be established and maintained in the same name in which certificates were registered with the Corporation at the time the Participant enrolls in the Plan. Consequently, certificates for whole Common Shares withdrawn from the account maintained for a Participant by the Trustee will be registered in exactly the same manner when issued.

Shares being held by the Trustee for a Participant in his or her account may not be pledged, sold or otherwise disposed of by a Participant. A Participant who wishes to do so must request that a certificate for the required number of Common Shares be issued before such action may be taken. Certificates will generally be issued to a Participant within three weeks of receipt by the Trustee of a Participant's written request and at no cost. Common Shares evidenced by the newly issued certificates will continue to be eligible to participate in the Plan while owned by the Participant and while such shares are recorded in a Plan account in the Participant's name.

Termination of Participation

Participation in the Plan may be terminated by a Participant at any time (but no more than once per year) by written notice to the Trustee signed by the registered holder or his or her agent. If such notice is not signed by the registered holder, sufficient evidence of the agent's authority to act on behalf of the registered holder must be supplied. Generally, a termination will be processed within three weeks of receipt by the Trustee of a written request for termination or, if the request is received less than five business days before a dividend record date, such request will be processed prior to the next dividend payment date.

When a Participant terminates participation in the Plan, the Participant will receive from the Trustee a certificate for the whole Common Shares held in the Participant's account and a cash payment for any fraction of a Common Share. The cash payment for a fraction of a Common Share will be based on the weighted average of the trading prices for the Common Shares, calculated for the latest dividend paid in the manner described under "*Price*" and applied to any fraction of a Common Share in a Participant's account.

Participation in the Plan will be terminated upon receipt by the Trustee of appropriate evidence of the death of a Participant. In such case, a certificate for the whole Common Shares in the Participant's account will be issued in the name of the deceased Participant, along with a cash payment for any fraction of a Common Share in the account based on the weighted average of the trading prices for the Common Shares, calculated for the latest dividend paid in the manner described under "*Price*" and applied to any fraction of a Common Share in a Participant's account.

Requests for issuance of a certificate for the whole Common Shares in the name of an estate and a cash payment for a fractional Common Share in the name of an estate must be accompanied by such appropriate documentation as may be reasonably requested by the Trustee and the Corporation.

After termination of participation in the Plan, future dividends will be paid to the shareholder in cash.

The Corporation shall have the right to terminate participation in the Plan for Participants who hold fewer than five Common Shares in his or her account and holds no other Common Shares. Upon termination by the Corporation pursuant to this provision, the Trustee will sell the whole Common Shares in the Participant's account and pay the Participant the proceeds of such sale, net of brokerage commissions, together with cash for the fractional Common Shares held in the account based on the weighted average of the trading prices for the Common Shares, calculated for the latest dividend paid in the manner described under "*Price*" and applied to any fraction of a Common Share in a Participant's account.

Disposition of Shares Held in Certificate Form

If a Participant sells or transfers all of the Common Shares he or she holds in certificate form that are enrolled in the Plan, but does not sell Common Shares that are being held for such person by the Trustee, participation in the Plan will continue for the latter shares, subject to termination as described under "*Termination of Participation*" and "*Amendment, Suspension or Termination of the Plan*".

Rights Offerings

If the Corporation makes available to registered holders of Common Shares any rights to subscribe for additional Common Shares or other securities, certificates representing such rights will be forwarded to a Participant in the Plan in proportion to the number of whole Common Shares owned by such Participant, including Common Shares being held for the Participant by the Trustee. Such rights will not be available for any fraction of a Common Share held for a Participant.

Dividends Paid in Common Shares and Stock Splits

Any dividends paid by the Corporation in Common Shares will be credited to a Participant's account based on whole and fractional Common Shares being held for a Participant by the Trustee. The date of acquisition of such Common Shares will be the dividend payment date on which such dividend is paid and such Common Shares will be entitled to future dividend reinvestment in the same manner as other Common Shares held in the Participant's account.

