

STOCK DIVIDEND PROGRAM (as amended effective January 1, 2017)



Features of the Stock Dividend Program (the "SDP") include the following:

- Shareholders, other than certain United States shareholders, may elect to receive payment of dividends in the form of common shares ("**Common Shares**") of ARC Resources Ltd. (the "**Corporation**").
- Common Shares will be issued from treasury.
- Common Shares will be issued at 100% of the prevailing market rates and will be credited to the participant's account.
- Participants **do not pay any costs** associated with the SDP including the payment of brokerage commissions.
- Statements of account will be mailed to each participant monthly.
- If Shareholders do not participate, cash dividends will continue to be paid in the usual manner.
- The Corporation's Board of Directors (the "**Board**") may discontinue the declaration and payment of stock dividends at any time, in which case, shareholders would only be entitled to receive dividends as declared by the Board in the form of cash.
- Shareholders who are participants in the Corporation's dividend reinvestment plan are not entitled to participate in the SDP.

PURPOSE

The SDP allows eligible holders of Common Shares to receive payment of dividends in the form of Common Shares. Shareholders who elect to receive stock dividends will receive additional Common Shares at a 0% discount to the Average Market Price (as defined below), which is identical to the price at which Common Shares are issued to Canadian resident shareholders under our dividend reinvestment plan, and may benefit from certain tax efficiencies.

PARTICIPATION

The SDP is available to most shareholders as described below.

The SDP is available to shareholders that are resident in the United States or "US Persons" as defined in Regulation S adopted under the Securities Act of 1933, as amended, provided that the shareholder is not a resident in the state of California or any other state where the issuance of securities under the SDP would not qualify for a self-executing exemption or exclusion from registration under the securities law of the applicable state.

The SDP is not available to a holder of Common Shares who is a participant in the Corporation's dividend reinvestment plan.

Shareholders who are participants in our dividend reinvestment plan will not be automatically enrolled in the SDP. Furthermore, if a shareholder is a participant in the dividend reinvestment plan then the shareholder is also required to terminate their participation in the dividend reinvestment plan before the shareholder can enroll in the SDP. Information in respect of termination of participation in the dividend reinvestment plan can be obtained by contacting Computershare Trust Company of Canada (the "**Program Agent**"). See "Notices" below for additional contact information.



Registered shareholders (shareholders who hold a physical share certificate in their own name evidencing registered ownership of Common Shares) who are willing to accept the payment of future dividends declared by the Board in the form of Common Shares are eligible to join the SDP at any time, except as described above, and are required to complete and deliver a notice in writing (a "**Stock Dividend Enrollment Form**") to the Program Agent at least five business days prior to the record date of a declared dividend. The Stock Dividend Enrollment Form will permit such shareholders to confirm that they will accept the stock dividend share as payment of the dividend on all or a stated number of their Common Shares entitled to receive such dividend. A Stock Dividend Enrollment Form will remain in effect for all dividends declared on the Common Shares to which it relates and which are held by the registered shareholder. A copy of the Stock Dividend Enrollment Form may be obtained from the Program Agent or from the Corporation's website at www.arcresources.com.

Notwithstanding the foregoing, CDS Clearing and Depository Services Inc. ("**CDS**"), The Depository Trust & Clearing Corporation ("**DTC**") and other similar depositories, as registered shareholders, may participate in the SDP and elect to receive stock dividends on behalf of beneficial shareholders who hold Common Shares through their brokers and the respective depository services by communicating appropriate election and enrollment instructions to the Program Agent in accordance with standard and customary industry practices.

Beneficial holders (owners of Common Shares which are held through a broker, investment dealer, financial institution or other nominee and which are registered in the name of depositories such as CDS in Canada and DTC in the United States, or another nominee) may not directly confirm their acceptance of stock dividends in respect of those Common Shares with the Program Agent, but must instead either:

- (i) make appropriate arrangements with the broker, investment dealer, financial institution or other nominee who holds their Common Shares to confirm acceptance of stock dividends on their behalf, either as a nominee that delivers a completed and executed Stock Dividend Enrollment Form to the Program Agent or, if applicable, as a CDS or DTC participant by providing the appropriate instructions to CDS or DTC, as applicable, within the time frames required by such depositories; or
- (ii) transfer the Common Shares such that they are registered in their own name and then confirm acceptance of stock dividends in respect of such Common Shares directly.

Beneficial owners of Common Shares should contact the broker, investment dealer, financial institution or other nominee who holds their Common Shares to provide instructions regarding their acceptance of stock dividends and to inquire about any applicable deadlines that the nominee may impose or be subject to. By confirming their willingness to receive stock dividends and enrolling in the SDP, a beneficial holder (or where such confirmation or enrollment is made by a nominee on behalf of a beneficial shareholder, the applicable nominee) will be deemed to represent and warrant to the Corporation and the Program Agent that the beneficial shareholder has made such confirmation, election and enrollment prior to the record date for the relevant stock dividend.

