

Acceptance of Gifts Practice

Encana's Business Code of Conduct prohibits employees from accepting or giving gifts, including prizes or other advantages, that have a greater than nominal value. This Acceptance of Gifts Practice provides additional information on how Encana **employees** can determine what and when gifts are acceptable from vendors, **contractors**, associates, industry colleagues and other non-Encana personnel they interact with as a result of their employment with Encana. When giving gifts, employees should refer to the Event and Special Occasions Guidelines.

The exchange of gifts can also give rise to possible conflicts of interest, which are addressed in detail in Encana's Conflict of Interest Policy. This Policy states that employees must avoid situations where their personal interests could conflict, or appear to conflict with, their duties and responsibilities or the interests of Encana. Review the Conflict of Interest Policy for more information.

Contractors working for Encana must have guidelines for exchanging gifts in place that achieve the same standards as Encana's Acceptance of Gifts Practice.

Personal Gain

Encana employees may from time to time be offered gifts (e.g. tangible products; invitations to meals; tickets to sporting, cultural or political events; payments, loans or favors) from vendors, contractors, associates, industry colleagues and other non-Encana personnel. Gifts may be offered or received in celebration of project achievements, at vendor trade shows, sports tournaments or a variety of other situations. In some situations, gifts are unacceptable and should be declined. Those situations include:

- acceptance of gifts that have a greater than nominal value;
- acceptance of frequent gifts from the same source; or
- acceptance of gifts of any value or frequency where:
 - the giver seeks benefit from decisions or actions the gift might influence (e.g. in exchange for a gift, an employee provides confidential insider information);
 - a sense of obligation may be created (e.g. causing the Encana employee to influence the selection of vendors);
 - intentional or unintentional interference with fair and equitable competition may occur (e.g. in exchange for gifts, an Encana employee shares proprietary information with a member of a competitor's company); or
 - a benefit may be provided to the employee's family, friends or associates inconsistent with the Conflict of Interest Policy.

What is Acceptable

Encana expects all employees to use good judgment in determining what is acceptable. To assist in that process, Encana defines reasonable gifts as those that are nominal in value and occur infrequently.

Nominal in the context of this Practice is any gift (e.g. tangible products; invitations to meals; tickets to sporting, cultural or political events; payments, loans or favors) beneath a maximum value. For employees in North America, a guideline maximum value is \$250. Any gifts, individually or cumulatively, beyond this level would represent unique circumstances, serving Encana's corporate interest, and would require the prior consent of an employees' **supervisor**. For example, some sporting events are above the maximum, and discretion may be applied subject to the approval of the supervisor.

Frequency of gift acceptance should be determined by business circumstances, and in any case should not exceed four occurrences in a 12-month period involving the same vendor.

The references provided above to circumstances where conflict may arise are not exclusive. If an employee is uncertain about the appropriateness of a gift because of value, frequency or intent, they should decline the gift and discuss the situation with a supervisor. There may be circumstances where it is in Encana's interest to pay for the employee's participation through the normal expense account process.

All employees, contractors and directors are responsible to ensure that their actions would be judged to be reasonable and ethical when measured against the principles of our Corporate **Constitution** and the scrutiny of our peers, our shareholders and the general public at all times.

Violations of the Acceptance of Gifts Practice

To ensure compliance with the Encana's Business Code of Conduct, Conflict of Interest Policy and Acceptance of Gifts Practice, audit programs are in place that track both the contracts issued to external parties and the expenses those parties incur in providing gifts.

Violation of this Practice may result in disciplinary action up to and including termination of employment or contract, as applicable.

Actions that violate or appear to violate this Practice must be reported in accordance with the Investigations Practice.

Effective: March 27, 2013

**Terms bolded and italicized in a policy or practice are defined in the Policies & Practices Glossary and such definitions are incorporated by reference into such policy or practice to the extent used therein.*