



Certificate of Arrangement

Canada Business Corporations Act

Certificat d'arrangement

Loi canadienne sur les sociétés par actions

ENCANA CORPORATION

434044-2

Corporate name(s) of CBCA applicants / Dénomination(s)
sociale(s) de la ou des sociétés LCSA requérantes

Corporation number(s) / Numéro(s) de la ou
des sociétés

I HEREBY CERTIFY that the arrangement set out in the attached articles of arrangement has been effected under section 192 of the *Canada Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans les clauses d'arrangement annexées a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

Raymond Edwards

Director / Directeur

2020-01-24

Date of Arrangement (YYYY-MM-DD)
Date de l'arrangement (AAAA-MM-JJ)



**Canada Business Corporations Act (CBCA)
FORM 14.1
ARTICLES OF ARRANGEMENT
(Section 192)**

1 - Name of the applicant corporation(s)	Corporation number
ENCANA CORPORATION	434044-2

2 - Name of the corporation(s) the articles of which are amended, if applicable	Corporation number
ENCANA CORPORATION (See attached Schedule "A")	434044-2

3 - Name of the corporation(s) created by amalgamation, if applicable	Corporation number
N/A	

4 - Name of the dissolved corporation(s), if applicable	Corporation number
N/A	

5 - Name of the other bodies corporate involved, if applicable	Corporation number or jurisdiction
Dvintiv Inc.	1185826-2

6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.

In accordance with the plan of arrangement,

a. the articles of the corporation(s) indicated in item 2, are amended.

If the amendment includes a name change, indicate the change below:

b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved:

7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.

Signature: _____

Print name: Corey D. Code

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE "A"

(See attached.)

**SHARE CONSOLIDATION SCHEDULE
OF
ENCANA CORPORATION
(the "**Corporation**")**

The Common Shares in the capital of the Corporation shall be consolidated such that each pre-consolidated Common Share will be exchanged for 0.2 of a post-consolidation Common Share, and any fractional Common Share held by a registered shareholder after such consolidation shall be (i) with respect to any fraction equal to or greater than 0.5, rounded up to the next highest whole number of Common shares; and (ii) with respect to any fraction less than 0.5, rounded down to the next lowest whole number of Common shares.

**PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

“**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” mean and refer to the arrangement pursuant to section 192 of the CBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, as supplemented, modified or amended in accordance with this Plan of Arrangement and the Arrangement and Reorganization Agreement, and not to any particular articles, section or other portion hereof, which arrangement forms part of the Reorganization;

“**Arrangement and Reorganization Agreement**” means the arrangement and reorganization agreement made as of October 31, 2019 between Encana and 1847432 Alberta ULC, as predecessor by amalgamation to Ovintiv, with respect to the Arrangement, and all amendments thereto;

“**Articles of Arrangement**” means the articles of arrangement of Encana and Ovintiv in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted;

“**Business Day**” means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta or New York, New York, but does not in any event include a Saturday or Sunday or statutory holiday in Calgary, Alberta or New York, New York;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder;

“**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;

“**Court**” means the Court of Queen’s Bench of Alberta;

“**Depositary**” means such Person as Encana may appoint to act as depositary for the Encana Common Shares in relation to the Arrangement;

“**Director**” means the Director duly appointed under section 260 of the CBCA;

“**Dissent Rights**” means the dissent rights in respect of the Reorganization described in section 5.1;

“**Dissenting Shareholder**” means any registered Shareholder who has duly and validly exercised its Dissent Rights pursuant to section 5.1 and the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights before the Effective Time;

“**Dissenting Shares**” means Encana Common Shares held by Dissenting Shareholders;

“**Effective Date**” means the date the Arrangement becomes effective under the CBCA, being the date shown on the Certificate of Arrangement;

“**Effective Time**” means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;

“**Encana**” means Encana Corporation, a corporation existing under the CBCA;

“**Encana Common Shares**” means the common shares in the capital of Encana;

“**Encana DRIP**” means Encana’s dividend reinvestment plan dated as of April 21, 2008, as amended and restated March 25, 2013;

“**Encana Incentive Awards**” means, collectively, the stock options (together with any associated tandem stock appreciation rights), stock appreciation rights, performance share units, restricted share units, deferred share units, restricted stock and other share-based awards granted by Encana prior to the Effective Date pursuant to the Encana Incentive Plans, and “**Encana Incentive Award**” means any one of them, as applicable;

“**Encana Incentive Plans**” means, collectively, (i) the Omnibus Incentive Plan of Encana Corporation, (ii) the Encana Corporation Employee Stock Option Plan, (iii) the Encana Corporation Employee Stock Appreciation Rights Plan, (iv) the Performance Share Unit Plan for Employees of Encana Corporation, (v) the Restricted Share Unit Plan for Employees of Encana Corporation, (vi) the Deferred Share Unit Plan for Employees of Encana Corporation, (vii) the Restricted Share Unit Plan for Directors of Encana Corporation, and (viii) the Deferred Share Unit Plan for Directors of Encana Corporation, in each case including any schedules or appendices thereto, as amended from time to time, and “**Encana Incentive Plan**” means any one of them, as applicable;

“**Encana Rights Plan**” means the amended and restated shareholder rights plan agreement dated as of April 30, 2019 between Encana and AST Trust Company (Canada);

“**Encana Securities**” means, collectively, the Encana Common Shares and the Encana Incentive Awards;

“**Encumbrance**” includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third-party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“**Exchange Amount**” has the meaning set forth in section 3.1(f);

“**Final Order**” means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

“**Incentive Awardholders**” means (i) prior to the exchange of Encana Incentive Awards for Ovintiv Incentive Awards in section 3.1(h), the holders of the Encana Incentive Awards, and (ii) after the exchange of Encana Incentive Awards for Ovintiv Incentive Awards in section 3.1(h), the holders of the Ovintiv Incentive Awards;

“**Information Circular**” means the notice of the Meeting and accompanying information circular and proxy statement of Encana, together with all appendices, schedules and exhibits thereto, sent by Encana to the Securityholders in connection with the Meeting, as amended, supplemented or otherwise modified;

“**Initial Distribution Amount**” has the meaning set forth in section 3.1(e);

“Initial Ovintiv Common Shares” means the 1,000 Ovintiv Common Shares issued and outstanding immediately prior to the Effective Time, all of which are held by Encana at such time;

“Interim Order” means the interim order of the Court pursuant to subsection 192(4) of the CBCA relating to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Letter of Transmittal” means the letter of transmittal enclosed with the Information Circular pursuant to which registered Shareholders shall deliver certificates representing the Encana Common Shares in exchange for certificates representing Ovintiv Common Shares in connection with the Arrangement;

“Meeting” means the special meeting of Securityholders, including any adjournment or postponement thereof, held in accordance with the Arrangement and Reorganization Agreement and the Interim Order to consider the Reorganization;

“NYSE” means the New York Stock Exchange;

“Ovintiv” means Ovintiv Inc., (i) immediately prior to the Effective Time and prior to the U.S. Domestication following completion of the Arrangement, a corporation existing under the CBCA, and (ii) following completion of the Arrangement and the U.S. Domestication, a Delaware corporation;

