ARC Resources Ltd.

Notice of Meeting
Information Circular - Proxy Statement

2020

ARC RESOURCES LTD

TSX: **ARX**

ARC Resources Ltd.
Information Circular – Proxy Statement

SOLICITATION OF PROXIES

This Information Circular – Proxy Statement is furnished in connection with the solicitation of proxies by Management of ARC Resources Ltd. (the Company or ARC) for use at the Annual Meeting of the holders of Common Shares of the Company to be held on the 7th day of May 2020, at 3:00 p.m. (mountain standard time) in the Ballroom at the Metropolitan Centre, 333 - 4th Avenue SW, Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting.

The Board of Directors of the Company has fixed the record date for the meeting to be the close of business on March 16, 2020. Only shareholders whose names have been entered in the register of Common Shares on the close of business on the record date will be entitled to receive notice of and to vote at the meeting provided; however, if any shareholder transfers Common Shares after the record date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that such transferee owns such shares, demands, not later than 10 days before the meeting, that the transferee's name be included in the list of shareholders entitled to vote at the meeting, such transferee shall be entitled to vote such Common Shares at the meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or their attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The Company intends to hold its Annual Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Annual Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html). The Company encourages Shareholders not to attend the Annual Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. Access to the Annual Meeting will, subject to Company's by-laws, be limited to essential personnel and registered shareholders and proxyholders entitled to attend and vote at the Annual Meeting. The Company may take additional precautionary measures in relation to the Annual Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Annual Meeting in person, Company will announce alternative arrangements for the Annual Meeting as promptly as practicable, which may include holding the meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at www.arcresources.com for updated information. If you are planning to attend the Annual Meeting, please check the website one week prior to the meeting date. As always, the Company encourages Shareholder to vote their shares prior to the Annual Meeting.

NOTICE AND ACCESS

The persons named in the enclosed form of proxy are directors or officers of the Company. Each shareholder has the right to appoint a proxy holder other than the nominees of management, who need not be a shareholder, to attend and to act for and on behalf of the shareholder at the meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

We have elected to use the Notice-and-Access Provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the Notice-and-Access Provisions) for the meeting in respect of mailings to its beneficial shareholders (as defined below) but not in respect of mailings to its registered shareholders (as defined below). The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

ARC has also elected to use procedures known as "stratification" in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related Management's Discussion and Analysis ("Financial Information"), to some shareholders together with a notice of a meeting of its shareholders. In relation to the meeting, registered shareholders will receive a paper copy of a notice of the meeting, this information circular and a form of proxy, whereas beneficial shareholders will receive a Notice-and-Access Notification and a request for voting instructions. Furthermore, a paper copy of the financial statements and Management's Discussion and Analysis of the most recent financial year of the Company will be mailed to registered shareholders as well as to those beneficial shareholders who have previously requested to receive them.

ARC will be delivering proxy-related materials directly to non-objecting beneficial owners of its Common Shares with the assistance of Broadridge Financial Solutions Inc. (Broadridge) and intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of its Common Shares.

VOTING INFORMATION

Registered Shareholder Voting Information

You are a registered shareholder if your name appears on your share certificate. Registered shareholders who are eligible to vote can vote their Common Shares either in person at the meeting or by proxy.

For your Common Shares to be voted by proxy, you must complete, date and sign the form of proxy and return it by mail, hand delivery or fax to ARC's transfer agent, Computershare Trust Company of Canada. Registered shareholders are also entitled to vote their Common Shares through the internet at **www.investorvote.com** or by telephone at **1-866-732-8683** (toll free). For internet and telephone voting, you will require your 15-digit control number found on your proxy form.

To be valid and acted upon at the meeting, forms of proxy as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the meeting or any adjournment thereof.

Beneficial Shareholder Voting information

Most shareholders of the Company are "beneficial owners". You are a beneficial shareholder if you beneficially own Common Shares that are held in the name of an intermediary such as a bank, a trust company, a securities broker, a trustee or other nominee, and not your own name. As required by Canadian securities laws, you will receive a request for voting instructions for the number of Common Shares you own.

Beneficial shareholders may vote their Common Shares either in person at the meeting or by proxy.

For your Common Shares to be voted by proxy, you must carefully follow the instructions on the request for voting instructions that is provided to you including completing, dating and signing the request for voting instructions and returning it by mail, hand delivery or fax as directed. Beneficial shareholders are also entitled to vote their Common Shares through the internet or by telephone by carefully following the instructions on the voting instruction form.

To be valid and acted upon at the meeting, voting instructions as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the meeting or any adjournment thereof.

Beneficial shareholders may also vote in person at the meeting by completing the following steps: (a) insert your own name in the space provided in the request for voting instructions or mark the appropriate box on the request for voting instructions to appoint yourself as the proxy holder, and (b) return the document in the envelope provided or as otherwise permitted by your intermediary. No other part of the form should be completed. In some cases, your intermediary may send you additional documentation that must also be completed for you to vote in person at the meeting.

Revocability of Proxy

A registered shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a registered shareholder who has given a proxy attends the meeting in person at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the registered shareholder or his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

If you are a beneficial shareholder, please contact your intermediary for instructions on how to revoke your voting instructions.

Persons Making the Solicitation

The solicitation is made on behalf of the Management of the Company. Costs incurred in the preparation and mailing of proxy-related materials for the meeting will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by officers and employees of the Company, who will not be specifically remunerated, therefore.

Exercise of Discretion by Proxy

The Common Shares represented by proxy by the management nominees shall be voted at the meeting in respect of the matters to be acted upon and, where the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted in accordance with the specification made. **In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the enclosed form of proxy furnished by the Company are conferred with discretionary authority with respect to the amendments or variations of those matters specified therein and in the Notice of Annual Meeting. At the time of printing this information circular, Management of the Company knows of no such amendment, variation or other matter.**

Voting Shares and Principal Holders Thereof

ARC is authorized to issue an unlimited number of Common Shares without nominal or par value. As at March 16, 2020, there were 354,153,610 Common Shares issued and outstanding. At the meeting, upon a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have one vote. On a poll or ballot, every shareholder present in person or by proxy has one vote for each Common Share of which such shareholder is the registered holder.

We are also authorized to issue 50 million preferred shares without nominal or par value issuable in series. As at March 16, 2020, there were no preferred shares issued and outstanding.

When any Common Share is held jointly by several persons, one of those holders present at the meeting may, in the absence of the others, vote such Common Share, but if two or more of those persons are present at the meeting, in person or by proxy, they shall vote as one on the Common Share jointly held by them.

To the knowledge of the Directors and Named Executive Officers (NEOs) of the Company, there is no person or corporation which beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10 per cent of the voting rights attached to the issued and outstanding Common Shares of the Company which may be voted at the meeting.

As at March 16, 2020, the percentage of Common Shares that are beneficially owned, or controlled or directed, directly or indirectly, by all Directors and Officers of the Company as a group is 1.04 per cent of the issued and outstanding Common Shares.

Quorum for Meeting and Approval Requirements

At the meeting, a quorum shall consist of two (2) or more persons present and holding or representing by proxy not less than 25 per cent of the outstanding Common Shares. If a quorum is not present at the opening of the meeting, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

All matters to be considered at the meeting are ordinary resolutions requiring approval by more than 50 per cent of the votes cast in respect of the resolution at the meeting other than the resolution to accept the Company's approach to executive compensation, which is advisory only.

Request for Materials

Beneficial shareholders who wish to receive a paper copy of the information circular and/or the financial information should contact Broadridge by telephone at **1-877-907-7643** (toll free) at any time up to and including the date of meeting or any adjournment thereof. To allow beneficial shareholders a reasonable time to receive paper copies of the information circular and related materials and to vote their Common Shares, any beneficial shareholders wishing to request paper copies as described above should ensure that such request is made by 5:00 p.m. (mountain standard time) on April 13, 2020. A beneficial shareholder may also call the Company at **1-855-887-2244** (toll free) to obtain additional information about the Notice-and-Access Provisions.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Meeting Information

Date: Thursday, May 7, 2020

Time: 3:00 p.m. (mountain standard time)

Place: The Metropolitan Centre Ballroom
333 – 4th Avenue SW
Calgary, Alberta

Agenda for the Meeting

1. Receive the consolidated financial statements for the year ended December 31, 2019 and the auditors' report thereon
2. To elect the Directors of the Company
3. To approve an advisory resolution on executive compensation
4. To appoint the Auditors of the Company
5. To transact such other business as may properly be brought before the meeting or any adjournment thereof

The specific details of the matters proposed to be put before the meeting are set forth in the following pages of this information circular.

