

# Shareholder Proposals with Enbridge Inc.

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# Shareholder Proposal No.1

*That the board of directors prepare a report (at reasonable cost and omitting proprietary information) by September 1, 2009 on the likelihood and liability of product spills associated with the proposed Gateway pipelines, facilities and tankers ("Gateway" or the "Gateway Project").*

*The report should include an estimation of the frequency and volume of oil and condensate spills expected for the proposed Gateway pipelines and tankers, using available historical data and factoring in the unique technical specifications of the proposed infrastructure and an analysis of the liability that Enbridge could incur as a result of the estimated oil and condensate spill frequencies and volumes, over a reasonable range of locations.*

# Shareholder Proposal No.1

- Filed by five investors who are also members of the Dogwood Initiative.
- Other investors also engaging:  
*"In light of growing uncertainty over the impact of the global economic slowdown on long-term petroleum prices, public concern over tanker traffic and uncertainty due to a potentially extensive and contentious regulatory process, Inhance has called on Enbridge Inc. to reconsider the feasibility of proceeding with the Gateway Pipeline application at this time."*<sup>1</sup>
- Proxy Alert Available: [eswanson@dogwoodinitiative.org](mailto:eswanson@dogwoodinitiative.org)

# Shareholder Proposal No.2

*That the board of directors:*

*(1) provide a report to shareholders by October 1, 2009 (at reasonable cost and omitting proprietary information) that assesses the costs and benefits of adopting a policy of requiring the free, prior and informed consent of impacted Aboriginal communities as a necessary condition for proceeding with the construction of Enbridge projects.*

*(2) direct management to disclose to investors, through the quarterly management's discussion and analysis, the status of negotiations with First Nations along the proposed pipeline and marine transportation route of the Gateway Project, including specific opposition.*

# Enbridge's Response

- The need for consultation and accommodation of First Nations is being met by the Government of Canada's regulatory approval process;
- Enbridge's Aboriginal Policy and practices address risk of First Nations' lack of consent by going beyond current industry practices and regulatory requirements;
- Enbridge's philanthropic efforts reduce the risk of First Nations' lack of consent ; and
- The company's current disclosure addresses the request for the status of negotiations with First Nations along the proposed pipeline and marine transportation route of the Northern Gateway Project, including reference to specific opposition.

# Ethical Funds' Position

- Enbridge investors require greater certainty than is provided by government regulatory approval process;
- While Enbridge's Aboriginal Policy and its application in the case of the Northern Gateway Project is laudable, significant unmitigated risks may remain as a result of a not securing First Nations' free, prior and informed consent.
- A strong distinction exists between the acceptance of philanthropic donations and the risk mitigation that free, prior and informed consent may offer to Enbridge's projects;
- Current corporate disclosure does not provide enough information for investors to adequately evaluate risk

# Shareholder Proposal No.2

- Lead filer The Ethical Funds Company
- Co-filers: Trillium Asset Management and First Affirmative Financial Network
- Proxy Alert available:  
[acarr@ethicalfunds.com](mailto:acarr@ethicalfunds.com)