“Ovintiv Common Shares” means (i) from the period immediately prior to the Effective Time until the U.S. Domestication following completion of the Arrangement, the common shares in the capital of Ovintiv, and (ii) following completion of the Arrangement and the U.S. Domestication, the shares of common stock, par value \$0.01 per share, of Ovintiv;

“Ovintiv Incentive Awards” means collectively, the stock options (together with any associated tandem stock appreciation rights), stock appreciation rights, performance share units, restricted share units, deferred share units, restricted stock and other share-based awards to granted by Ovintiv pursuant to the Ovintiv Incentive Plans pursuant to the Arrangement in full and complete exchange and substitution for the Encana Incentive Awards, and **“Ovintiv Incentive Award”** means any one of them, as applicable;

“Ovintiv Incentive Plans” means collectively, (i) the Omnibus Incentive Plan of Ovintiv, (ii) the Ovintiv Employee Stock Option Plan, (iii) the Ovintiv Employee Stock Appreciation Rights Plan, (iv) the Performance Share Unit Plan for Employees of Ovintiv, (v) the Restricted Share Unit Plan for Employees of Ovintiv, (vi) the Deferred Share Unit Plan for Employees of Ovintiv, (vii) the Restricted Share Unit Plan for Directors of Ovintiv, and (viii) the Deferred Share Unit Plan for Directors of Ovintiv, in each case including any schedules or appendices thereto, as amended from time to time, and **“Ovintiv Incentive Plan”** means any one of them, as applicable;

“Ovintiv Purchase Note” means, in respect of each issued and outstanding Encana Common Share at the applicable time (for greater certainty, after giving effect to the consolidation in section 3.1(d)), an unsecured, non-interest bearing, demand promissory note issued by Ovintiv with a principal amount equal to \$0.25 and repayable at the option of Ovintiv by issuing a fixed number of Ovintiv Common Shares (which may be a fraction of an Ovintiv Common Share) having a fair market value equal to the principal amount of such note on the Effective Date; provided, however, that if the Trading Price is equal to or less than \$6.30, no Ovintiv Purchase Note will be issued or exist;

“Ovintiv Voting Preferred Shares” means the redeemable, voting preferred shares in the capital of Ovintiv as such shares exist immediately prior to the Effective Time, all of which are held by Encana at such time;

“Person” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Entity (as defined in the Arrangement and Reorganization Agreement), syndicate or other entity, whether or not having legal status;

“**Plan**”, “**Plan of Arrangement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions means this Plan of Arrangement, and any amendments, variations or supplements hereto made from time to time in accordance with the terms hereof, the Arrangement and Reorganization Agreement or made at the direction of the Court in the Final Order;

“**Reorganization**” means, collectively, the Arrangement and the transactions to be completed immediately following the Arrangement as set forth in the Arrangement and Reorganization Agreement (including the U.S. Domestication);

“**Securityholders**” means, collectively, Shareholders and Incentive Awardholders;

“**Share Exchange**” has the meaning set forth in section 3.1(f);

“**Shareholders**” means (i) prior to the exchange of Encana Common Shares for Ovintiv Common Shares in section 3.1(f), the holders of the Encana Common Shares, and (ii) after the exchange of Encana Common Shares for, ultimately, Ovintiv Common Shares in section 3.1(f), the holders of the Ovintiv Common Shares;

“**Subscription Amount**” has the meaning set forth in section 3.1(g);

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) and the regulations thereto, as now in effect and as they may be amended from time to time prior to the Effective Time;

“**Trading Price**” means the closing trading price of an Encana Common Share (on a pre-consolidated basis) on the NYSE on the day before the Effective Date; and

“**U.S. Domestication**” means the continuance of Ovintiv from a CBCA corporation and its domestication as a Delaware corporation under the Delaware General Corporation Law, to be completed following completion of the Arrangement as part of the Reorganization pursuant to the Arrangement and Reorganization Agreement.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article”, “section”, “subsection” or “paragraph” followed by a number and/or a letter refer to the specified Article, section, subsection or paragraph of this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa. Words importing gender include all genders. The words “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.

1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money or “dollars” or “\$” are expressed in lawful money of the United States.

1.7 Statutory References

References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations or rules promulgated thereunder from time to time in effect.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

2.1 Arrangement and Reorganization Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement and Reorganization Agreement.

2.2 Effectiveness

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective at, and be binding upon Encana, Ovintiv, all Securityholders, and all other Persons as and from the Effective Time, without any further act or formality required on the part of any Person except as expressly provided herein.

2.3 Certificate of Arrangement

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 Effective Time

Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement

Commencing at 6:00 a.m. (Mountain Time) on the Effective Date, each of the events set out below shall occur and be deemed to occur in the following sequence and one minute following the event(s) described in the immediately preceding section, without any further act or formality, unless specifically noted:

Termination of Encana Rights Plan

- (a) the Encana Rights Plan shall terminate and cease to have any further force or effect, and all rights issued pursuant to the Encana Rights Plan shall be cancelled without any payment therefor;

Termination of the Encana DRIP

- (b) the Encana DRIP shall terminate and cease to have any further force or effect (other than the requirements therein relating to the treatment of fractional Encana Common Shares held for a participant's account thereunder, subject to the adjustments to be made to the Encana Common Shares pursuant to this Plan of Arrangement), and Encana's public disclosure of the completion of the Arrangement shall constitute, and be deemed to constitute, written notice to the Shareholders of the termination of the Encana DRIP;

Dissenting Shareholders

- (c) subject to section 5.1, each of the Encana Common Shares held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to Encana (free and clear of any Encumbrances) and cancelled in consideration for a debt claim against Encana for the amount determined in accordance with section 5.1, and:
 - (i) such Dissenting Shareholders shall cease to be the holders of such Encana Common Shares and to have any rights as holders of such Encana Common Shares (including for the purposes of any matter concerning the Encana Common Shares or the Shareholders in the remainder of this section 3.1), other than the right to be paid fair value for such Encana Common Shares as set out in section 5.1; and
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such Encana Common Shares from the registers of Encana Common Shares maintained by or on behalf of Encana;

Consolidation of Encana Common Shares

- (d) the Encana Common Shares shall be consolidated such that each pre-consolidation Encana Common Share will be exchanged for 0.2 of a post-consolidation Encana Common Share, and any fractional Encana Common Share held by a registered Shareholder after such consolidation shall be (i) with respect to any fraction equal to or greater than 0.5, rounded up to the next highest whole number of Encana Common Shares; and (ii) with respect to any fraction less than 0.5, rounded down to the next lowest whole number of Encana Common Shares, as contemplated in section 4.4;

Distribution of Initial Distribution Amount

- (e) Encana shall, and shall be deemed to, declare a dividend on the Encana Common Shares, and shall pay such dividend by distributing a fraction of an Initial Ovintiv Common Share in respect of each issued and outstanding Encana Common Share (the "**Initial Distribution Amount**") such that all of the Initial Ovintiv Common Shares are distributed to the Shareholders with each Shareholder receiving a *pro rata* number of such fractional Initial Ovintiv Common Shares based upon the proportion of the number of Encana Common Shares held by such Shareholder relative to the aggregate number of issued and outstanding Encana Common Shares at such time;