Registered shareholders of the Company who are not attending the meeting in person are requested to complete, date and sign the form of proxy and return it by mail, hand delivery or fax to ARC's transfer agent, Computershare Trust Company of Canada, as follows:

BY MAIL	BY HAND	BY FACSIMILE	BY TELEPHONE	BY INTERNET
Computershare Trust Company of Canada Proxy Department 135 West Beaver Creek P.O. Box 300 Richmond Hill, Ontario, L4B 4R5	Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1	**1-416-263-9524** or **1-866-249-7775**	**1-866-732-8683** (toll free)	**www.investorvote.com**

You will require your 15-digit control number found on your proxy form to vote through the internet or by telephone.

In order to be valid and acted upon at the meeting, forms of proxy as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the meeting or any adjournment thereof.

If you hold your Common Shares through an intermediary, then you should follow the instructions on the voting instruction form provided by the intermediaries with respect to the procedures to be followed for voting at the meeting.

The Board of Directors of the Company has fixed the record date for the meeting at the close of business on March 16, 2020.

The Company intends to hold its Annual Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Annual Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html). The Company encourages Shareholders not to attend the Annual Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. Access to the Annual Meeting will, subject to Company's by-laws, be limited to essential personnel and registered shareholders and proxyholders entitled to attend and vote at the Annual Meeting. The Company may take additional precautionary measures in relation to the Annual Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Annual Meeting in person, Company will announce alternative arrangements for the Annual Meeting as promptly as practicable, which may include holding the meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at www.arcresources.com for updated information. If you are planning to attend the Annual Meeting, please check the website one week prior to the meeting date. As always, the Company encourages Shareholder to vote their shares prior to the Annual Meeting.

DATED at Calgary, Alberta, this 16th day of March 2020.
BY ORDER OF THE BOARD OF DIRECTORS

Terry Anderson
Chief Executive Officer

Letter from the Board Chair

On behalf of the Board of Directors and Management team of ARC Resources Ltd., we are looking forward to our meeting on May 7, 2020 at the Metropolitan Centre Ballroom, 333 – 4th Avenue SW, Calgary, Alberta beginning at 3:00 p.m. local time.

We are pleased to present to our shareholders this annual information circular which provides you with important information regarding the upcoming meeting as well as information you will need to be informed of when you vote on the agenda items for the meeting.

ARC has continued to perform well while adapting and evolving our business to compete in the North American business environment. Consistent with our focus on long-term value, four years ago we embarked on the next phase of ARC's business evolution with the sale of our Saskatchewan assets. We have since divested all non-core assets and reinvested the proceeds into our low-cost, highly efficient, world-class Montney assets, using new technologies to lower costs and minimize our environmental footprint. Throughout the transformation, we have maintained one of the strongest balance sheets in the industry and continued to deliver value for our shareholders through the payment of a meaningful dividend.

ARC reported solid financial results in 2019, generating funds from operations of $697 million ($1.97 per share) and paying $212 million ($0.60 per share) in dividends to shareholders. In addition, the Company achieved significant operating and strategic milestones, including growing production volumes by five per cent, completing key projects such as the Dawson I and II upgrades and advancing the Dawson Phase IV and Attachie projects. Importantly, the ARC team accomplished all this while maintaining a world-class safety and environmental record.

ARC has begun the next chapter in our long-term journey and will continue to renew our business strategy, building on current strengths while pursuing opportunities to add value through both production growth and the realization of improved netbacks. We see significant opportunities to improve profitability by focusing on liquids rich Montney development and through more diverse access to superior markets. We are determined to maximize the value of everything we produce from our extraordinary Montney assets.

Consistent with our long-term strategic focus, the ARC Board follows a deliberate approach to succession, progression and development for our senior executives and managers. To that end, in February of this year we announced the appointment of Terry Anderson as ARC's Chief Executive Officer (CEO) and Kristen (Kris) Bibby as ARC's Chief Financial Officer (CFO). The appointments of Terry and Kris exemplifies ARC's disciplined nature, with two high caliber, fully prepared, internal successors to lead our organization forward. Terry will stand for election as a Director at the annual meeting in May 2020.

On behalf of the Board, I would like to recognize the outstanding contributions of two of ARC's significant builders and leaders, Myron Stadnyk and Van Dafoe. Myron led our transformation from a royalty trust to a top-tier Montney producer, serving as President for 11 years, CEO for seven years and in senior operating roles over his 22-year career with ARC. Van most recently served as Senior Vice President and CFO, and as a strong leader in senior financial roles during his 21 years with the company. Myron and Van each made significant contributions to the growth and success of ARC, and we thank them for their tireless efforts, sound judgment and strong leadership. Van retired earlier this year and Myron will retire at the end of April.

At this time, I would like to welcome Farhad Ahrabi, who joined the ARC Board in 2019. Farhad is a seasoned executive with broad global experience, bringing a wealth of knowledge to our Board discussions. Farhad will stand for election at the May meeting.

On behalf of everyone at ARC, I express our sincere appreciation to Fred Dyment, who has decided to retire from the Board after 17 years of outstanding service. Fred's depth of understanding of the business and his commitment and passion will be missed, and we wish him all the best in the years ahead.

At ARC, we are committed to maintaining our culture of integrity, transparency and communication within the organization, with our shareholders and with our broad constituency of stakeholders. Please take the time to read through our information circular. On behalf of the Board and Management, we thank you for your continued support and confidence in ARC.

Sincerely,

Hal Kvisle
Board Chair, ARC Resources Ltd.

Executive Summary

ARC's information circular includes an overview of our corporate governance principles and practices, the company's business results in 2019 and the compensation decisions made for our CEO and Named Executive Officers (NEOs). In addition, it provides details on matters that will be considered and voted upon at the Annual Shareholders Meeting on May 7, 2020.

This Executive Summary highlights information contained elsewhere in this information circular, and we encourage you to read the entire document carefully before voting.

BUSINESS PERFORMANCE AND SHAREHOLDER RETURNS

We have continued to focus on advancing our strategy of risk-managed value creation. In addition to strong financial results in 2019, we executed a $692 million capital investment program which advanced critical projects, such as the delineation of our Attachie assets and the advancement of the Dawson Phase IV gas processing and liquids handling facility, while maintaining a strong balance sheet, with a net debt to funds from operations ratio of 1.3. We achieved record quarterly production of 147,650 boe per day in the fourth quarter of 2019 and grew full-year 2019 production by five per cent while achieving record-low operating costs of $4.97 per boe.

The Canadian oil and gas industry continues to face headwinds related to market access, a discounted commodity environment and legislative and regulatory challenges that have driven investment in our industry outside of Canada. ARC's business has performed well because we have recognized the need to evolve and adapt our business to remain competitive in the North American business environment.

Over the past five years we have consistently produced more than $1 billion in annual revenue and over $600 million annually in funds from operations, while executing a total of over $3 billion in capital projects and distributing over $1 billion in dividends to our shareholders. Like our peers, our share price continues to be challenged, however, by year-end, ARC's share price had improved year-over-year, and we delivered a total shareholder return (TSR) of ten per cent, compared to an average of negative ten per cent for our Executive Compensation Peer Group.

The table below highlights our key financial and operational measures over the past five years.

	2015	2016	2017	2018	2019
Revenue (billions)	$ 1.2	$ 1.1	$ 1.2	$ 1.4	$ 1.2
Funds from Operations (millions) (1)	$ 773	$ 633	$ 732	$ 819	$ 697
Net Income (loss) (millions)	$ (343)	$ 201	$ 389	$ 214	$ (28)
Dividends Declared (millions)	$ 411	$ 228	$ 212	$ 212	$ 212
Capital Expenditures (millions)	$ 542	$ 453	$ 830	$ 679	$ 692
Total Production Volume (boe per day)	114,167	118,671	122,937	132,724	139,126
Enterprise Value (billions)	$ 5.8	$ 8.5	$ 5.9	$ 3.6	$ 3.8
Total Shareholder Return (2)	-29.6%	42.8%	-33.9%	-42.4%	9.6%

(1) For further information on Funds from Operations refer to note 15 "Capital Management" in ARC's audited consolidated financial statements and notes ("financial statements') as at and for the year ended December 31, 2019.
(2) TSR does not have standardized meaning under the International Financial Reporting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Financial and Other Measures" contained in this document (page 52).

We are excited about our 2020 business plan and look forward to sharing our results with you throughout the coming year.

CORPORATE GOVERNANCE HIGHLIGHTS

We believe sound corporate governance builds the trust of our shareholders, is core to the success of our business strategy, and ensures that ARC and its employees adhere to the highest standards of ethical conduct. We take pride in our leadership culture which is built on our values of trust, accountability, integrity and respect, which begins with the Board and extends throughout the organization.

