

## **MANDATE OF THE SAFETY, RESERVES AND OPERATIONAL EXCELLENCE COMMITTEE**

### **Role and Objectives**

The Safety, Reserves and Operational Excellence Committee (the "**Committee**") is a committee of the board of directors of ARC Resources Ltd. (the "**Corporation**") to which the board of the directors (the "**Board**"): (a) has delegated its responsibility for oversight and due diligence by reviewing, reporting and making recommendations to the Board on the development and implementation of the policies, standards and practices of the Corporation with respect to; and (b) with the objective of assisting directors in meeting their responsibilities in respect of the Corporation meeting its legal, industry and community obligations pertaining to:

- Health, safety, environment and sustainability;
- Assessment and reporting of reserves and resources;
- Evaluations of acquisitions and other material transactions; and
- Operational execution excellence.

### **Mandate and Responsibilities of Committee**

#### *Health, Safety, Environment and Sustainability*

- Review the Corporation's policies, programs and internal control systems with respect to health, workforce safety, asset integrity, process safety and environmental protection. Monitor performance relative to internal improvement objectives and industry best practice.
- Review the Corporation's policies, programs and internal control systems with respect to field operational excellence. Monitor the Corporation's field operating capabilities, field operating practices and process safety practices.
- Review the Corporation's policies and programs for achieving full and continuous compliance with engineering standards, codes, regulations and applicable laws.
- Review and report to the Board:
  - On the Corporation's performance in the areas of health, workforce safety, process safety, environmental protection, field operational excellence and compliance with codes, standards, regulations and applicable laws;
  - On emerging trends, issues and regulations related to health, workforce safety, process safety, environmental protection and field operational excellence;
  - The findings of any significant report by regulatory agencies, external health, safety and environmental consultants or auditors concerning the Corporation's performance in health, safety and environment and any necessary corrective measures taken to address issues and risks

with regards to the Corporation's performance in the areas of health, safety and environment that have been identified by the Corporation, external auditors or by regulatory agencies;

- The results of any review with management, outside accountants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or decommission of facilities;
  - A framework for management's decisions on abandonment and reclamation, including appropriate ARO determination; and
  - Policies and other directives of the Corporation relating to security and the safeguarding of the Corporation's premises, installations, assets and personnel.
- Review and approve all matters related to the contributions, expenditures and withdrawals as required under the Redwater reclamation trust fund.
  - Review and recommend to the Board the Corporation's approach to sustainability reporting.
  - Review any matters relating to the preparation, assumptions, evaluation processes and resulting outcomes for any sustainability report of the Corporation.

#### *Reserves and Resources*

- Review the qualifications, experience, availability of staff, reserve audit approach and costs of Independent Qualified Reserve Evaluator (the "**Evaluator**") or Independent Qualified Reserve Auditor (the "**Auditor**") available to report on the quality and value of the Corporation's oil and natural gas reserves, annually.
- Review each appointment of an Evaluator or Auditor and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the Evaluator or Auditor and management.
- Review Evaluator's or Auditor's material special studies and reports on the Corporation's resources.
- Review the Corporation's internal procedure in supplying historical volume and operating cost data to the Evaluator or Auditor to be used as the basis along with other variables for future projections.
- Review major assumptions and resulting outcomes used by the Evaluator or Auditor in preparation of their reports on the Corporation's reserves and resources other than reserves.
- Undertake an annual review of reserve revisions with the Chief Executive Officer ("**CEO**") or such other officers designated by the CEO and the Evaluator or Auditor.
- Review any matters relating to the preparation, assumptions, evaluation processes and resulting outcomes for any report on the Corporation's reserves or resources other than reserves (including reserves or resources other than reserves to be acquired) for certain material acquisitions or which may form the basis of any public disclosure by the Corporation or prepared for the Corporation's strategic planning.
- Review the qualifications, experience and availability of staff preparing any report on the Corporation's reserves or resources other than reserves.

*Material Acquisitions and Other Material Transactions*

- Review, evaluate and advise the Board regarding the technical merits, risks and valuations associated with material acquisitions and other material transactions.
- Review, evaluate and advise the Board regarding the operational risks associated with material acquisitions and other material transactions, including environmental, social, regulatory, governmental and legal risks.

*Operational Execution Excellence*

- Review the efficiency and effectiveness of the capital expenditure program.
- Review the efficiency and effectiveness of base operating performance related to expenditures and production volumes.
- Review the impact of technology and innovation advancements on improving operational performance on the base and capital execution of the business.

*General*

- Perform any other activities consistent with this mandate as the Committee or the Board deems necessary or appropriate.
- Undertake annually a review of this mandate and make recommendations to the Policy and Board Governance Committee as to proposed changes.

**Composition**

- This Committee shall be composed of at least three individuals appointed by the Board from amongst its members, a majority of whom shall be independent within the meaning of Section 1.4 of National Instrument 52-110 Audit Committees.
- The Secretary to the Board or another individual as selected by the Committee shall act as Secretary of the Committee.
- A quorum shall be a majority of the members of the Committee.
- All Committee members should be free from any direct or indirect material relationship, being one that could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
- Members should have or obtain sufficient knowledge of the Corporation's business, oil and gas reserve evaluations and evaluations of resources other than reserves to assist in providing advice and counsel on the reserve and resources other than reserves evaluations processes and reports.

### **Meetings**

- The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.
- Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.
- Minutes of each meeting shall be prepared by the Secretary to the Committee.
- The CEO and such other officers designated by the CEO or upon invitation by the Committee shall be available to attend all meetings of the Committee upon the invitation of the Committee.
- The Committee may at its discretion conduct discussions with independent engineering firms, including Evaluators or Auditors, without senior management present.

### **Reporting / Authority**

- Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).
- Supporting schedules and information reviewed by the Committee shall be available for examination by any director.
- The Committee shall have the authority to investigate any activity of the Corporation that has an impact on relating to the Committees mandate and responsibilities. All employees are to cooperate as requested by the Committee.
- The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its mandate and responsibilities at the expense of the Corporation.