Common Shares resulting from a stock split will also be credited to a Participant's account based on whole and fractional Common Shares being held for a Participant by the Trustee.

Certificates for Common Shares resulting from a dividend paid in Common Shares or stock split with respect to Common Shares held in certificate form by a Participant will be mailed directly to the Participant.

Share Voting

Whole Common Shares held in a Participant's account by the Trustee are voted in the same manner as Common Shares held by a shareholder in certificate form, either by proxy or by the Participant in person. A fractional share does not carry the right to vote.

Responsibilities of the Corporation and the Trustee

Neither the Corporation nor the Trustee will be liable for any act undertaken or omitted in good faith, and neither the Corporation nor the Trustee shall have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or as are required by law. In particular, the Corporation and the Trustee must comply with all

applicable laws now or hereafter in force which may impose a duty to permit any properly authorized party to have access to and examine and make copies of any records relating to the Plan.

Neither the Corporation nor the Trustee can assure a profit or protect against financial loss in respect of Common Shares purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Corporation reserves the right to amend, suspend or terminate the Plan at any time, provided that such action may not have any retroactive effect which is prejudicial to the interests of a Participant. Participants will be sent written notice of any material amendment to or of any suspension or termination of the Plan.

If the Plan is terminated by the Corporation, Participants will receive a certificate for whole Common Shares being held in the Participant's account and a cash payment for any fraction of a Common Share based on the weighted average of the trading prices for the Common Shares, calculated for the latest dividend paid in the manner described under "*Price*" and applied to any fraction of a Common Share in a Participant's account.

Material amendments to the Plan will require the prior approval of the TSX and, to the extent applicable, any other stock exchange on which the Common Shares may from time to time be listed and posted for trading, which approvals will be obtained before the amendments are implemented.

Notices

All notices required to be given to a Participant in the Plan will be mailed to the Participant at its most recent address shown on the records of the Corporation.

All communications to the Trustee and requests for forms or information regarding the Plan should be directed to:

AST Trust Company
P.O. Box 4229
Station A
Toronto, Ontario M5W 0G1

Telephone: (416) 682-3860 or toll free 1-800-387-0825

General

The Corporation reserves the right to interpret and regulate the Plan as it deems necessary or desirable and any such interpretation or regulation will be final.

Any reference herein to a dividend record date or a dividend payment date means such date with respect to a dividend payable on the Common Shares.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include feminine and neuter genders and vice versa, and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

USE OF PROCEEDS

The Corporation will only receive proceeds under the Plan if Common Shares are issued from the treasury of the Corporation rather than being purchased in the open market on a stock exchange. If Common Shares are issued from treasury pursuant to the Plan, the proceeds received by the Corporation from time to time will be added to the general funds of the Corporation to be used for general corporate purposes, which may include reducing outstanding

indebtedness and financing capital expenditures, investments and working capital requirements of the Corporation. The Corporation may invest funds that it does not immediately require in short-term marketable debt securities.

CANADIAN AND UNITED STATES TAX CONSIDERATIONS

The following summary of material Canadian and United States federal income tax consequences is of a general nature only, is not exhaustive of all possible tax considerations and is not intended to be legal or tax advice to any particular holder of Common Shares. Shareholders are advised to consult a tax advisor as to the consequences of participation in the Plan.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a Participant who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the Income Tax Regulations (the “**Regulations**”), deals at arm’s length with and is not affiliated with the Corporation, holds the Common Shares acquired under the Plan as capital property, and has cash dividends paid on the Common Shares reinvested under the Plan or purchases the Common Shares through optional cash payments.