Our belief in doing what is right and our high standard of business conduct has been critical in building and maintaining ARC's outstanding reputation among shareholders, employees, business partners, government and regulatory partners, First Nation communities and other stakeholders.

Our key corporate governance practices are:

- We have a code of business conduct and ethics that applies to everyone at ARC.
- We have nine Directors, eight of which are independent, including the Board Chair.
- We value diversity throughout the organization and have a formal diversity policy.
- We have mandatory Director and executive share ownership requirements.
- We have a comprehensive Board assessment process which incorporates feedback on individual Director performance through a 360-degree feedback assessment.
- We have a formal Clawback policy for executive compensation.
- We have a comprehensive process for Board succession and nomination including a robust skills matrix and a focus on diversity.
- We evaluate the CEO's performance which is conducted by our independent Chair with our Human Resources and Compensation Committee (HRC Committee).
- We actively engage and seek feedback from our shareholders by attending formal conferences and investor meetings with Management and the Board Chair.
- We have independent Board oversight of Management and regular in-camera discussions at all Board and committee meetings without Management present.
- We have Board compensation practices that deter unnecessary risk taking and align with the interests of our shareholders.

EXECUTIVE COMPENSATION HIGHLIGHTS

Our executive compensation programs are designed to attract, retain, motivate and reward leaders to deliver strong performance in alignment with ARC's corporate strategy and to create and sustain shareholder value. Our compensation philosophy, programs and practices are underscored by our strong commitment to good governance and serving shareholder interests.

2019 Compensation Program Design Changes

The HRC Committee engaged Mercer, our compensation consultant, to conduct an independent review of ARC's compensation philosophy, design and programs. The primary objective of the review was to assess the evolving external and competitive context to determine if there were enhancements that could be incorporated to reinforce our existing compensation program design.

The following changes were implemented in the 2019 compensation cycle:

Compensation Element	2019 Changes	Rationale
Performance Share Units (PSUs)	Change criteria for Performance Multipliers: • 50% awarded based on relative TSR performance versus peers • 50% awarded based on an assessment of achievements from our performance scorecard	Reward growth of TSR relative to peers and achievement of strategic and operational objectives Improve alignment with market practice to use more than one metric to determine performance multipliers
Performance Share Units (PSUs)	Expand peer group to include all upstream companies traded on the Toronto Stock Exchange (TSX) (PSU Peer Group): • Oil sands, international and royalty companies are excluded • Production threshold increased from 20,000 to 25,000 boe per day	Ensure a more representative group of peer companies for comparative purposes, with business and risk profiles similar to ARC's

Compensation Element	2019 Changes	Rationale
Share Options	Program suspended • No additional option grants • All outstanding option grants continue to vest on schedule	Aligns with current market practice and shareholder expectations

The primary objectives and overall philosophy of our executive compensation program remain unchanged. The changes we implemented strengthen our overall compensation program by continuing to link a significant portion of the compensation paid to executives with the achievement of annual performance targets through our performance scorecard and with long-term shareholder value creation through relative TSR. We continue to allocate a significant portion of executive pay to at-risk variable compensation granted in the form of annual cash bonuses and medium and long-term incentive awards where any payment made to the executive is tied to absolute and relative share price performance and the achievement of annual accomplishments outlined in our performance scorecard.

In 2019, we also introduced a formal Clawback Policy applying to all executives that allows the Board to clawback all forms of incentive compensation in the event of fraud or gross negligence regardless of a financial restatement.

We are committed to ensuring that our compensation programs reward executives for the achievement of defined performance metrics (pay-for-performance), align the interests of our executives with the interests of our shareholders, and provide market-competitive pay, as summarized below.

Achievement of ARC's business strategy and long-term value creation
• Defined performance targets measured by the annual performance scorecard (quantitative and qualitative targets) linking executive compensation to achievements of financial, operational and strategic goals and (TSR) compared to our peer group to encourage top-quartile share price performance.
• Allocate 80 per cent of executive compensation into at-risk pay elements such as annual bonus, medium-term awards (Restricted Share Units (RSUs) and Performance Share Units (PSUs)) and long-term awards (Long-Term Restricted Shares (LTRS)) to encourage short and long-term thinking and performance.
• Medium and long-term incentive awards continue to vest following retirement, creating an inherent post-retirement "hold period" for these awards, to encourage the achievement of our strategy in both short and long-term performance timeframes.
• Annual bonuses are held back for all executives until year-end performance has been assessed, finalized and released to shareholders.

Align with the interest of our shareholders
• Our HRC Committee has the skills, knowledge and process for compensation decision-making, and all Directors on the committee are independent.
• 65 per cent of executive compensation is allocated to medium and long-term incentives.
• RSUs vest one-third over three-years and align with absolute share price performance.
• PSUs cliff vest after three years and align with absolute and relative share price performance. PSUs have a threshold performance multiplier based on the achievement of the performance scorecard and relative TSR against the peer group, which if not achieved results in a zero payout.
• LTRS vest one-third in the eighth, ninth and tenth years. This program is unique in the market, and with a 10-year term aligns executive interests with those of our shareholders.
• Executive share ownership requirements (CEO five times base salary, Senior Vice Presidents three times base salary and Vice Presidents two times base salary).
• A formal Clawback policy allowing the Board to recoup all incentive compensation for gross negligence or fraud regardless of a financial restatement.

Align with the interest of our shareholders
• CEO post-retirement hold period requires that the CEO hold five times his base salary for one-year post-retirement.
• An anti-hedging policy which ensures that executives and Directors cannot participate in speculative activity to protect themselves against declines in our share price.
• The HRC Committee "stress tests" RSUs, PSUs, and LTRS for executives under a variety of performance scenarios to understand possible future payments.

Provide market-competitive compensation
• Base salary targeted at the 50th percentile of the market, total cash (base + bonus) and total direct compensation (total cash + medium and long-term incentives) are targeted at the 75th percentile of the market.
• The HRC Committee and, where applicable, the Board annually assess compensation against corporate and individual executive performance, along with proxy data from ARC's Executive Compensation Peer Group to understand current market practices and rewards.
• An external, independent consultant is used to ensure compensation recommendations are competitive and market-based.

2019 Pay Decisions

The HRC Committee and the Board determined it was prudent to keep compensation for all NEOs, other than in cases of added responsibilities, at levels consistent with 2018, given the uncertainty facing the Canadian energy industry. The 2019 targeted total direct compensation levels remained competitive in the market and within our compensation philosophy. Mr. Stadnyk received a nominal increase in his total compensation due to the realignment of his total compensation pay mix because of the suspension of the Share Option program, and the reallocation of this value to the RSU, PSU and LTRS programs, as discussed in more detail later in the document.

The following table summarizes the compensation awarded to our CEO, Mr. Stadnyk.

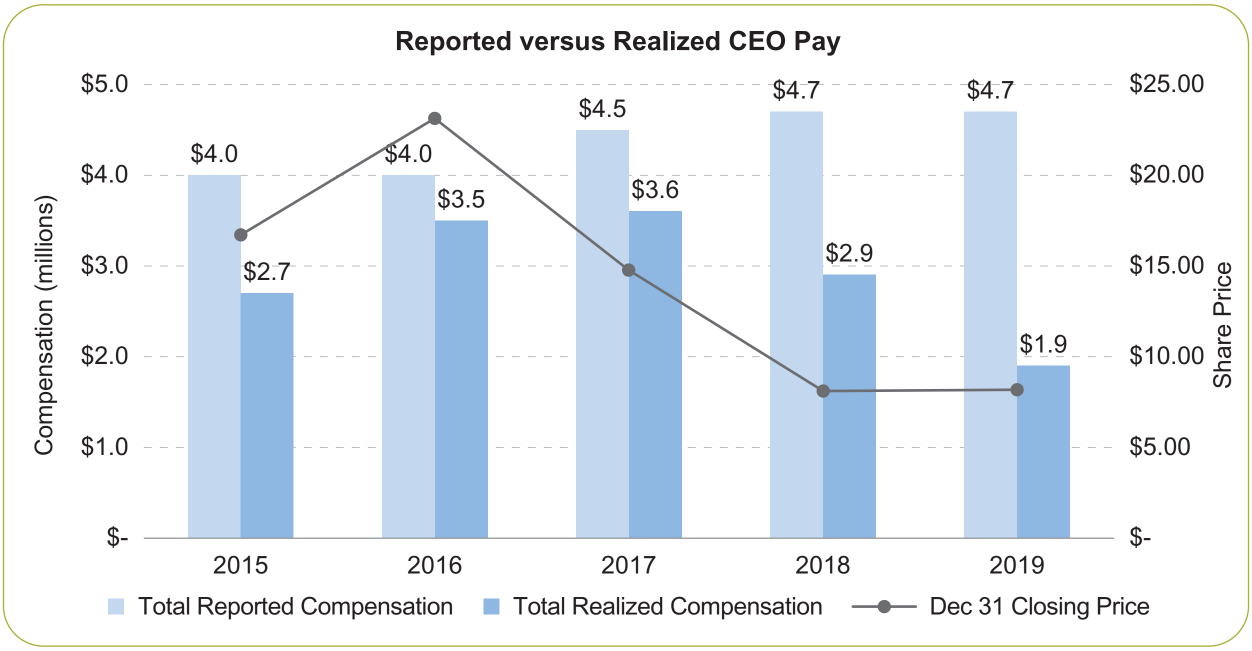
Compensation Component	2018	2019
Base Salary	$ 570,000	$ 570,000
Other Compensation (1)	$ 76,400	$ 76,400
Cash Bonus	$ 650,000	$ 650,000
PSU Grants	$1,655,017	$2,223,013
RSU Grants	—	$ 246,994
Share Option Grant	$ 800,001	—
Long-Term Restricted Share Awards	$ 910,000	$ 950,000
Total Compensation	**$4,661,418**	**$4,716,407**

(1) Other compensation includes benefits and savings plan contributions.