Exchange of Encana Common Shares

- (f) each issued and outstanding Encana Common Share (for greater certainty, as such Encana Common Shares exist following the consolidation in section 3.1(d)) shall be, and shall be deemed to be, transferred to and acquired by Ovintiv (free and clear of any Encumbrances) in exchange for (i) if the Trading Price exceeds \$6.30, the issuance by Ovintiv to such Shareholder of a fraction of an Ovintiv Common Share (the "**Exchange Amount**") and an Ovintiv Purchase Note, such that the sum of the Initial Distribution Amount issued pursuant to section 3.1(e), the Exchange Amount issued pursuant to this section 3.1(f) and the Subscription Amount (if any) issued pursuant to section 3.1(g) equals 1.0

Ovintiv Common Share, or (ii) if the Trading Price is equal to or less than \$6.30, the issuance by Ovintiv of an Exchange Amount such that the sum of the Initial Distribution Amount issued pursuant to section 3.1(e) and the Exchange Amount issued pursuant to this section 3.1(f) equals 1.0 Ovintiv Common Share (and for greater certainty, if the Trading Price is equal to or less than \$6.30, no Ovintiv Purchase Note will be issued or exist) (the foregoing transactions collectively referred to as the “**Share Exchange**”); and as a result thereof:

- (i) the Shareholders whose Encana Common Shares have been so transferred shall cease to be, and shall be deemed to cease to be, holders of such Encana Common Shares and to have any rights as holders of such Encana Common Shares other than the right to receive the consideration to which they are entitled pursuant to this Arrangement;
- (ii) such Shareholders’ names shall be removed as the holders from the register of Encana Common Shares maintained by or on behalf of Encana;
- (iii) Ovintiv shall be deemed to be the transferee of such Encana Common Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Encana Common Shares maintained by or on behalf of Encana; and
- (iv) in accordance with the CBCA, an amount will be added to the stated capital account for the Ovintiv Common Shares equal to the aggregate fair market value of the consideration received by Ovintiv in exchange for such Ovintiv Common Shares,

and concurrently with the foregoing, the Ovintiv Voting Preferred Shares shall be automatically redeemed by Ovintiv in accordance with their terms for no additional consideration, and shall be cancelled;

Subscription for Additional Ovintiv Common Shares

- (g) if Ovintiv Purchase Notes were issued pursuant to section 3.1(f), each holder of such Ovintiv Purchase Notes shall, and shall be deemed to, subscribe for, in respect of each Ovintiv Purchase Note, an additional fraction of an Ovintiv Common Share having a fair market value equal to the principal amount of an Ovintiv Purchase Note issued to such holder in section 3.1(f), if any (the “**Subscription Amount**”) (such that, for greater certainty, the sum of the Initial Distribution Amount issued pursuant to section 3.1(e), the Exchange Amount issued pursuant to section 3.1(f) and the Subscription Amount (if any) issued pursuant to this section 3.1(g) equals 1.0 Ovintiv Common Share), and as payment therefor, the Ovintiv Purchase Notes held by such holder shall be deemed to be satisfied and cancelled, and in accordance with the CBCA, an amount will be added to the stated capital account for the Ovintiv Common Shares equal to the aggregate fair market value of the consideration received by Ovintiv in exchange for such Ovintiv Common Shares issued pursuant to this section 3.1(g); and

Exchange of Encana Incentive Awards for Ovintiv Incentive Awards

- (h) Encana shall assign to Ovintiv, and Ovintiv shall assume, all of Encana’s rights and obligations under the Encana Incentive Plans and all awards and grants thereunder as a successor to Encana thereunder, and consistent with the terms of the Encana Incentive Plans and the Encana Incentive Awards:
- (i) each Encana Incentive Award outstanding immediately prior to the Effective Time shall be, and shall be deemed to be, exchanged for an Ovintiv Incentive Award identical to such Encana Incentive Award in all material respects (and for greater certainty, the exchange of Encana Incentive Awards that are stock options for Ovintiv Incentive Awards that are stock options shall meet the conditions of subsection 7(1.4) of the Tax Act), without any further action on the part of any Incentive Awardholder, Encana or Ovintiv, and the holders of such Encana Incentive Awards shall cease to be holders of such Encana Incentive Awards and to have any rights as holders of such Encana Incentive Awards, and such Incentive Awardholders’ names shall be removed as the

holders from the register or records of Encana Incentive Awards maintained by or on behalf of Encana and such Incentive Awardholders' names shall be added as the holders of Ovintiv Incentive Awards in the register or records of Ovintiv Incentive Awards maintained by or on behalf of Ovintiv; and

- (ii) the Encana Incentive Plans, and any award or grant agreement or any other document evidencing ownership of or a right to an Encana Incentive Award, shall be assigned to, and be assumed by, Ovintiv in their entirety as the Ovintiv Incentive Plans and award and grant agreements or other documents evidencing ownership of rights to an Ovintiv Incentive Award made thereunder (including by the issuance of awards and grants by Ovintiv to replace such Encana Incentive Awards), with such administrative and ancillary amendments necessary to give the intended effect to such plans, agreements and documents, and neither Encana nor Ovintiv shall have any liabilities or obligations with respect to any Encana Incentive Plan or such agreements or documents.

ARTICLE 4

CERTIFICATES, PAYMENTS AND FRACTIONAL SHARES

4.1 Payment of Consideration

- (a) Forthwith following the completion of the Reorganization, Ovintiv shall, subject to section 4.1(b), cause to be issued to the Securityholders the amounts issuable in respect of the Encana Securities required by section 3.1, and otherwise pursuant to the Reorganization. None of Encana, Ovintiv, the Depository or any other Person shall be required to issue or make any certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) with respect to any Securityholder that represents any securities, rights or entitlements a Securityholder may have arising from or pursuant to an interim step in section 3.1 or the Arrangement and Reorganization Agreement, but instead any such certificates, agreements, notes, documents or electronic records, book entries or other instruments may be issued or made on an aggregate basis, taking into account the completion of all of the steps of this Plan of Arrangement as set forth in section 3.1 and those steps and transactions to be completed pursuant to the Arrangement and Reorganization Agreement as part of the Reorganization.
- (b) Upon surrender to the Depository for cancellation of a certificate or certificates which, immediately prior to the Effective Time, represented outstanding Encana Common Shares that were exchanged and transferred pursuant to section 3.1 and otherwise affected after giving effect to the Reorganization, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the Shareholders represented by such surrendered certificate(s) shall be entitled to receive, and the Depository shall deliver to such holder, the consideration which such Shareholder has the right to receive under the Reorganization for such Encana Common Shares (including certificates representing the number of Ovintiv Common Shares issued to such holder under and in accordance with the Reorganization), less any amounts withheld pursuant to section 4.3, and any Encana Common Share certificate(s) so surrendered shall forthwith be cancelled.
- (c) From and after the completion of the Reorganization, and at the times contemplated in this Plan of Arrangement and the Arrangement and Reorganization Agreement, each certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) that immediately prior to the completion of the Reorganization represented Encana Securities shall be deemed to represent only the right to receive the consideration in respect of such Encana Securities required under this Plan of Arrangement and the Arrangement and Reorganization Agreement, as applicable, less any amounts withheld pursuant to section 4.3. Any such certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) formerly representing Encana Common Shares not duly

surrendered on or before the day that is three years less one day from the Effective Date shall cease to represent a claim by or interest of any kind or nature against Encana or Ovintiv, including without limitation any Ovintiv Common Shares. On such date, any and all consideration to which such former holder was entitled shall be deemed to have been cancelled and none of Encana, Ovintiv or any other Person shall have any obligation to issue such Ovintiv Common Shares.