PAYMENT OF STOCK DIVIDENDS

Dividends are declared in an amount expressed in dollars per Common Share and, for shareholders who confirm they will receive dividend payments in Common Shares, will be paid by way of issuance of a fraction of a Common Share ("**stock dividend share**") per outstanding Common Share determined by dividing the dollar amount of the dividend per Common Share by 100% of the "Average Market Price" (as defined below) of the Common Shares on the Toronto Stock Exchange or, if the Common Shares are not listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the directors of the Corporation (the "**Exchange**").

PRICE OF NEW COMMON SHARES

The '**Average Market Price**' of the Common Shares which are issued to participants in the SDP as stock dividends is calculated as 100% of the total value of Common Shares traded on the Exchange by the total volume of Common Shares

traded on the Exchange over the five trading day period immediately prior to the payment date of the applicable dividend computed to four decimal places.

FRACTIONAL ENTITLEMENTS

Fractional Common Shares, which might otherwise have been payable to participating shareholders by reason of a stock dividend, will be issued to the Program Agent as the agent of such shareholders (where a “**participating shareholder**” means a registered holder of Common Shares that has confirmed that it will accept payment in Common Shares and where, for greater clarity, the term participating shareholder only refers to registered shareholders and not to beneficial holders). The Program Agent will credit to an account for each participating shareholder all fractions of a Common Share amounting to less than one whole share issued by the Corporation to a participating shareholder by way of stock dividends. From time to time, when the fractional interests in a Common Share held by the Program Agent for the account of a participating shareholder are equal to or exceed in the aggregate one additional whole Common Share, the Program Agent will cause an additional whole Common Share to be registered in the name of the participating shareholder.

The crediting of fractional Common Shares (or payment of cash in lieu of fractional Common Shares) to beneficial owners who receive stock dividends on Common Shares held through a broker, investment dealer, financial institution or other nominee will depend on the policies of that broker, investment dealer, financial institution or other nominee.

A shareholder that ceases to be a registered holder of one or more Common Shares is entitled to receive payment in cash equal to the value of the fractional Common Share held by the Program Agent for the account of the shareholder. The value of the fractional common share would be calculated by reference to the value assigned to the Common Shares for purposes of the last stock dividend paid by us prior to the date of payment to the former registered shareholder.

COSTS

There is no charge to participants for receiving stock dividends. The Program Agent’s fees for handling the issuance of stock dividend shares will be paid by the Corporation. There will be no brokerage charges with respect to stock dividend shares issued from treasury.

STATEMENT OF ACCOUNT

An account will be maintained by the Program Agent for each participating shareholder. Each participating shareholder’s account will include information with respect to the number of whole and fractional Common Shares registered or held in the name of the participating shareholder on the record date for the stock dividend, as well as the number of additional whole and fractional stock dividend shares to which the participating shareholder has become entitled by reason of the stock dividend. An unaudited statement regarding each participating shareholder’s account will be mailed on a quarterly basis to each participating shareholder. Beneficial shareholders will continue to receive reports with respect to their holdings of Common Shares and receipt of stock dividends from the broker, investment dealer, financial institution or other nominee through whom their Common Shares are held.

COMMON SHARE CERTIFICATES

A certificate representing the number of whole stock dividend shares registered in the name of a participating shareholder as a result of a stock dividend will only be provided upon request in writing to the Program Agent.

TERMINATION OF PARTICIPATION

For registered shareholders, a Stock Dividend Enrollment Form will remain in effect for all dividends declared on the Common Shares to which it relates and which are held by the registered common shareholder, unless the shareholder delivers a revocation notice to the Program Agent, in which case the Stock Dividend Enrollment Form will not be effective for any dividends having a record date that is more than five business days following the receipt of the revocation notice by the Program Agent.

Beneficial holders who have made appropriate arrangements with their broker, investment dealer, financial institution or other nominee to accept stock dividends on their behalf and who no longer wish to receive stock dividends should contact the broker, investment dealer, financial institution or other nominee to inquire about how to effect this change and any applicable deadlines.

TAXATION OF STOCK DIVIDENDS

Participation in the SDP will have income tax consequences to Common Shareholders who receive stock dividends that are different from the income tax consequences applicable to cash dividends.

All shareholders should consult their own tax advisors for advice with respect to the tax consequences of participation in the SDP based on their particular circumstances.