It should be further noted that the compensation that Mr. Stadnyk has received ("realized pay") over the last five years has been significantly less than the original granted values. Realized pay is compensation actually received during the year, including salary, cash bonus and payouts of previously granted equity-based awards, including PSUs, RSUs, stock options and LTRS. It excludes unvested grants and other amounts that will not actually be received until a future date.

Our compensation programs are designed to align with the interests of our shareholders.

The chart below illustrates the direct correlation between Mr. Stadnyk's compensation and the performance of ARC's shares.



For details of our compensation programs and governance practices, please see the Compensation Discussion and Analysis section beginning on page 27.

Matters to Be Acted Upon at the Annual Meeting

The following matters will be acted upon at the Annual Meeting of Shareholders on May 7, 2020. Your vote is extremely important, and we encourage you to review the information in this proxy circular before casting your vote.

Matters to be voted on:

Proposal	Management's Recommendation
Elect the Directors of the Company	FOR
Approve advisory vote on executive compensation	FOR
Appoint the Auditors of the Company	FOR

1. ELECTION OF DIRECTORS

The Board of Directors is responsible for the stewardship of ARC on behalf of its shareholders to ensure the long-term success of the Company. The Board has nine members – eight independent, non-management Directors and the CEO. The Directors have a range of leadership experience in the energy industry, as well as expertise in finance, accounting, marketing, ESG, human resources and other disciplines that are beneficial to the Company and its shareholders.

The articles of the Company provide for a minimum of three Directors and a maximum of 12 Directors. All nominees except for the CEO are currently Directors of the Company. Each nominee has indicated his or her willingness to serve as a Director for a term of one year.

The following table presents information on the Directors nominated for election to the Board. Further information regarding their backgrounds, qualifications, committee membership and share ownership can be found beginning on page 9.

Director	Age	Committees	Year First Elected
Harold N. Kvisle	67	Board Chair Safety, Reserves & Operational Excellence	2009
Farhad Ahrabi	61	Risk Safety, Reserves & Operational Excellence	Appointed: 2019
David R. Collyer	64	Human Resources & Compensation (Chair) Safety, Reserves & Operational Excellence	2016
John P. Dielwart	67	Risk Safety, Reserves & Operational Excellence (Chair)	1996
Kathleen M. O'Neill	66	Audit (Chair) Policy & Board Governance	2009
Herbert C. Pinder, Jr.	73	Human Resources & Compensation Policy & Board Governance (Chair)	2006
William G. Sembo	66	Audit Human Resources & Compensation	2013
Nancy L. Smith	58	Audit Risk (Chair)	2016
Terry M. Anderson	50	By invitation	n/a

Mr. Dyment has retired from the Board and will not be standing for re-election. Mr. Ahrabi was appointed to the Board on November 7, 2019 and is standing for election for the first time. We believe the Directors listed above possess outstanding character and judgment and are very well qualified to serve on the Board.

Mr. Stadnyk will be retiring from the organization as of April 30, 2020 and is therefore not standing for re-election. Mr. Anderson was appointed CEO on February 20, 2020 and is standing for election to the Board.

If, for any reason, any of the proposed nominees does not stand for election or is unable to serve as such, the management designees named in the enclosed form of proxy reserve the right to vote for any other nominee in their sole discretion unless the shareholder has specified therein that its Common Shares are to be withheld from voting on the election of Directors.

The Board of Directors unanimously recommends that shareholders vote FOR the election of each of the Director nominees and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the election of each of the Director nominees.

2. ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our executive compensation programs are designed to attract, retain, motivate and reward high-caliber leaders to deliver strong performance in alignment with ARC's corporate strategy and to create and sustain shareholder value. The programs use a combination of cash and medium and long-term equity-based incentives that reflect our pay-for-performance philosophy and provide for a significant portion (80 per cent) of an executive's compensation to be at-risk, with consideration for sound risk management and good governance principles.

The Board values input from our shareholders on its compensation programs and provides shareholders with an advisory vote, commonly referred to as "say on pay", at the annual shareholders meeting. We have held an advisory "say on pay" vote every year since 2011 as part of our commitment to strong corporate governance practices and engagement with our shareholders. You have the opportunity, on an advisory basis, to vote "for" or "against" our approach to executive compensation through the following resolution:

"Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the information circular made available in advance of the 2020 Annual Meeting of Shareholders of the Company."

We encourage you to take the time to read the Compensation Discussion and Analysis section of this document beginning on page 27 before you decide how to vote. As this is an advisory vote, the results will not be binding upon the Board. However, we will consider the outcome of the vote as part of our ongoing review of executive compensation practices and welcome all feedback. At the 2019 Annual Meeting, this resolution was approved with 93.25 per cent of shares voted in favour.

The Board of Directors unanimously recommends that shareholders vote FOR the advisory vote on executive compensation and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.

3. APPOINTMENT OF INDEPENDENT AUDITORS

The Audit committee has reviewed the performance of PriceWaterhouseCoopers, LLP (PWC), including its independence relating to the audit, and recommends the re-appointment of PWC as auditors for 2020. The Audit committee appoints an independent registered public accounting firm annually, and PWC has served in this capacity since 2017.

The independent registered public accounting firm is responsible for performing an independent audit of ARC's consolidated financial statements and expressing an opinion on the conformity of those financial statements with generally accepted accounting principles.

The Board of Directors unanimously recommends that shareholders vote FOR the appointment of the auditors and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the appointment of the auditors.

Audit Fees

The Audit Committee pre-approves all audit and non-audit services performed by ARC's external auditors except for audit-related services and non-audit services provided by the external auditors for individual engagements with estimated fees of $50,000 and under which may be pre-approved by the Chair of the Audit Committee between scheduled meetings.

The aggregate fees billed by PWC in 2018 and 2019 are summarized in the following table.

External Audit Service Fees	Billed in 2018	Billed in 2019
Audit Fees	$693,000	$720,458
Audit-Related Fees (1)	—	—
Total Audit and Audit-Related Fees	$693,000	$720,458
Tax Fees (2)	—	—
Other Fees (3)	$ 38,744	$ 52,029
Total Fees	$731,744	$772,487

(1) The aggregate fees billed by our external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements, but which are not included in audit services fees.
(2) The aggregate fees billed by our external auditor for professional services for various tax advice.
(3) The assessment fee billed by the Canadian Public Accountability Board (CPAB) per the National Instrument 52-108 *Auditor Oversight* mandate for reporting issuers to have an audit completed by a CPAB participant firm, as well as fees related to valuation services for our LTRS awards and fees for services related to environmental and sustainability reporting.

The Audit Committee reviewed the audit and permissible non-audit services performed by PWC, as well as the fees paid to PWC for such services, and concluded that the provision of such services was compatible with maintaining PWC's independence.

Information on the Nominated Directors

The nine nominees for election as Directors of the Company are:

Harold N. Kvisle
Farhad Ahrabi
David R. Collyer
John P. Dielwart
Kathleen M. O'Neill
Herbert C. Pinder, Jr.
William G. Sembo
Nancy L. Smith
Terry M. Anderson

DIRECTOR NOMINEES

Below are brief biographies of the Director nominees, including a summary of their experience and qualifications together with their current committee membership and directorships at other public entities.