- (d) Any payment made by way of cheque by the Depositary or Ovintiv pursuant to this Plan of Arrangement or otherwise under the Reorganization that has not been deposited or has been returned to the Depositary or Ovintiv or that otherwise remains unclaimed, in each case, on or before the day that is three years less one day from the Effective Date shall be returned by the Depositary to Ovintiv, and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of Encana Securities to receive the consideration for such Encana Securities pursuant to this Plan of Arrangement or otherwise under the Reorganization shall terminate and be deemed to be surrendered and forfeited for no consideration.
- (e) All dividends or other distributions made with respect to any Ovintiv Common Shares allotted and issued pursuant to the Reorganization but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. All monies received by the Depositary shall be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such dividends or other distributions and any interest thereon to which such holder is entitled, net of applicable withholding and other taxes. Any money held by the Depositary in respect of such dividends or distributions that is unclaimed on or before the day that is three years less one day from the Effective Date shall be returned by the Depositary to Ovintiv and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of Ovintiv Common Shares to receive such dividends or other distributions, or any interest thereon, shall terminate and be deemed to be surrendered and forfeited for no consideration.
- (f) No former holder of Encana Securities shall be entitled to receive any consideration with respect to such Encana Securities other than the consideration to which such former holder is entitled to receive pursuant to the Plan of Arrangement and the Arrangement and Reorganization Agreement, as applicable, and in accordance with this section 4.1 and, for greater certainty, except as specifically contemplated herein, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Encana Common Shares that were transferred pursuant to section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to the Reorganization. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Ovintiv (acting reasonably) in such sum as Ovintiv may direct, or otherwise indemnify Ovintiv in a manner satisfactory to Ovintiv, acting reasonably, against any claim that may be made against Ovintiv with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

Ovintiv, Encana and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Securityholder under the Reorganization (including, without limitation, any amounts payable pursuant to section 5.1 hereof), such amounts as Ovintiv, Encana or the Depositary determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

4.4 Fractional Shares

No certificates representing fractional Encana Common Shares or Ovintiv Common Shares shall be issued. In lieu of any fractional share that each registered Shareholder or other applicable Person otherwise entitled to a fractional interest may be entitled upon the consolidation of the Encana Common Shares as a step in this Plan of Arrangement, such registered Shareholder will be deemed to receive: (a) with respect to any fraction equal to or greater than 0.5, the next highest whole number of Encana Common Shares; and (b) with respect to any fraction less than 0.5, the next lowest whole number of Encana Common Shares; and for greater certainty, such procedure shall not apply in respect of beneficial holders holding through a broker, investment dealer or other nominee. In respect of the exchange of Encana Common Shares for Ovintiv Common Shares pursuant to this Plan of Arrangement and the exchange of the Ovintiv Purchase Notes, if any, for Ovintiv Common Shares pursuant to this Plan of Arrangement, while individual steps relating to such exchange may provide for fractional share interests, such will be aggregated with all other steps related to the exchange prior to the issuance of any certificates for such Ovintiv Common Shares.

ARTICLE 5 DISSENT RIGHTS

5.1 Dissent Rights

Registered Shareholders may exercise Dissent Rights with respect to the Encana Common Shares held by such holders in connection with the Reorganization pursuant to the procedure set forth in section 190 of the CBCA, as modified by the Interim Order, provided that registered Shareholders who exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Encana Common Shares shall be deemed not to have participated in the transactions in Article 3 (other than section 3.1(c)) or otherwise in the Reorganization and shall be paid an amount equal to such fair value by Encana (less any amounts withheld pursuant to section 4.3) and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement or otherwise under the Reorganization had such Shareholders not exercised their Dissent Rights in respect of such Encana Common Shares, and they shall be deemed to have transferred their Dissenting Shares to Encana for cancellation at the Effective Time, notwithstanding the provisions of section 190 of the CBCA; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Encana Common Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, and the remainder of the Reorganization on the same basis as a non-dissenting holder of Encana Common Shares and shall be entitled to receive only the consideration contemplated in section 3.1 (less any amounts withheld pursuant to section 4.3) and otherwise under the Reorganization that such Shareholder would have received pursuant to the Reorganization if such Shareholder had not exercised Dissent Rights,

provided, however, that in no case shall Encana, Ovintiv or the Depositary or any other Person be required to recognize Shareholders who exercise Dissent Rights as Shareholders after the Effective Time.

In addition to any other restrictions under section 190 of the CBCA, none of the Shareholders who vote or have instructed a proxyholder to vote their Encana Common Shares in favour of the Reorganization shall be entitled to exercise Dissent Rights.

Encana may assign to Ovintiv, and Ovintiv may assume, any or all of Encana's obligations in respect of the Dissent Rights as part of or in connection with the Reorganization.

ARTICLE 6 AMENDMENT

6.1 Amendment of this Plan of Arrangement

- (a) Encana and Ovintiv (or its predecessors) reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is: (i) filed with the Court and, if made following the Meeting and adversely affecting the economic interest of any Securityholder, approved by the Court; (ii) communicated to the Director; and (iii) if required by the Court, communicated to Securityholders in the manner required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Encana and Ovintiv (or its predecessors) (if consented to by all such parties, each acting reasonably) at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement and Reorganization Agreement, by the Securityholders, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting shall be effective only: (i) if it is consented to by Encana and Ovintiv (or its predecessors) (each acting reasonably); and (ii) if required by the Court or applicable law, it is consented to by the Securityholders.
- (d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by Ovintiv, provided that it concerns a matter that, in the reasonable opinion of Ovintiv, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any Securityholder.

I hereby certify this to be a true copy of
the original Final order

Dated this 17 day of Jan, 2020

[Signature]
for Clerk of the Court



COURT FILE NUMBER 1901-17242

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF SECTION 192 OF THE CANADA
BUSINESS CORPORATIONS ACT, RSC 1985, c C-44, AS
AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING ENCANA CORPORATION, ITS
SECURITYHOLDERS AND A WHOLLY-OWNED
SUBSIDIARY OF ENCANA CORPORATION

APPLICANT ENCANA CORPORATION

RESPONDENT NOT APPLICABLE

DOCUMENT **FINAL ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2 Street S.W.
Calgary, Alberta T2P 4J8

Attention: David V. Tupper
Tracy Van Brunt
Telephone: 403-260-9722
403-260-9609
Facsimile: 403-260-9700
Email: david.tupper@blakes.com
tracy.vanbrunt@blakes.com
File: 23455/282

DATE ON WHICH ORDER WAS PRONOUNCED: January 17, 2020

NAME OF JUDGE WHO MADE THIS ORDER: Justice A.D. Grosse

LOCATION OF HEARING: Calgary Courts Centre

UPON THE Originating Application (the "**Application**") of Encana Corporation ("**Encana**") for approval of an arrangement (the "**Arrangement**") involving Encana, a wholly-owned subsidiary of Encana and the holders (the "**Encana Shareholders**") of common shares (the "**Encana Common Shares**") of Encana and the holders ("**Encana Incentive Awardholders**", and together with the Encana Shareholders, the "**Encana Securityholders**") of incentive awards ("**Encana Incentive Awards**") of Encana pursuant to section 192 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**");