DISPOSITION OF COMMON SHARES HELD IN CERTIFICATE FORM

If a participant sells or transfers all of his or her Common Shares held in certificate form that are enrolled in the SDP, the Program Agent will continue to receive the stock dividends that are being paid on the Common Shares being held for the participant in the SDP until a notice of termination is received by the Program Agent.

RIGHTS OFFERINGS

If the Corporation makes available to its registered holders of Common Shares any rights to subscribe for additional Common Shares or other securities, rights and certificates will be forwarded to participants in the SDP in proportion to the number of whole Common Shares being held for them. Such rights will not be made available for any fraction of a Common Share held for a participant.

COMMON SHARE DIVIDENDS AND COMMON SHARE SPLITS

Any Common Share dividend (other than the monthly dividend which is paid by the Corporation on the Common Shares in cash or, at the election of the shareholder pursuant to the SDP, in Common Shares) and any Common Shares resulting from a Common Share split, will be credited to the participant's account based on the whole and fractional Common Shares held for the participant in the SDP. Certificates for Common Shares resulting from such a Common Share dividend or Common Share split, to the extent that they are paid or issued in respect of Common Shares held in certificate form by an SDP participant, will be mailed directly to the participant in the same manner as to holders of Common Shares who are not participating in the SDP.

COMMON SHARE VOTING

Whole Common Shares held for a participant's account under the SDP are voted in the same manner as Common Shares held in certificate form, either by proxy or by participation in person. Common Shares for which instructions are not received will not be voted.

AUTHORITY TO SELL STOCK DIVIDEND SHARES

The Corporation has the right to sell, or require the Program Agent to sell, all or any part of the stock dividend shares, through the facilities of the Exchange if: (i) the Corporation has reason to believe that tax should be withheld and remitted to a taxation authority in respect of any stock dividend paid or payable to a shareholder in Common Shares, in which case the Corporation would or could cause the Program Agent to pay the sale proceeds to such taxation authority for the purposes of remitting the applicable tax, with any balance not remitted in payment of tax being payable to the shareholder; or (ii) the Corporation has reason to believe that the payment of a stock dividend in Common Shares to any holder thereof who is resident in or otherwise subject to the laws of a jurisdiction outside Canada might contravene the laws or regulations of such jurisdiction, or could subject the Corporation to any penalty or any legal or regulatory requirements not otherwise applicable to the Corporation, in which case the cash sale proceeds would be delivered to the shareholder.

RESPONSIBILITY OF THE CORPORATION & PROGRAM AGENT

Neither the Corporation nor the Program Agent shall be liable for any act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the SDP or are required by law. In particular, the Corporation and the Program Agent must comply with all applicable laws now and or hereafter in force that may impose a duty to permit any properly authorized party to have access to and examine and make copies of any records relating to the SDP.

Participants should recognize that neither the Corporation nor the Program Agent can assure a profit or protect against a loss on Common Shares purchased under the SDP.

The Program Agent retains the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Program Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline.

The Corporation reserves the right to deny access to the SDP to any investors who in the discretion of the board of directors of the Corporation are acquiring Common Shares solely for the purpose of exploiting the arbitrage opportunities of participation in the SDP. Further, at any time upon becoming aware that a shareholder is participating or attempting to participate in the SDP primarily with a view to arbitrage trading or as more than one plan participant, including without limitation by registering the Common Shares beneficially held by such Shareholder in multiple names and addresses or in variations of the same name and address or in a manner contrary to the provisions of the SDP, will take such actions as are appropriate, including without limitation to consolidate such participation to one plan participant or terminate such shareholder's participation in the SDP.

AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

The Corporation reserves the right to amend, suspend or terminate the SDP at any time, but such action shall have no retroactive effect which should prejudice the interests of the participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the SDP is terminated by the Corporation, participants will receive a certificate for whole Common Shares being held for them, any payment in cash equal to the value of the fractional Common Share held by the Program Agent for the account of the Participant.

Any amendment to the SDP is subject to the receipt of any required regulatory approval.

NOTICES

All notices to be given to a participant in the SDP will be mailed to the participant at the most recent address shown on the records of the Corporation.

All communications to the Program Agent and requests for forms or information regarding the SDP should be directed to:

Computershare Trust Company of Canada
9th Floor, 100 University Avenue, North Tower
Toronto, ON M5J 2Y1

Attention: Dividend Reinvestment/Stock Dividend Department

or by calling the National Customer Contact Centre at 1-800-564-6253 (toll free in North America) or 514-982-7555

or by visiting www.computershare.com/service

USE OF CASH RETAINED

Cash that would otherwise have been paid out by the Corporation as cash dividends as a result of elections by shareholders to receive stock dividends will be used for general corporate purposes.

EFFECTIVE DATE

The effective date of the SDP, as amended, is January 1, 2017.