Harold N. Kvisle, B.Sc., P.Eng., MBA

Calgary, Alberta, Canada

Director

Age: 67

Independent

Director since: 2009

Mr. Kvisle has over 40 years of experience as a leader in the oil and gas, pipeline and power generation industries. Most recently, he held the position of President and Chief Executive Officer of Talisman Energy Inc., from September 2012 to May 2015. From 2001 to 2010, Mr. Kvisle was President and Chief Executive Officer of TransCanada Corporation and its predecessor, TransCanada Pipelines Ltd. Prior to joining TransCanada in 1999, Mr. Kvisle was President of Fletcher Challenge Energy Canada from 1990 to 1999. He held engineering, finance and management positions with Dome Petroleum Limited from 1975 to 1988. Mr. Kvisle holds a Bachelor of Science in Engineering from the University of Alberta and a Master of Business Administration from the University of Calgary.

Strategic Qualifications – The Board of Directors has determined that Mr. Kvisle's 40 years of diverse energy-related experience, his leadership roles in complex, public organizations and his direct experience with oil and gas transportation uniquely qualify him to serve as Chairman of the Board of Directors.

Board Committee Membership:

Board (Chair)
Safety, Reserves & Operational Excellence

Current Public Board Directorships:

ARC Resources Ltd.
Cenovus Energy Inc.
Finning International Inc. (Chair)

Share Ownership (1):	Meets Shareholding Requirements
353,216 units - $1,027,859	Met

Farhad Ahrabi, B.Sc, P.Eng, Ph.D

Houston, Texas, USA

Director

Age: 61

Independent

Director since: 2019

Mr. Ahrabi has over 35 years of experience in international oil and gas operations and has extensive expertise in liquefied natural gas (LNG), including currently as the Chief Executive Officer of Cameron LNG, overseeing the construction and operation of the three-train liquefaction facility near the Gulf of Mexico in the United States. Mr. Ahrabi previously worked in Canada for three years with a major international company assessing LNG opportunities in British Columbia. Mr. Ahrabi holds a Bachelor of Science in Chemical Engineering from the University of Wales and a Doctorate degree from the University of Exeter in the United Kingdom.

Strategic Qualifications – The Board of Directors has determined that Mr. Ahrabi's varied international background in the energy industry will enable him to successfully contribute to ARC's commercial and technical expertise.

Board Committee Membership:

Risk
Safety, Reserves & Operational Excellence

Current Public Board Directorships:

ARC Resources Ltd.

Share Ownership[1]:	**Meets Shareholding Requirements:**
4,173 units - $12,143	Has until November 7, 2024

David R. Collyer, B.Sc., P.Eng., MBA

Calgary, Alberta, Canada

Director

Age: 64

Independent

Director since: 2016

Mr. Collyer has been involved in the energy industry for nearly 40 years and has extensive experience in all aspects of the upstream and downstream oil and gas industry, including marketing both domestically and internationally, and concluded his 30-year career as President and Country Chair for Shell in Canada. Upon his retirement, Mr. Collyer served as the President of the Canadian Association of Petroleum Producers from 2008 to 2014, and currently provides energy-related consulting services and serves on several private and public sector boards. Mr. Collyer holds a Bachelor of Science in Mineral Engineering and a Master of Business Administration from the University of Alberta; he is also a member of the Association of Professional Engineers and Geoscientists of Alberta.

Strategic Qualifications – The Board of Directors has determined that Mr. Collyer's 40 years of diverse domestic and international oil and gas experience at the executive level qualify him to serve as a Director and Chair of the Human Resources & Compensation Committee.

Board Committee Membership:

Human Resources & Compensation (Chair)
Safety, Reserves & Operational Excellence

Current Public Board Directorships:

ARC Resources Ltd.

Share Ownership[1]:	**Meets Shareholding Requirements:**
63,218 units - $183,964	Met

John P. Dielwart, B.Sc., P.Eng.

Calgary, Alberta, Canada

Director

Age: 67

Independent

Director since: 1996

Mr. Dielwart is a founding member of ARC and held the position of Chief Executive Officer until December 31, 2012. Currently, Mr. Dielwart is Vice Chairman and Director of ARC Financial Corporation, Canada's largest energy-focused private equity manager. Prior to joining ARC in 1996, Mr. Dielwart spent 12 years with a major Calgary-based oil and natural gas engineering consulting firm, as Senior Vice President and as a Director, where he gained extensive technical knowledge of oil and natural gas properties in western Canada. He began his career with a major oil and natural gas company in Calgary. Mr. Dielwart received a Bachelor of Science with Distinction (Civil Engineering) degree from the University of Calgary. Mr. Dielwart is a member of the Association of Professional Engineers and Geoscientists of Alberta and is a Past-Chairman of the Board of Governors for the Canadian Association of Petroleum Producers. In 2015, Mr. Dielwart was inducted into the Calgary Business Hall of Fame.

Strategic Qualifications – The Board of Directors has determined that Mr. Dielwart's extensive experience in the oil and gas industry, intimate knowledge of reserves and membership on different domestic and international boards qualifies him to serve as a Director and Chair of the Safety, Reserves & Operational Excellence Committee.

Board Committee Membership:

Risk
Safety, Reserves & Operational Excellence (Chair)

Current Public Board Directorships:

ARC Resources Ltd.
Denbury Resources Inc. (Chair)
TransAlta Corporation
Crescent Point Energy Corp

Share Ownership[(1)]:	Meets Shareholding Requirements:
367,423 units - $1,069,201	Met

Kathleen M. O'Neill, B. COMM, FCPA, FCA

Toronto, Ontario, Canada

Director

Age: 66

Independent

Director since: 2009

Ms. O'Neill is a corporate Director and has extensive experience in accounting and financial services. Previously, she was an Executive Vice President of the Bank of Montreal (BMO) Financial Group with accountability for several major business units. Prior to joining BMO Financial Group in 1994, she was a partner with PriceWaterhouseCoopers LLP. Ms. O'Neill is a FCPA, FCA (Fellow of the Institute of Chartered Accountants) and has an ICD.D designation from the Institute of Corporate Directors. Ms. O'Neill is the past Chair of St Joseph's Health Centre and St Joseph's Health Centre Foundation of Toronto and she is a current Director of the Ontario Teachers' Pension Plan and chairs its Audit and Actuarial Committee. In 2014, 2015 and 2016, Ms. O'Neill was awarded Canada's Most Powerful Women: Top 100 Award by the Women's Executive Network and was inducted into the Hall of Fame in 2017.

Strategic Qualifications – The Board of Directors has determined that Ms. O'Neill's expertise and vast experience from her senior roles in accounting and financial firms in combination with her professional designations qualify her to serve as a Director and Chair of the Audit Committee.

Board Committee Membership:

Audit (Chair)
Policy & Board Governance

Current Public Board Directorships:

ARC Resources Ltd.
Finning International Inc.

Share Ownership[(1)]:	Meets Shareholding Requirements:
139,127 units - $404,860	Met

Herbert C. Pinder, Jr., B.A., L.L.B., MBA

Saskatoon, Saskatchewan, Canada

Director

Age: 73

Independent

Director since: 2006

Mr. Pinder is the President of Goal Group, primarily a private equity management firm located in Saskatoon, Saskatchewan. Previously, he was the President of Pinder Drugs, a family business, and Goal Sports Corporation, which managed contractual and financial matters for professional hockey players. Mr. Pinder is also an experienced corporate Director having served on more than 40 public, private, not-for-profit and Crown Boards, many participants in the energy sector. Mr. Pinder has a Bachelor of Arts degree from the University of Saskatchewan, a Bachelor of Law degree from the University of Manitoba, a Master of Business Administration degree from Harvard University Graduate School of Business and was awarded an Honorary Doctor of Law from the University of Saskatchewan. Mr. Pinder is involved in several not-for-profit activities including as a Director of the Fraser Institute where he chairs the Governance Committee, and as the Chair of the Business of Hockey Institute.

Strategic Qualifications – The Board of Directors has determined that Mr. Pinder's entrepreneurial experience, his investment expertise and corporate governance experience gained from executive and Director roles within both public and private companies qualify him to serve as a Director and Chair of the Policy & Board Governance Committee.

Board Committee Membership:

Human Resources & Compensation
Policy & Board Governance (Chair)

Current Public Board Directorships

ARC Resources Ltd.

Share Ownership[1]:	Meets Shareholding Requirements
556,129 units - $1,618,335	Met

William G. Sembo, B.A.

Calgary, Alberta, Canada

Director

Age: 66

Independent

Director since: 2013

Mr. Sembo has over 45 years of industry and financial services experience. He retired from his role as Vice Chairman at RBC Capital Markets LLC in 2013. Mr. Sembo has spent the majority of his career working in or supporting, as a financial advisor, the global energy industry and has expertise in investment banking, corporate credit and mergers and acquisitions. Prior to joining RBC in 1986, Mr. Sembo held corporate finance and financial planning positions with Toronto Dominion Bank and Asamera Inc., respectively, and is currently an advisor with Lazard Canada Inc. Aside from his capital markets expertise, he brings a broad base of governance experience to ARC having or currently serving as a Director or Board Chair for both private and public Boards as well as numerous not-for-profit organizations. Mr. Sembo has a Bachelor of Arts (Economics) from the University of Calgary.