This summary does not apply to a Participant: (i) that is a “financial institution” (as defined in the Tax Act) for purposes of the mark-to-market and specified debt obligation rules in the Tax Act; (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (iii) that is a “specified financial institution” (as defined in the Tax Act); (iv) that is exempt from taxation under Part I of the Tax Act; (v) who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act; (vi) who enters into a “derivative forward agreement” or “synthetic disposition arrangement” (each as defined in the Tax Act) with respect to their Common Shares; (vii) who receives dividends on the Common Shares where there is, in respect of such shares, a “dividend rental arrangement” (as defined in the Tax Act); or (viii) that is a corporation resident in Canada, for the purposes of the Tax Act, or a corporation that does not deal at arm’s length, for the purposes of the Tax Act, with a corporation resident in Canada, and that is or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Common Shares controlled by a non-resident corporation, for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Any such Participant should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the Regulations in effect as of February 14, 2018, and all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to February 14, 2018 (the “**Proposed Amendments**”), and the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. Except with respect to the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative practice which occur after February 14, 2018. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account Canadian provincial or territorial income tax laws, or foreign tax considerations, which may differ materially from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Participant under the Plan. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective Participants should consult their own tax advisors having regard to their own particular circumstances.

Canadian Participants

This portion of the summary is generally applicable to a Participant who, at all relevant times, for the purposes of the Tax Act, is, or is deemed to be resident in Canada (a “**Canadian Participant**”). Certain Canadian Participants whose Common Shares might not otherwise as capital property may, in certain circumstances, make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares and every “Canadian security” (as defined in the Tax Act) owned by such Canadian Participant in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such Canadian Participants should

consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

All cash dividends reinvested on behalf of a Canadian Participant will be subject to the tax treatment normally accorded to taxable dividends (including eligible dividends) received by the Canadian Participant directly from the Corporation. For example, in the case of a Canadian Participant who is an individual (including certain trusts), dividends will be subject to the normal gross-up and dividend tax credit rules or, in the case of a Canadian Participant that is a “private corporation” or “subject corporation” (as such terms are defined in the Tax Act), a refundable tax will apply to the amount of the dividend. Other taxes could apply depending on the circumstances of the Canadian Participant. The fact that dividends are reinvested pursuant to the Plan does not affect the taxability of dividends to the Canadian Participant nor the status of any dividend as an “eligible dividend” under the Tax Act.

A Canadian Participant will not realize any taxable income on receipt of a certificate for whole Common Shares in his or her account, whether upon request for such certificate from the Canadian Participant’s account, upon termination of participation of that Canadian Participant or upon termination of the Plan by the Corporation. However, a Canadian Participant who holds Common Shares as capital property may realize a capital gain or loss on the sale or exchange of whole and fractional Common Shares acquired through the Plan. For purposes of determining the amount of any capital gain or capital loss which may result from the disposition of Common Shares, the adjusted cost base of Common Shares owned by a Canadian Participant is the average cost of all such Common Shares owned and acquired by such Canadian Participant, whether acquired through reinvesting dividends or otherwise acquired outside the Plan. The cost of a Common Share credited to a Canadian Participant’s account pursuant to the Plan will equal the price of such Common Share, calculated in the manner described under “*Price*”.

Capital gains realized and dividends received or deemed to be received by individuals (including certain trusts) may give rise to minimum tax under the Tax Act.

Non-Canadian Participants

This portion of the summary is generally applicable to a Participant who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada, and who does not carry on business in Canada (a “**Non-Canadian Participant**”). Special rules, which are not discussed in this summary, may apply to a Participant who is not resident in Canada and who is an insurer that carries on an insurance business in Canada and elsewhere.

Dividends which a Non-Canadian Participant designates for reinvestment under the Plan will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Canadian Participant is entitled under any applicable income tax convention between Canada and the country in which the Non-Canadian Participant is resident. For example, where a Non-Canadian Participant is a U.S. resident entitled to benefits under the Canada-U.S. Income Tax Convention (1980), as amended (the “**Treaty**”) and is the beneficial owner of the dividends, the applicable rate of Canadian withholding tax is generally reduced to 15%. The amount of dividends to be invested under the Plan will be reduced by the amount of tax withheld.