AND UPON reading the Application, the Interim Order of this Court, granted on December 6, 2019 (the "**Interim Order**"), and the Affidavits of Joanne Linette Alexander, sworn December 6, 2019 and January [10], 2020, and the exhibits referred to therein;

AND UPON being advised that service of notice of this application has been effected in accordance with the Interim Order or as otherwise accepted by the Court;

AND UPON being advised by counsel to Encana that no notices of intention to appear have been filed in respect of this application (the "**Final Order Application**");

AND UPON being advised that the Director appointed under section 260 of the *CBCA* (the "**Director**") has been provided notice of this application and that the Director does not consider it necessary to appear;

AND UPON the Court being satisfied that the meeting (the "**Meeting**") of the Encana Securityholders was called and conducted in accordance with the terms of the Interim Order;

AND UPON the Court being satisfied that Encana has sought and obtained the approval of the Arrangement by the requisite majorities of (i) the Encana Shareholders and the Encana Securityholders, voting together as a single class, and (ii) the Encana Shareholders, voting separately, in the manner required by the Interim Order;

AND UPON it appearing that Encana is not insolvent and that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the *CBCA*;

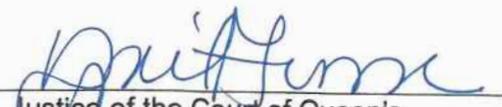
AND UPON the Court being satisfied that the statutory requirements to approve the Arrangement have been fulfilled and that the Arrangement has been put forward in good faith;

AND UPON the Court being satisfied that the terms and conditions of the Arrangement and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Encana Securityholders and other affected persons and that the Arrangement ought to be approved;

AND UPON hearing from counsel for Encana;

IT IS HEREBY ORDERED THAT:

1. The Arrangement proposed by Encana, on the terms set forth in Schedule "A" to this order ("**Order**"), is hereby approved by the Court under Section 192 of the *CBCA*.
2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Encana Securityholders and all other affected persons.
3. The articles of arrangement in respect of the Arrangement (the "**Articles of Arrangement**") shall be filed pursuant to Section 192 of the *CBCA* on such date as Encana determines in accordance with the terms of the Arrangement.
4. Service of notice of the Originating Application, the notice in respect of the Meeting and the Interim Order is hereby deemed good and sufficient service. Service of this Order shall be made on all persons who appeared on this application, either by counsel or in person, and upon the Director but is otherwise dispensed with.
5. Encana may, on notice to such parties as the Court may order, seek leave at any time prior to the filing of the Articles of Arrangement to vary this Order or seek advice and directions as to the implementation of this Order.


Justice of the Court of Queen's
Bench of Alberta

SCHEDULE "A"

ARRANGEMENT

SCHEDULE A

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

“Arrangement”, **“herein”**, **“hereof”**, **“hereto”**, **“hereunder”** mean and refer to the arrangement pursuant to section 192 of the CBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, as supplemented, modified or amended in accordance with this Plan of Arrangement and the Arrangement and Reorganization Agreement, and not to any particular articles, section or other portion hereof, which arrangement forms part of the Reorganization;

“Arrangement and Reorganization Agreement” means the arrangement and reorganization agreement made as of October 31, 2019 between Encana and 1847432 Alberta ULC, as predecessor by amalgamation to Ovintiv, with respect to the Arrangement, and all amendments thereto;

“Articles of Arrangement” means the articles of arrangement of Encana and Ovintiv in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted;

“Business Day” means a day on which banks are generally open for the transaction of commercial business in Calgary, Alberta or New York, New York, but does not in any event include a Saturday or Sunday or statutory holiday in Calgary, Alberta or New York, New York;

“CBCA” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder;

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement, giving effect to the Arrangement;

“Court” means the Court of Queen’s Bench of Alberta;

“Depositary” means such Person as Encana may appoint to act as depositary for the Encana Common Shares in relation to the Arrangement;

“Director” means the Director duly appointed under section 260 of the CBCA;

“Dissent Rights” means the dissent rights in respect of the Reorganization described in section 5.1;

“Dissenting Shareholder” means any registered Shareholder who has duly and validly exercised its Dissent Rights pursuant to section 5.1 and the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights before the Effective Time;

“Dissenting Shares” means Encana Common Shares held by Dissenting Shareholders;

“**Effective Date**” means the date the Arrangement becomes effective under the CBCA, being the date shown on the Certificate of Arrangement;

“**Effective Time**” means the time at which the Arrangement becomes effective on the Effective Date pursuant to the CBCA;

“**Encana**” means Encana Corporation, a corporation existing under the CBCA;

“**Encana Common Shares**” means the common shares in the capital of Encana;

“**Encana DRIP**” means Encana’s dividend reinvestment plan dated as of April 21, 2008, as amended and restated March 25, 2013;

“**Encana Incentive Awards**” means, collectively, the stock options (together with any associated tandem stock appreciation rights), stock appreciation rights, performance share units, restricted share units, deferred share units, restricted stock and other share-based awards granted by Encana prior to the Effective Date pursuant to the Encana Incentive Plans, and “**Encana Incentive Award**” means any one of them, as applicable;

“**Encana Incentive Plans**” means, collectively, (i) the Omnibus Incentive Plan of Encana Corporation, (ii) the Encana Corporation Employee Stock Option Plan, (iii) the Encana Corporation Employee Stock Appreciation Rights Plan, (iv) the Performance Share Unit Plan for Employees of Encana Corporation, (v) the Restricted Share Unit Plan for Employees of Encana Corporation, (vi) the Deferred Share Unit Plan for Employees of Encana Corporation, (vii) the Restricted Share Unit Plan for Directors of Encana Corporation, and (viii) the Deferred Share Unit Plan for Directors of Encana Corporation, in each case including any schedules or appendices thereto, as amended from time to time, and “**Encana Incentive Plan**” means any one of them, as applicable;

“**Encana Rights Plan**” means the amended and restated shareholder rights plan agreement dated as of April 30, 2019 between Encana and AST Trust Company (Canada);

“**Encana Securities**” means, collectively, the Encana Common Shares and the Encana Incentive Awards;

“**Encumbrance**” includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third-party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“**Exchange Amount**” has the meaning set forth in section 3.1(f);

“**Final Order**” means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal;

“**Incentive Awardholders**” means (i) prior to the exchange of Encana Incentive Awards for Ovintiv Incentive Awards in section 3.1(h), the holders of the Encana Incentive Awards, and (ii) after the exchange of Encana Incentive Awards for Ovintiv Incentive Awards in section 3.1(h), the holders of the Ovintiv Incentive Awards;

“**Information Circular**” means the notice of the Meeting and accompanying information circular and proxy statement of Encana, together with all appendices, schedules and exhibits thereto, sent by Encana to the Securityholders in connection with the Meeting, as amended, supplemented or otherwise modified;

“**Initial Distribution Amount**” has the meaning set forth in section 3.1(e);