Strategic Qualifications – The Board of Directors has determined that Mr. Sembo's 45 years of industry related experience combined with his extensive experience as a financial services executive qualify him to serve as a Director.

Board Committee Membership:

Audit
Human Resources & Compensation

Current Public Board Directorships

ARC Resources Ltd.

Share Ownership[1]:	Meets Shareholding Requirements
90,156 units - $262,354	Met

Nancy L. Smith, B.A., MBA

Calgary, Alberta, Canada

Director

Age: 58

Independent

Director since: 2016

Ms. Smith is a Director and member of the Investment Committee of ARC Financial Corporation, Canada's largest energy-focused private equity manager. Prior to joining ARC Financial in 1999, she held executive positions in finance and upstream marketing at a Canadian integrated energy company and spent the first five years of her career in corporate banking. Ms. Smith received a Bachelor of Arts (Economics) from the University of Alberta, a Master of Business Administration and has an ICD.D designation from the Institute of Corporate Directors. Ms. Smith chairs the External Advisory Group for the Canadian Centre for Advanced Leadership at the University of Calgary's Haskayne School of Business and is an associate with the Creative Destruction Lab at the University of Calgary.

Strategic Qualifications – The Board of Directors has determined that Ms. Smith's in-depth experience in both finance and marketing tied with her expertise in investment strategizing and risk management qualify her to serve as a Director and Chair of the Risk Committee.

Board Committee Membership

Audit
Risk (Chair)

Current Public Board Directorships

ARC Resources Ltd.

Share Ownership(1):	Meets Shareholding Requirements
91,560 units - $266,440	Met

Terry M. Anderson, B.Sc., P.Eng.

Calgary, Alberta, Canada

Director Nominee

Age: 50

Chief Executive Officer

Director since: n/a

Mr. Anderson is the Chief Executive Officer of ARC Resources and has overall strategic and management responsibility for the Company. Prior to being appointed Chief Executive Officer in February 2020, Mr. Anderson held the roles of Senior Vice President and Chief Operating Officer, Senior Vice President of Engineering and Land and Senior Vice President of Operations at ARC. He has over 25 years of business and industry experience. Prior to joining ARC in 2000, he worked at a major oil and gas company. Mr. Anderson holds a Bachelor of Science in Petroleum Engineering from the University of Wyoming. He is a member of the Association of Professional Engineers and Geoscientists of Alberta and British Columbia.

Strategic Qualifications – The Board of Directors has determined that Mr. Anderson's extensive experience in oil and gas development and his position as CEO qualify him to serve as a Director.

Board Committee Membership

None

Current Public Board Directorships

ARC Resources Ltd.

Share Ownership(1):	Meets Shareholding Requirements
264,150 units - $768,677	Met

(1) See "*Share Ownership Requirements*" for a detailed breakdown of Common Shares and share equivalents for 2019 and 2018. Share equivalents include Deferred Share Units (DSUs) as at March 16, 2020 and RSUs and LTRS for Mr. Anderson. The value is based on the March 16, 2020 closing price of $2.91.

Corporate Governance

We are committed to a high standard of corporate governance practices. We believe that the role of the Board is to ultimately drive performance, create shareholder value and maintain a proper tone at the top while understanding our greater responsibility and purpose to a broad range of stakeholders. Strong governance practices allow ARC to act in the best interests of shareholders and to promote effective decision making at the Board level.

In this section, we will provide information about the responsibilities of the Board and our governance practices.

RESPONSIBILITIES OF THE BOARD

The Board of Directors is responsible for the stewardship of ARC on behalf of its shareholders to ensure long-term success through a strategy of risk-managed value creation. The Board's responsibilities include overseeing the management of the Company, including oversight of risk management; reviewing the long-term strategic plan; approving key decisions, such as declaring dividends; selecting, evaluating and setting compensation for the CEO; and reviewing succession plans for executives. The Board's duties are set out in the Board Mandate which is reviewed each year and found in Appendix C.

The Board holds regularly scheduled meetings at least quarterly, and the Board and members of Management hold strategic planning sessions at least annually and revisit strategic planning at each quarterly Board meeting. Directors are expected to attend either in person or by teleconference and be prepared for all Board meetings and meetings of the committees on which they participate. During the Board meetings, Directors are expected to participate fully, facilitate open discussion, and establish effective relationships with the other Board members. Directors are also expected to attend the Annual Shareholders Meeting.

KEY PRIORITIES OF THE BOARD

Strategy

Strategic Planning

The Board oversees the development and execution of the long-range strategic plan to achieve ARC's principal business objectives and identify strategic and operational opportunities and risks to ARC's business. Specifically, the Board objectively sets and monitors the execution of the corporate strategy and ensures the appropriate and profitable allocation of shareholder capital.

The Board sets aside two days every year for a strategic planning session where the Directors meet and discuss the long-term plan for the organization in detail with Management. All executives attend the annual strategic planning session providing additional opportunity for the Board to interact with Management. Annually, Management recommends the budget, including the capital program, for approval by the Board, and progress is monitored each quarter throughout the year.

Risk Management

The Board is responsible for the identification of the principal risks of the business and for ensuring that all reasonable steps are taken to implement appropriate systems and procedures to manage them.

The Risk Committee assists the Board in meeting its responsibilities with respect to risk identification, oversight and mitigation and maintains a Business Risk Matrix that identifies risks to the organization and ranks them by severity. The Board regularly reviews the Business Risk Matrix considering the Company's experience and that of its peers in the energy sector as well as current best practices in risk management.

ARC monitors six categories of organizational risks:

The Board has assigned responsibility for specific risk oversight and mitigation to the appropriate committees of the Board which is outlined in the committee mandates which are available on ARC's website.

Good Governance

Financial & Operational Oversight

The Board makes significant financial, strategic and operational decisions relating to:

- The acquisition and disposition of properties for purchase price or proceeds in excess of an amount established by the Board of Directors from time-to-time.
- The approval of capital expenditure budgets.
- The establishment of credit facilities.
- The issuances of additional Common Shares.
- The determination of the amount of dividends paid on Common Shares.
- The long-term marketing, transportation and hedging arrangements in excess of an amount established by the Board from time-to-time.
- CEO compensation and compensation program enhancements or changes.
- Overseeing, monitoring and approving financial reporting and internal control processes and procedures.
- The appointment of Directors and Officers.

Environmental, Social and Governance (ESG) Oversight

We understand that our shareholders expect that we engage in responsible resource development and deliver strong financial results, while prioritizing environmental and social responsibility efforts and governance matters that are important to our stakeholders and affect the success of our business. ARC is a recognized leader in ESG practices and received a AAA rating on its ESG performance by MSCI, an independent third-party rating agency.

The following policies support our efforts in this area:

- The Board has oversight over all ESG matters.
- The Board approves annual performance targets through a corporate scorecard to create accountability for the execution of the corporate strategy, including ESG related matters, and ensures the appropriate use of shareholder capital.
- The Board is responsible for risk oversight and has a Risk Committee that reviews significant enterprise risk exposure.
- ARC is committed to ESG transparency.
- The Board has a Safety, Reserves & Operational Excellence Committee (SROE Committee) to oversee the safety and health of employees and contractors as well as environment standards such as air, water and land management. Management reports quarterly on health, safety and environmental performance and identifies areas for continuous improvement.
- Climate-related risks are reviewed on a quarterly basis by the Board and the SROE Committee.
- ARC's water management strategy is centred around responsibility, sustainability and profitability.
- ARC takes a proactive approach to well abandonment and reclamation activities.
- Responsible development is engrained in ARC's long-term strategy and decision-making processes.
- ARC's business has become increasingly more efficient while its surface footprint has been significantly reduced.
- ARC ranks among the best in the world for sustainability ratings and Greenhouse Gas (GHG) emissions intensity performance.
- The Policy & Board Governance (Governance) and the HRC Committees provide oversight on social matters, including diversity, hiring practices, human rights and other legislative employment matters and regulatory governance matters.
- The HRC Committee independently sets and monitors executive compensation programs that support the corporate strategy and align with the interests of our shareholders.

Our objectives, standards and performance in the areas of environmental, social and governance responsibility are published biennially in our Corporate Sustainability Report. ARC's 2020 report will be published on our website in the third quarter of 2020. To identify these measures and their impact, we consult established international guidance and standards developed by Global Reporting Initiative Sustainability Reporting Standards (GRI), the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosure, among others. We also regularly engage with our stakeholders to ensure our disclosures are relevant, decision-useful and focused.