Gains on the disposition of Common Shares by a Non-Canadian Participant are generally not subject to Canadian income tax unless such shares are or are deemed to be “taxable Canadian property” (as defined in the Tax Act) and the Non-Canadian Participant is not entitled to relief under any applicable income tax convention between Canada and the country in which the Non-Canadian Participant is resident. Provided that the Common Shares are then listed on a “designated stock exchange” (as defined in the Tax Act), which currently includes the NYSE and the TSX, the Common Shares generally will not constitute “taxable Canadian property” of a Non-Canadian Participant unless, at any time during the 60-month period immediately preceding the disposition of the Common Shares: (i)(a) the Non-Canadian Participant, (b) persons with whom the Non-Canadian Participant did not deal at arm’s length, (c) partnerships in which the Non-Canadian Participant or persons described in (b) holds a membership interest directly or indirectly through one or more partnerships, or (d) the Non-Resident Participant together with such persons or partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada; (b) “Canadian resource properties” (as defined in the Tax Act); (c) “timber resource properties” (as defined in the Tax Act); and (d) options in respect of, or interests

in or for civil law rights in, property described in (a) to (c) whether or not the property exists. Notwithstanding the foregoing, in certain circumstances as set out in the Tax Act, a Common Share could be deemed to be taxable Canadian property.

Certain United States Federal Income Tax Considerations for U.S. Participants

The following discussion of certain United States federal income tax consequences of participation in the Plan by a citizen or a resident of the United States, including a corporation incorporated under the laws of the States thereof or the District of Columbia (a “**U.S. Participant**”) is based on the applicable provisions of United States laws and regulations as currently in effect, as well as on the Treaty. These laws are subject to change, possibly on a retroactive basis. The information is for general guidance only and does not address the consequences applicable to certain specialized classes of taxpayers such as securities dealers, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, persons liable for the alternative minimum tax, tax-exempt institutions, life insurance companies, persons that actually or constructively own 10% or more of the combined voting power of the Corporation’s voting stock or of the total value of the Corporation’s stock, persons that hold Common Shares as part of a straddle or a hedging or conversion transaction, persons that purchase or sell Common Shares as part of a wash sale for tax purposes or U.S. Participants whose functional currency is not the U.S. dollar. In addition, a U.S. Participant may incur United States state and local income tax in addition to Federal income tax.

An “**Eligible U.S. Participant**” is a U.S. Participant that:

- is a resident of the United States for the purposes of the Treaty;
- does not maintain a permanent establishment or fixed base in Canada to which shares are attributable and through which the U.S. Participant carries on or has carried on business (or, in the case of an individual, performs or has performed independent personal services); and
- is otherwise eligible for benefits under the Treaty with respect to income from participating in the Plan.

U.S. Participants should consult with their own tax advisors regarding the United States federal, state and local and the Canadian and other tax consequences of participating in the Plan in their particular circumstances. In particular, U.S. Participants should confirm their status as an Eligible U.S. Participant with their advisors and should discuss any possible consequences of failing to qualify as an Eligible U.S. Participant.

This discussion addresses only United States federal income taxation.

For U.S. federal income tax purposes, a U.S. Participant must include in income dividends that are reinvested and paid in the form of Common Shares. The amount to be included in income due to dividends reinvested in the Plan is the United States dollar equivalent of the sum of the fair market value on the payment date of the Common Shares purchased with reinvested dividends and the amount of Canadian tax withheld. This amount will include any discount, along with the Canadian tax withheld or paid, if any, on account of any discount that might be offered through the Plan. If the Corporation elects to purchase shares for a U.S. Participant’s account on the open market, the portion of any brokerage commissions paid by the Corporation that is attributable to the purchase of the U.S. Participant’s shares will be treated as a taxable dividend to the U.S. Participant. Any such dividend amount will, however, increase the tax basis of the U.S. Participant’s shares.

If you are a non-corporate U.S. Participant, dividends that are reinvested and paid in the form of Common Shares through the Plan that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you held the shares on which dividends were paid for more than 60 days during the 121 day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends paid and reinvested through the Plan on behalf of a non-corporate U.S. Participant generally will be qualified dividend income.