“Initial Ovintiv Common Shares” means the 1,000 Ovintiv Common Shares issued and outstanding immediately prior to the Effective Time, all of which are held by Encana at such time;

“Interim Order” means the interim order of the Court pursuant to subsection 192(4) of the CBCA relating to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Letter of Transmittal” means the letter of transmittal enclosed with the Information Circular pursuant to which registered Shareholders shall deliver certificates representing the Encana Common Shares in exchange for certificates representing Ovintiv Common Shares in connection with the Arrangement;

“Meeting” means the special meeting of Securityholders, including any adjournment or postponement thereof, held in accordance with the Arrangement and Reorganization Agreement and the Interim Order to consider the Reorganization;

“NYSE” means the New York Stock Exchange;

“Ovintiv” means Ovintiv Inc., (i) immediately prior to the Effective Time and prior to the U.S. Domestication following completion of the Arrangement, a corporation existing under the CBCA, and (ii) following completion of the Arrangement and the U.S. Domestication, a Delaware corporation;

“Ovintiv Common Shares” means (i) from the period immediately prior to the Effective Time until the U.S. Domestication following completion of the Arrangement, the common shares in the capital of Ovintiv, and (ii) following completion of the Arrangement and the U.S. Domestication, the shares of common stock, par value \$0.01 per share, of Ovintiv;

“Ovintiv Incentive Awards” means collectively, the stock options (together with any associated tandem stock appreciation rights), stock appreciation rights, performance share units, restricted share units, deferred share units, restricted stock and other share-based awards to be granted by Ovintiv pursuant to the Ovintiv Incentive Plans pursuant to the Arrangement in full and complete exchange and substitution for the Encana Incentive Awards, and **“Ovintiv Incentive Award”** means any one of them, as applicable;

“Ovintiv Incentive Plans” means collectively, (i) the Omnibus Incentive Plan of Ovintiv, (ii) the Ovintiv Employee Stock Option Plan, (iii) the Ovintiv Employee Stock Appreciation Rights Plan, (iv) the Performance Share Unit Plan for Employees of Ovintiv, (v) the Restricted Share Unit Plan for Employees of Ovintiv, (vi) the Deferred Share Unit Plan for Employees of Ovintiv, (vii) the Restricted Share Unit Plan for Directors of Ovintiv, and (viii) the Deferred Share Unit Plan for Directors of Ovintiv, in each case including any schedules or appendices thereto, as amended from time to time, and **“Ovintiv Incentive Plan”** means any one of them, as applicable;

“Ovintiv Purchase Note” means, in respect of each issued and outstanding Encana Common Share at the applicable time (for greater certainty, after giving effect to the consolidation in section 3.1(d)), an unsecured, non-interest bearing, demand promissory note issued by Ovintiv with a principal amount equal to \$0.25 and repayable at the option of Ovintiv by issuing a fixed number of Ovintiv Common Shares (which may be a fraction of an Ovintiv Common Share) having a fair market value equal to the principal amount of such note on the Effective Date; provided, however, that if the Trading Price is equal to or less than \$6.30, no Ovintiv Purchase Note will be issued or exist;

“Ovintiv Voting Preferred Shares” means the redeemable, voting preferred shares in the capital of Ovintiv as such shares exist immediately prior to the Effective Time, all of which are held by Encana at such time;

“Person” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Entity (as defined in the Arrangement and Reorganization Agreement), syndicate or other entity, whether or not having legal status;

“Plan”, “Plan of Arrangement”, “hereof”, “herein”, “hereunder” and similar expressions means this Plan of Arrangement, and any amendments, variations or supplements hereto made from time to time in accordance with the terms hereof, the Arrangement and Reorganization Agreement or made at the direction of the Court in the Final Order;

“Reorganization” means, collectively, the Arrangement and the transactions to be completed immediately following the Arrangement as set forth in the Arrangement and Reorganization Agreement (including the U.S. Domestication);

“Securityholders” means, collectively, Shareholders and Incentive Awardholders;

“Share Exchange” has the meaning set forth in section 3.1(f);

“Shareholders” means (i) prior to the exchange of Encana Common Shares for Ovintiv Common Shares in section 3.1(f), the holders of the Encana Common Shares, and (ii) after the exchange of Encana Common Shares for, ultimately, Ovintiv Common Shares in section 3.1(f), the holders of the Ovintiv Common Shares;

“Subscription Amount” has the meaning set forth in section 3.1(g);

“Tax Act” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) and the regulations thereto, as now in effect and as they may be amended from time to time prior to the Effective Time;

“Trading Price” means the closing trading price of an Encana Common Share (on a pre-consolidated basis) on the NYSE on the day before the Effective Date; and

“U.S. Domestication” means the continuance of Ovintiv from a CBCA corporation and its domestication as a Delaware corporation under the Delaware General Corporation Law, to be completed following completion of the Arrangement as part of the Reorganization pursuant to the Arrangement and Reorganization Agreement.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article”, “section”, “subsection” or “paragraph” followed by a number and/or a letter refer to the specified Article, section, subsection or paragraph of this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa. Words importing gender include all genders. The words “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.

1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money or “dollars” or “\$” are expressed in lawful money of the United States.

1.7 Statutory References

References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations or rules promulgated thereunder from time to time in effect.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

2.1 Arrangement and Reorganization Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement and Reorganization Agreement.

2.2 Effectiveness

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective at, and be binding upon Encana, Ovintiv, all Securityholders, and all other Persons as and from the Effective Time, without any further act or formality required on the part of any Person except as expressly provided herein.

2.3 Certificate of Arrangement

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 Effective Time

Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement

Commencing at 6:00 a.m. (Mountain Time) on the Effective Date, each of the events set out below shall occur and be deemed to occur in the following sequence and one minute following the event(s) described in the immediately preceding section, without any further act or formality, unless specifically noted:

Termination of Encana Rights Plan

- (a) the Encana Rights Plan shall terminate and cease to have any further force or effect, and all rights issued pursuant to the Encana Rights Plan shall be cancelled without any payment therefor;

Termination of the Encana DRIP

- (b) the Encana DRIP shall terminate and cease to have any further force or effect (other than the requirements therein relating to the treatment of fractional Encana Common Shares held for a participant's account thereunder, subject to the adjustments to be made to the Encana Common Shares pursuant to this Plan of Arrangement), and Encana's public disclosure of the completion of the Arrangement shall constitute, and be deemed to constitute, written notice to the Shareholders of the termination of the Encana DRIP;

Dissenting Shareholders

- (c) subject to section 5.1, each of the Encana Common Shares held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to Encana (free and clear of any Encumbrances) and cancelled in consideration for a debt claim against Encana for the amount determined in accordance with section 5.1, and:
 - (i) such Dissenting Shareholders shall cease to be the holders of such Encana Common Shares and to have any rights as holders of such Encana Common Shares (including for the purposes of any matter concerning the Encana Common Shares or the Shareholders in the remainder of this section 3.1), other than the right to be paid fair value for such Encana Common Shares as set out in section 5.1; and
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such Encana Common Shares from the registers of Encana Common Shares maintained by or on behalf of Encana;