Board Composition, Nomination & Diversity

The Governance Committee which is comprised entirely of independent directors, reviews the makeup of the Board and committees annually. It is responsible for Director succession planning and for identifying and recommending new candidates to the Board.

To ensure that the Board accesses a broad pool of the best qualified individuals, the Governance Committee retains an external search firm to help identify outstanding candidates for future Directors with the mandate that the pool must take diversity into account, in addition to other desired attributes. The selection of Directors is based on the candidate's qualifications and the contributions they will make to the Board. The Governance Committee maintains a list of potential Directors and reviews the list of Directors to be nominated for election at the Annual Shareholders Meeting and recommends such nominees for approval by the Board.

The Governance Committee uses a two-tier selection process when evaluating prospective candidates. The first tier focuses on the evaluation of a potential Director's character, personality and fit with other Board members and ARC's culture. The second tier addresses the evaluation of relevant skills and experience as it relates to the Director Skills Matrix and current Board composition. Once potential candidates are determined, a comprehensive interview process begins which includes multiple interviews with current Directors, including the CEO.

Diversity Policy

We recognize the importance of ensuring the Board is comprised of Directors who have diverse skills, thoughts and experiences. The Board believes in inclusiveness and recognizes the benefits of diverse views on decision-making outcomes and overall performance. We believe that there should be an appropriate number of women represented on the Board, in management roles and throughout the organization to provide a broad range of perspectives and insights. In 2018, ARC became a member of the 30% Club, to join their campaign to increase gender diversity on boards and senior management teams. In 2019, the Governance Committee amended the Diversity Policy to include a clear commitment to increase Board gender diversity to 30 per cent over time. We have already made considerable progress towards this target. We have two female director nominees which will equate to 22 per cent of the Board of Directors.

ARC remains committed to all workplace practices that support and recognize the distinct needs of our female employees. We actively monitor the diversity of our workplace. At the end of 2019, female employees represented approximately 26 per cent of our total work force and 41 per cent of our salaried professional staff and 30 per cent of our Management team.

Progress on our diversity goals is monitored by the Governance Committee.

Succession

Succession Planning

In addition to Director succession planning, the Board has responsibility for succession planning for senior executives, including the CEO.

Succession planning is the responsibility of the HRC Committee, where the CEO provides an update on the progression and development of individual executives. At the third quarter Board meeting, a succession planning meeting is held with the full Board, without other members of Management present, to discuss the performance of and views on the executive leadership team in general and to identify and discuss the development plans for potential successors for key roles.

We believe that the development of executives from within the Company produces excellent leaders and strengthens our culture. For these reasons, the HRC Committee's succession planning process involves working with the CEO to identify internal candidates, selecting executive development opportunities and evaluating performance and progress. In addition, the Board has engaged independent executive coaching services to provide objective evaluation of high-potential candidates and establish formal skills and capability development.

Board Effectiveness and Director Assessment

Board effectiveness is critical to the success of the Company. To ensure Board members, committees, and processes remain effective, the Board committees and individual Directors are evaluated on an annual basis. Each Director completes a four-part questionnaire that includes an opportunity to provide feedback and comments on the role, the effectiveness and the overall capabilities of the Board and its committees. The questionnaire also includes an evaluation of the Director's skills relative to skills and experience outlined in the Director Skills Matrix (page 22). The results of the questionnaire are analyzed by the Governance Committee and Board Chair, who decide whether any changes are needed in Board processes, mandates, composition or committee structure and the potential for Board renewal or the addition of critical skills. While an ongoing discussion, the Board devotes one meeting each year to review and discuss ways to improve the effectiveness and efficiency of the Board.

In addition to the annual questionnaire, every year Directors complete a 360-degree feedback assessment whereby each Director completes a self-assessment of his or her skills and contributions and provides feedback on each of the other Directors. The Board Chair meets with each Director one-on-one to engage in a full and frank two-way discussion on any issues that either wants to raise, with an emphasis placed on maximizing the contribution of each Director and continually improving the effectiveness of the Board.

Furthermore, the Board meets annually for three hours after the Annual Shareholders Meeting to discuss overall Board effectiveness.

DIRECTOR INDEPENDENCE

The Board has determined that the majority of the Directors (eight of the nine) standing for election are independent within the meaning of NI 58-101. All the Company's current Directors, except for Mr. Anderson, the current CEO of the Company, are independent.

Interlocking Boards

The charter of the Board of Directors does not specifically prohibit interlocking board positions, and when Directors share common Board memberships the Board examines the situation to determine whether there are material relationships that may affect a Director's independence.

The following table summarizes the interlocking board positions of our Directors.

Company	Director	Roles
Finning International Inc.	Harold N. Kvisle	Director & Board Chair
		Policy & Board Governance Committee
		Human Resources & Compensation Committee
	Kathleen M. O'Neill	Director
		Policy & Board Governance Committee
		Audit Committee

The Board has determined that the above common Board membership does not impair the ability of these Directors to exercise independent judgment as members of ARC's Board of Directors.

Material Interests

In general, private investment activities of Directors are not prohibited; however, should a Directors existing investment pose a potential conflict of interest the Director is required to disclose it to the Board Chair and CEO. Directors and Officers who have an interest in a material transaction or proposed material transaction with ARC Resources Ltd. must disclose the nature of their interest and may not vote on any resolution to approve the transaction. During 2019 and as of the date of this circular, there were no material transactions or proposed material transactions in which any Director or Officer had an interest.

BOARD COMMITTEES

The Board of Directors performs its mandated responsibilities, in part, through the activities of the five committees outlined below. Each of the five committees has a specific mandate which is reviewed and approved each year and can be found on ARC's website. Committees meet at least quarterly and committee membership is reviewed at least annually depending on the needs of the Board.

Audit Committee

- Reviews the Company's annual and quarterly financial statements and the financial information included in ARC's prospectuses, Management's Discussion and Analysis (MD&A), information circular, Annual Information Forms (AIF) and financial press releases.
- Recommends the appointment of and provides oversight to the external auditors and monitors their qualifications, independence and performance.
- Risk oversight of financial reporting and compliance.

Human Resources & Compensation Committee (HRC Committee)

- Reviews the Company's compensation programs to ensure pay-for-performance alignment, market competitiveness and alignment with the interests of the shareholder.

- Conducts an annual performance review of the CEO and provides recommendations to the Board of Directors on the compensation for the CEO.
- Assesses and manages risk related to talent management, succession planning and compensation.

Policy & Board Governance Committee (Governance Committee)

- Reviews the effectiveness of the Board of Directors, committees and individual Board members through the annual assessment process.
- Leads Director selection, the on-boarding process and succession planning.
- Assesses and manages governance, social responsibility, diversity and regulatory risk.

Safety Reserves & Operational Excellence Committee (SROE Committee)

- Reviews ARC's performance with respect to health, safety and environmental programs and activities.
- Reviews the terms of engagement of independent reserves and resources evaluators and the conduct of reserves and resources evaluations.
- Risk assessment and management for reserves and resources evaluation, operational, health, safety, environment, infrastructure and security.

Risk Committee

- Identifies and reviews the principal business and financial risks of the Company and the actions taken to mitigate them.
- Reviews the hedging mandate and policy to ensure compliance with ARC's strategic objectives.
- Ensures that all business risks, both financial and operational, are monitored by the appropriate Board committees.

The table below outlines the members of each committee as at December 31, 2019 as well as the individual Director's attendance at the meetings.

Independent Director	Total Board & Committee Attendance	Board Meeting	Audit Committee	HRC Committee	Governance Committee	SROE Committee	Risk Committee
Harold Kvisle	9/9 (**100%**)	Chair (7 of 7)				Member (2 of 2)	
Farhad Ahrabi	1/1 (**100%**)	Member (1 of 1)					
David Collyer	18/18 (**100%**)	Member (7 of 7)		Chair (6 of 6)		Member (5 of 5)	
John Dielwart	17/17 (**100%**)	Member (7 of 7)				Chair (5 of 5)	Member (5 of 5)
Fred Dyment	17/17 (**100%**)	Member (7 of 7)			Member (5 of 5)		Member (5 of 5)
James Houck	9/9 (**100%**)	Member (3 of 3)				Member (3 of 3)	Member (3 of 3)
Kathleen O'Neill	17/17 (**100%**)	Member (7 of 7)	Chair (5 of 5)		Member (5 of 5)		
Herbert Pinder	18/18 (**100%**)	Member (7 of 7)		Member (6 of 6)	Chair (5 of 5)		
William Sembo	17/17 (**100%**)	Member (7 of 7)	Member (5 of 5)	Member (6 of 6)			
Nancy Smith	17/17 (**100%**)	Member (7 of 7)	Member (5 of 5)				Chair (5 of 5)

During 2019 the following changes occurred to the Board and committee membership:

- Mr. Houck retired from the Board effective May 9, 2019.
- Mr. Ahrabi joined the Board effective November 7, 2019.