Subject to limitations, a U.S. Participant may generally elect either to credit the amount of any Canadian tax withheld on dividends against his or her United States federal income tax liability or to deduct the amount of such taxes from his or her gross income.

A U.S. Participant's Federal income tax basis for each Common Share or fraction thereof acquired through reinvestment of dividends or making of optional cash payments pursuant to the Plan will be the fair market value of such Common Share or fraction thereof on the date it is purchased. The holding period for each Common Share or fraction thereof will begin on the day following the purchase date.

A U.S. Participant will recognize a taxable gain or loss when Common Shares, including fractional Common Shares, are sold or exchanged, whether pursuant to a termination of the Plan or of the U.S. Participant's participation in the Plan or otherwise. The amount of this gain or loss will be the difference between the amount a U.S. Participant receives for the Common Shares and the U.S. Participant's adjusted tax basis therefor. The gain or loss will be a capital gain or loss if the Common Shares are held as capital assets and will be a long-term capital gain or loss if the holding period for such Common Shares exceeds one year.

CERTAIN UNITED STATES BENEFIT INVESTOR CONSIDERATIONS

Each Participant in the Plan that is a "Benefit Plan Investor" will be deemed to make the representations in the following paragraph. For this purpose, a "Benefit Plan Investor" is (i) any "employee benefit plan" subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) individual retirement accounts ("**IRAs**" and each, an "**IRA**") and other arrangements subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (iii) an entity whose underlying assets include "plan assets" within the meaning of ERISA by reason of the investments by such plans or accounts or arrangements therein.

Each Participant in the Plan that is a "Benefit Plan Investor" and that acquires the Common Shares in connection with the Plan will be deemed to represent by its acquisition of the Common Shares in connection with the Plan that a fiduciary (the "**Fiduciary**") independent of the Corporation or any of its affiliates (the "**Transaction Parties**") acting on the Benefit Plan Investor's behalf is responsible for the Benefit Plan Investor's decision to acquire the Common Shares in connection with the Plan and that such Fiduciary:

1. is either a U.S. bank, a U.S. insurance carrier, a U.S. registered investment adviser, a U.S. registered broker-dealer or an independent fiduciary with at least \$50 million of assets under management or control, in each case under the requirements specified in the U.S. Code of Federal Regulations, 29 C.F.R. Section 2510.3-21(c)(1)(i), as amended from time to time,
2. in the case of a Benefit Plan Investor that is an IRA, is not the IRA owner, beneficiary of the IRA or relative of the IRA owner or beneficiary,
3. is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the Common Shares,
4. is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire the Common Shares,
5. has exercised independent judgment in evaluating whether to invest the assets of the Benefit Plan Investor in the Common Shares,
6. understands and has been fairly informed of the existence and the nature of the financial interests of the Transaction Parties in connection with the Benefit Plan Investor's acquisition of the Common Shares,
7. understands that the Transaction Parties are not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity to the Benefit Plan Investor, in connection with the Benefit Plan Investor's acquisition of the Common Shares, and
8. confirms that no fee or other compensation will be paid directly to any of the Transaction Parties by the Benefit Plan Investor, or any fiduciary, participant or beneficiary of the Benefit Plan Investor, for the provision of investment advice (as opposed to other services) in connection with the Benefit Plan Investor's acquisition of the Common Shares.

PLAN FEATURES

- The Plan provides an efficient and cost effective manner to acquire additional Common Shares in the Corporation.
- Registered holders of the Corporation's Common Shares are eligible to participate.
- Under the Plan, cash dividends paid on Common Shares are currently reinvested in additional Common Shares at a discount to market.
- Additional Common Shares may also be acquired through optional cash payments of up to Cdn\$5,000 per quarter at a price equal to market.
- In either case, Participants do not pay brokerage commissions or any other costs associated with the Plan.
- The tax treatment of additional Common Shares issued under the Plan is similar to the treatment of cash dividends.



DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

OFFERING CIRCULAR