Consolidation of Encana Common Shares

- (d) the Encana Common Shares shall be consolidated such that each pre-consolidation Encana Common Share will be exchanged for 0.2 of a post-consolidation Encana Common Share, and any fractional Encana Common Share held by a registered Shareholder after such consolidation shall be (i) with respect to any fraction equal to or greater than 0.5, rounded up to the next highest whole number of Encana Common Shares; and (ii) with respect to any fraction less than 0.5, rounded down to the next lowest whole number of Encana Common Shares, as contemplated in section 4.4;

Distribution of Initial Distribution Amount

- (e) Encana shall, and shall be deemed to, declare a dividend on the Encana Common Shares, and shall pay such dividend by distributing a fraction of an Initial Ovintiv Common Share in respect of each issued and outstanding Encana Common Share (the "**Initial Distribution Amount**") such that all of the Initial Ovintiv Common Shares are distributed to the Shareholders with each Shareholder receiving a *pro rata* number of such fractional Initial Ovintiv Common Shares based upon the proportion of the number of Encana Common Shares held by such Shareholder relative to the aggregate number of issued and outstanding Encana Common Shares at such time;

Exchange of Encana Common Shares

- (f) each issued and outstanding Encana Common Share (for greater certainty, as such Encana Common Shares exist following the consolidation in section 3.1(d)) shall be, and shall be deemed to be, transferred to and acquired by Ovintiv (free and clear of any Encumbrances) in exchange for (i) if the Trading Price exceeds \$6.30, the issuance by Ovintiv to such Shareholder of a fraction of an Ovintiv Common Share (the "**Exchange Amount**") and an Ovintiv Purchase Note, such that the sum of the Initial Distribution Amount issued pursuant to section 3.1(e), the Exchange Amount issued pursuant to this section 3.1(f) and the Subscription Amount (if any) issued pursuant to section 3.1(g) equals 1.0

Ovintiv Common Share, or (ii) if the Trading Price is equal to or less than \$6.30, the issuance by Ovintiv of an Exchange Amount such that the sum of the Initial Distribution Amount issued pursuant to section 3.1(e) and the Exchange Amount issued pursuant to this section 3.1(f) equals 1.0 Ovintiv Common Share (and for greater certainty, if the Trading Price is equal to or less than \$6.30, no Ovintiv Purchase Note will be issued or exist) (the foregoing transactions collectively referred to as the “**Share Exchange**”); and as a result thereof:

- (i) the Shareholders whose Encana Common Shares have been so transferred shall cease to be, and shall be deemed to cease to be, holders of such Encana Common Shares and to have any rights as holders of such Encana Common Shares other than the right to receive the consideration to which they are entitled pursuant to this Arrangement;
- (ii) such Shareholders’ names shall be removed as the holders from the register of Encana Common Shares maintained by or on behalf of Encana;
- (iii) Ovintiv shall be deemed to be the transferee of such Encana Common Shares (free and clear of any Encumbrances) and shall be, and shall be deemed to be, entered in the register of Encana Common Shares maintained by or on behalf of Encana; and
- (iv) in accordance with the CBCA, an amount will be added to the stated capital account for the Ovintiv Common Shares equal to the aggregate fair market value of the consideration received by Ovintiv in exchange for such Ovintiv Common Shares,

and concurrently with the foregoing, the Ovintiv Voting Preferred Shares shall be automatically redeemed by Ovintiv in accordance with their terms for no additional consideration, and shall be cancelled;

Subscription for Additional Ovintiv Common Shares

- (g) if Ovintiv Purchase Notes were issued pursuant to section 3.1(f), each holder of such Ovintiv Purchase Notes shall, and shall be deemed to, subscribe for, in respect of each Ovintiv Purchase Note, an additional fraction of an Ovintiv Common Share having a fair market value equal to the principal amount of an Ovintiv Purchase Note issued to such holder in section 3.1(f), if any (the “**Subscription Amount**”) (such that, for greater certainty, the sum of the Initial Distribution Amount issued pursuant to section 3.1(e), the Exchange Amount issued pursuant to section 3.1(f) and the Subscription Amount (if any) issued pursuant to this section 3.1(g) equals 1.0 Ovintiv Common Share), and as payment therefor, the Ovintiv Purchase Notes held by such holder shall be deemed to be satisfied and cancelled, and in accordance with the CBCA, an amount will be added to the stated capital account for the Ovintiv Common Shares equal to the aggregate fair market value of the consideration received by Ovintiv in exchange for such Ovintiv Common Shares issued pursuant to this section 3.1(g); and

Exchange of Encana Incentive Awards for Ovintiv Incentive Awards

- (h) Encana shall assign to Ovintiv, and Ovintiv shall assume, all of Encana’s rights and obligations under the Encana Incentive Plans and all awards and grants thereunder as a successor to Encana thereunder, and consistent with the terms of the Encana Incentive Plans and the Encana Incentive Awards:
 - (i) each Encana Incentive Award outstanding immediately prior to the Effective Time shall be, and shall be deemed to be, exchanged for an Ovintiv Incentive Award identical to such Encana Incentive Award in all material respects (and for greater certainty, the exchange of Encana Incentive Awards that are stock options for Ovintiv Incentive Awards that are stock options shall meet the conditions of subsection 7(1.4) of the Tax Act), without any further action on the part of any Incentive Awardholder, Encana or Ovintiv, and the holders of such Encana Incentive Awards shall cease to be holders of such Encana Incentive Awards and to have any rights as holders of such Encana Incentive Awards, and such Incentive Awardholders’ names shall be removed as the

holders from the register or records of Encana Incentive Awards maintained by or on behalf of Encana and such Incentive Awardholders' names shall be added as the holders of Ovintiv Incentive Awards in the register or records of Ovintiv Incentive Awards maintained by or on behalf of Ovintiv; and

- (ii) the Encana Incentive Plans, and any award or grant agreement or any other document evidencing ownership of or a right to an Encana Incentive Award, shall be assigned to, and be assumed by, Ovintiv in their entirety as the Ovintiv Incentive Plans and award and grant agreements or other documents evidencing ownership of rights to an Ovintiv Incentive Award made thereunder (including by the issuance of awards and grants by Ovintiv to replace such Encana Incentive Awards), with such administrative and ancillary amendments necessary to give the intended effect to such plans, agreements and documents, and neither Encana nor Ovintiv shall have any liabilities or obligations with respect to any Encana Incentive Plan or such agreements or documents.

