

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - *Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents*.

Applicable Alberta Statutory Provisions:

Securities Act, R.S.A., 2000, c.S-4, as amended, sections 182 and ss. 212(2)

IN THE MATTER OF the Securities Legislation of  
Alberta, Saskatchewan, Manitoba, Ontario, Quebec,  
Newfoundland and Nova Scotia

AND IN THE MATTER OF the Mutual Reliance Review System for  
Exemptive Relief Applications

AND IN THE MATTER OF EnCana Corporation

MRRS Decision Document

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker" or, collectively, the "Decision Makers") in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Nova Scotia (the "Jurisdictions") has received an application from EnCana Corporation (the "Corporation") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement in the Legislation to file insider reports shall not apply to certain individuals who are insiders of the Corporation or a major subsidiary of the Corporation by reason of having the title Vice-President;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission (the "Commission") is the principal regulator for this application;

AND WHEREAS the Corporation has represented to the Decision Makers that:

1. The Corporation is a corporation incorporated under the *Canada Business Corporations Act*. The head office of the Corporation is located in Calgary, Alberta. The Corporation is a leading independent petroleum exploration and production company with approximately 3,600 employees.

2. Effective April 5, 2002, the Corporation and Alberta Energy Company Ltd. ("AEC") participated in a share exchange, whereby AEC became an indirect wholly-owned subsidiary of the Corporation. Holders of common shares of AEC ("AEC Shares") received 1.472 common shares of the Corporation ("EnCana Shares") for each AEC Share that they owned. The transaction was carried out by way of a plan of arrangement involving AEC and its shareholders

and optionholders (the "Arrangement") under the *Business Corporations Act* (Alberta). The Corporation amalgamated with AEC and EnCana Midstream Limited effective January 1, 2003 and the amalgamated corporation retained the name "EnCana Corporation".

3. The EnCana Shares are listed and posted for trading on The Toronto Stock Exchange and the New York Stock Exchange.

4. The Corporation is a reporting issuer (or the equivalent thereof) in each of the Provinces and Territories of Canada. The Corporation is not on the list of defaulting reporting issuers maintained under the Legislation.

5. As at May 1, 2003, the Corporation had 14 directors (one of whom is also the President & Chief Executive Officer), 1 Senior Executive Vice-President, 7 Executive Vice-Presidents, 24 Senior Vice-Presidents, 3 Regional Presidents and 72 Vice-Presidents and 80 other senior officers (as defined in the applicable securities legislation) for a total of 201 persons who are insiders of the Corporation by reason of being a director or officer of the Corporation or one of its subsidiaries (the "Insiders").

6. 71 of the Insiders are exempt from the insider reporting requirements contained in the Legislation by reason of an existing exemption such as National Instrument 55-101 ("NI 55-101") or a previous decision or order.

7. The Corporation has developed a policy governing corporate disclosure and insider trading (the "Policy") that applies to all of the Insiders.

8. The objectives of the Policy are to ensure (i) that communications to the investing public about the Corporation are: timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements, and (ii) that the Corporation's directors, officers and designated employees who are "insiders" under the Legislation are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation. The Policy also applies to other employees of the Corporation who have knowledge of material undisclosed information.

9. The Corporation has also established a committee (the "Disclosure Committee") to oversee the Policy practices, to set thresholds for the preliminary assessment of materiality and to determine whether information is deemed material and when events justify public disclosure. The Disclosure Committee reports annually to the board of directors of the Corporation through the Nominating and Corporate Governance Committee of the Board regarding any significant infractions of the Policy or any recommended changes.

10. Under the Policy, the Insiders and other employees with knowledge of material undisclosed information may not trade in securities of the Corporation. In addition, the Insiders may not trade in securities of the Corporation during certain prescribed "blackout" periods around the preparation of financial results or any other "black-out" period as determined by the Disclosure Committee.

11. The Disclosure Committee (comprised of the President & Chief Executive Officer, Executive Vice-President & Chief Financial Officer and Executive Vice-President, Corporate Development (or the Senior Vice-President, Investor Relations when designated) considered the job requirements and principal functions of the Insiders to determine which of them met the definition of "nominal vice president" contained in Canadian Securities Administrators Staff Notice 55-306 (the "Staff Notice") and has caused a list to be compiled of those Insiders who, in the opinion of the Disclosure Committee, meet the criteria set out in the Staff Notice (the "Designated Persons").

12. The Corporation has provided the Decision Makers with a list of Designated Persons (the "Designated Persons List"). Each Designated Person:

- (a) is a Vice-President of the Corporation or one of its major subsidiaries;
- (b) is not in charge of a principal business unit, division or function of the Corporation or a "major subsidiary" of the Corporation (as such term is defined in NI 55-101);
- (c) does not in the ordinary course receive or have access to information as to material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed; and
- (d) is not an insider of the Corporation in any other capacity other than as Vice-President.

13. The Corporation shall:

- (a) maintain the Designated Persons List in accordance with the terms of the Decision;
- (b) maintain a continuing review of the facts contained in the representations upon which this Decision is made; and
- (c) upon the request of any of the Decision Makers or their staff, provide any information necessary to determine whether Designated Persons are or are not exempted by this Decision.

14. The Disclosure Committee will assess any future employee of the Corporation who has the title of Vice-President on the same basis as set out above, and will re-assess all Designated Persons who experience a change in job requirements or functions, to determine if such individuals meet, or continue to meet, the definition of "nominal vice president" contained in the Staff Notice.

15. If an individual who is designated as a Designated Person no longer satisfies the definition of "nominal vice president" contained in the Staff Notice, the Disclosure Committee, or a person

designated by the Disclosure Committee, will inform him or her of the renewed obligation to file an insider report in respect of any trades.

16. The Corporation has filed with the Decision Makers in connection with this application a copy of the Policy and the list of Designated Persons.

AND WHEREAS under the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the Jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Designated Persons or to any other employee of the Corporation who hereafter is given the title Vice-President provided that:

- (a) they satisfy the definition of "nominal vice president" contained in the Staff Notice;
- (b) the Corporation prepares and maintains the Designated Persons List, submits the Designated Persons List on an annual basis to the board of directors of the Corporation for approval, and files the Designated Persons List with the Decision Makers;
- (c) the Corporation files with the Decision Makers a copy of its internal policies and procedures, as may be amended from time to time, relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by the Corporation; and
- (d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED at Calgary, Alberta on this 6<sup>th</sup> day of June, 2003.

"original signed by"  
Agnes Lau, CA  
Deputy Director, Capital Markets