ARTICLE 4

CERTIFICATES, PAYMENTS AND FRACTIONAL SHARES

4.1 Payment of Consideration

- (a) Forthwith following the completion of the Reorganization, Ovintiv shall, subject to section 4.1(b), cause to be issued to the Securityholders the amounts issuable in respect of the Encana Securities required by section 3.1, and otherwise pursuant to the Reorganization. None of Encana, Ovintiv, the Depositary or any other Person shall be required to issue or make any certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) with respect to any Securityholder that represents any securities, rights or entitlements a Securityholder may have arising from or pursuant to an interim step in section 3.1 or the Arrangement and Reorganization Agreement, but instead any such certificates, agreements, notes, documents or electronic records, book entries or other instruments may be issued or made on an aggregate basis, taking into account the completion of all of the steps of this Plan of Arrangement as set forth in section 3.1 and those steps and transactions to be completed pursuant to the Arrangement and Reorganization Agreement as part of the Reorganization.
- (b) Upon surrender to the Depositary for cancellation of a certificate or certificates which, immediately prior to the Effective Time, represented outstanding Encana Common Shares that were exchanged and transferred pursuant to section 3.1 and otherwise affected after giving effect to the Reorganization, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Shareholders represented by such surrendered certificate(s) shall be entitled to receive, and the Depositary shall deliver to such holder, the consideration which such Shareholder has the right to receive under the Reorganization for such Encana Common Shares (including certificates representing the number of Ovintiv Common Shares issued to such holder under and in accordance with the Reorganization), less any amounts withheld pursuant to section 4.3, and any Encana Common Share certificate(s) so surrendered shall forthwith be cancelled.
- (c) From and after the completion of the Reorganization, and at the times contemplated in this Plan of Arrangement and the Arrangement and Reorganization Agreement, each certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) that immediately prior to the completion of the Reorganization represented Encana Securities shall be deemed to represent only the right to receive the consideration in respect of such Encana Securities required under this Plan of Arrangement and the Arrangement and Reorganization Agreement, as applicable, less any amounts withheld pursuant to section 4.3. Any such certificate, agreement, note, document, electronic record, book entry or other instrument (as applicable) formerly representing Encana Common Shares not duly

surrendered on or before the day that is three years less one day from the Effective Date shall cease to represent a claim by or interest of any kind or nature against Encana or Ovintiv, including without limitation any Ovintiv Common Shares. On such date, any and all consideration to which such former holder was entitled shall be deemed to have been cancelled and none of Encana, Ovintiv or any other Person shall have any obligation to issue such Ovintiv Common Shares.

- (d) Any payment made by way of cheque by the Depositary or Ovintiv pursuant to this Plan of Arrangement or otherwise under the Reorganization that has not been deposited or has been returned to the Depositary or Ovintiv or that otherwise remains unclaimed, in each case, on or before the day that is three years less one day from the Effective Date shall be returned by the Depositary to Ovintiv, and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of Encana Securities to receive the consideration for such Encana Securities pursuant to this Plan of Arrangement or otherwise under the Reorganization shall terminate and be deemed to be surrendered and forfeited for no consideration.
- (e) All dividends or other distributions made with respect to any Ovintiv Common Shares allotted and issued pursuant to the Reorganization but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. All monies received by the Depositary shall be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such dividends or other distributions and any interest thereon to which such holder is entitled, net of applicable withholding and other taxes. Any money held by the Depositary in respect of such dividends or distributions that is unclaimed on or before the day that is three years less one day from the Effective Date shall be returned by the Depositary to Ovintiv and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of Ovintiv Common Shares to receive such dividends or other distributions, or any interest thereon, shall terminate and be deemed to be surrendered and forfeited for no consideration.
- (f) No former holder of Encana Securities shall be entitled to receive any consideration with respect to such Encana Securities other than the consideration to which such former holder is entitled to receive pursuant to the Plan of Arrangement and the Arrangement and Reorganization Agreement, as applicable, and in accordance with this section 4.1 and, for greater certainty, except as specifically contemplated herein, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Encana Common Shares that were transferred pursuant to section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to the Reorganization. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Ovintiv (acting reasonably) in such sum as Ovintiv may direct, or otherwise indemnify Ovintiv in a manner satisfactory to Ovintiv, acting reasonably, against any claim that may be made against Ovintiv with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

Ovintiv, Encana and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Securityholder under the Reorganization (including, without limitation, any amounts payable pursuant to section 5.1 hereof), such amounts as Ovintiv, Encana or the Depositary determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

4.4 Fractional Shares

No certificates representing fractional Encana Common Shares or Ovintiv Common Shares shall be issued. In lieu of any fractional share that each registered Shareholder or other applicable Person otherwise entitled to a fractional interest may be entitled upon the consolidation of the Encana Common Shares as a step in this Plan of Arrangement, such registered Shareholder will be deemed to receive: (a) with respect to any fraction equal to or greater than 0.5, the next highest whole number of Encana Common Shares; and (b) with respect to any fraction less than 0.5, the next lowest whole number of Encana Common Shares; and for greater certainty, such procedure shall not apply in respect of beneficial holders holding through a broker, investment dealer or other nominee. In respect of the exchange of Encana Common Shares for Ovintiv Common Shares pursuant to this Plan of Arrangement and the exchange of the Ovintiv Purchase Notes, if any, for Ovintiv Common Shares pursuant to this Plan of Arrangement, while individual steps relating to such exchange may provide for fractional share interests, such will be aggregated with all other steps related to the exchange prior to the issuance of any certificates for such Ovintiv Common Shares.

ARTICLE 5 DISSENT RIGHTS

5.1 Dissent Rights

Registered Shareholders may exercise Dissent Rights with respect to the Encana Common Shares held by such holders in connection with the Reorganization pursuant to the procedure set forth in section 190 of the CBCA, as modified by the Interim Order, provided that registered Shareholders who exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Encana Common Shares shall be deemed not to have participated in the transactions in Article 3 (other than section 3.1(c)) or otherwise in the Reorganization and shall be paid an amount equal to such fair value by Encana (less any amounts withheld pursuant to section 4.3) and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement or otherwise under the Reorganization had such Shareholders not exercised their Dissent Rights in respect of such Encana Common Shares, and they shall be deemed to have transferred their Dissenting Shares to Encana for cancellation at the Effective Time, notwithstanding the provisions of section 190 of the CBCA; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Encana Common Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, and the remainder of the Reorganization on the same basis as a non-dissenting holder of Encana Common Shares and shall be entitled to receive only the consideration contemplated in section 3.1 (less any amounts withheld pursuant to section 4.3) and otherwise under the Reorganization that such Shareholder would have received pursuant to the Reorganization if such Shareholder had not exercised Dissent Rights,

provided, however, that in no case shall Encana, Ovintiv or the Depositary or any other Person be required to recognize Shareholders who exercise Dissent Rights as Shareholders after the Effective Time.

In addition to any other restrictions under section 190 of the CBCA, none of the Shareholders who vote or have instructed a proxyholder to vote their Encana Common Shares in favour of the Reorganization shall be entitled to exercise Dissent Rights.

Encana may assign to Ovintiv, and Ovintiv may assume, any or all of Encana's obligations in respect of the Dissent Rights as part of or in connection with the Reorganization.

ARTICLE 6 AMENDMENT

6.1 Amendment of this Plan of Arrangement

- (a) Encana and Ovintiv (or its predecessors) reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is: (i) filed with the Court and, if made following the Meeting and adversely affecting the economic interest of any Securityholder, approved by the Court; (ii) communicated to the Director; and (iii) if required by the Court, communicated to Securityholders in the manner required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Encana and Ovintiv (or its predecessors) (if consented to by all such parties, each acting reasonably) at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement and Reorganization Agreement, by the Securityholders, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting shall be effective only: (i) if it is consented to by Encana and Ovintiv (or its predecessors) (each acting reasonably); and (ii) if required by the Court or applicable law, it is consented to by the Securityholders.
- (d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by Ovintiv, provided that it concerns a matter that, in the reasonable opinion of Ovintiv, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any Securityholder.