- Mr. Kvisle joined the SROE Committee upon Mr. Houck's retirement.
- Mr. Ahrabi joined the SROE and Risk Committees in November.

During 2019, Board and committee meeting attendance was 100 per cent for non-management Directors. Mr. Kvisle is the Board Chair and is a member of the SROE Committee; however, he attends additional committee meetings regularly and by invitation from the committee chairs. Mr. Stadnyk was a Management Director in 2019 and attended all Board meetings. He was not a member of any of the committees; however, he attended substantially all the committee meetings during 2019 by invitation.

GOVERNANCE PRACTICES

We are committed to maintaining high standards of corporate governance. To accomplish this, our practices include, among other things, the following:

- A Board comprising nine Directors, eight of which are independent, including the Board Chair.
- Annual election of Directors, and majority voting is required to be elected.
- Mandatory Director and executive share ownership requirements.
- A comprehensive Board assessment process which incorporates feedback on individual Director performance through a 360-degree assessment.
- A comprehensive process for Board succession and nomination, including a robust skills matrix and a focus on diversity.
- Annual evaluation of the CEO's performance which is conducted by our independent Chair with our HRC Committee.
- Independent Board oversight of Management and regular in-camera discussions at all Board and committee meetings without Management present.
- Annual long-term planning session.

Ethical Business Conduct

We believe that maintaining high standards of business conduct is essential to the long-term success of the Company. To that end, the Board has adopted a written Code of Business Conduct and Ethics. It reinforces our expectation that all employees and company representatives conduct themselves with the highest standard of professionalism and ethical behaviour. The Code specifically outlines the standards required in the areas of business integrity, accuracy of records and reporting, conflicts of interest, insider trading, protection and proper use of the Company's assets, reporting of illegal or unethical behaviour and other matters. The Code of Business Conduct and Ethics is applicable to Directors, executives and employees of the Company and it is a requirement that the Code be read, understood and signed off by the Board and all employees annually.

In addition, ARC has a specific Code of Ethics for Senior Officers to certify their compliance with ethical business conduct, financial reporting requirements and filings, and accurate reporting of operational results is signed off in writing each quarter and reviewed by the Governance Committee. These documents are available in the Corporate Governance section of our website and through SEDAR.

Active Engagement with Shareholders

We have an active shareholder engagement program to continue to build trust and commitment with our shareholders. Our management team regularly meets with institutional shareholders and investment advisors during presentations, at investor conferences and in one-on-one meetings. Our Board Chair is also available to meet with shareholders as appropriate. In 2019, ARC executives appeared at 12 conferences and held approximately 200 meetings with shareholders.

In addition to conferences and meetings, ARC also provides shareholder engagement opportunities through:

- Annual Investor Day – in person and webcast.
- Annual General Meeting of Shareholders.
- **arcresources.com**
  - Monthly investor presentations;
  - Quarterly financial reports and press releases;
  - Quarterly videos to communicate financial and operational results featuring our executive team; and
  - Social media accounts.
- Investor relations email - ir@arcresources.com.

We also closely follow the recommendations of organizations that represent or advise shareholders on matters of governance, such as ISS, Glass Lewis and the Canadian Coalition for Good Governance.

DIRECTOR SKILLS AND EXPERIENCE

The Board of Directors and the Governance Committee review the experience, qualifications and skills of our Directors each year to ensure that the requisite skills and experience of the Board is enough to meet the challenges of our business today and in the future. This is maintained in the Director Skills Matrix.

Each Director reviews and updates his or her strengths and experience level against the skills matrix descriptions each year through a self-assessment. This is helpful in identifying areas for strengthening the Board of Directors, if necessary, and addressing any gaps through the recruitment of new members. During the review conducted in 2019, the Director Skills Matrix was updated to reflect the elements of ARC's strategy, including a specific requirement for skills and experience related to sustainability and ESG.

Director Skill Matrix

● Worked directly or had individuals directly reporting to you in specific area.
○ No direct experience in specific area, but some level of knowledge and expertise
◉ Little or no experience or expertise in specific area

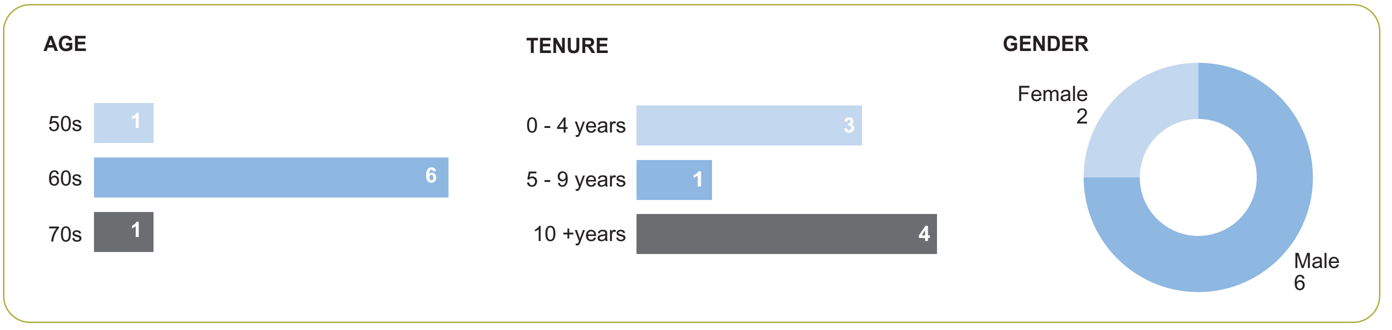
	Harold Kvisle	Farhad Ahrabi	David Collyer	John Dielwart	Fred Dyment	Kathleen O'Neill	Herb Pinder	William Sembo	Nancy Smith	Myron Stadnyk
Quality Assets and Operational Excellence										
Oil and Gas Operations: experience as a CEO or senior officer in various aspects of oil and gas development and operations, including technology & innovation, exploration, and marketing.	●	●	●	●	●	○	○	○	●	●
Reserves Evaluation: general experience or executive experience with oil and gas reserves evaluation.	●	●	●	●	●	○	○	○	○	●
Profitable Capital Allocation: experience with, and understanding of, the importance of the role of capital allocation and risk in value creation.	●	●	●	●	●	●	●	●	●	●
Health, Safety and Environment: direct experience with, or strong knowledge of, industry regulations and best practices related to workplace health, safety and environmental issues.	●	●	●	●	●	○	○	○	○	●
Global Experience: international energy business experience and perspective.	●	●	●	●	●	○	○	●	◉	●
Commercial Activities and Risk Management										
Strategic Planning: experience in leading and developing business strategies to create value and managing business development activities for short-term and long-term results.	●	●	●	●	●	●	●	●	●	●
Market Access: experience with, and knowledge of, strategies to proactively leverage market access opportunities.	●	●	●	●	●	○	○	○	●	●
Change Management: experience leading major organizational change and/or managing significant M&A activities.	●	●	●	●	●	●	●	●	●	●
Decision Quality: proven track record in complex decision making and the ability to work well with other Board members to reach decisions.	●	●	●	●	●	●	●	●	●	●
Risk Evaluation: experience in evaluating and managing a broad range of business risks, including ESG issues.	●	●	●	●	●	●	●	●	●	●
Financial Sustainability and Return on Investment										
Financial Expertise: formal qualifications and/or management experience in financial reporting, internal controls and corporate finance.	●	●	●	●	●	●	○	●	●	●
Financial Literacy: ability to critically read and analyze financial statements.	●	●	●	●	●	●	●	●	●	●
Business Economics: experience in analysis of project and corporate returns.	●	●	●	●	●	●	●	●	●	●
ESG, People and Culture										
Sustainability: experience with, or knowledge of, risks and opportunities related to a broad range of environmental, social and overall shareholder engagement and communication.	●	●	●	●	●	●	●	○	○	●
Corporate Governance: experience as a senior executive and/or board member (public, private or not-for-profit) that provides a strong understanding of requirements of good corporate governance.	●	●	●	●	●	●	●	●	●	●
Government Relations: broad regulatory, political and public policy experience in Canada and other jurisdictions.	●	●	●	●	●	○	●	○	○	●
Human Resources: experience with responsibility for human resources, succession planning and executive compensation.	●	●	●	●	●	●	●	●	●	●
Culture: experience in oversight of corporate culture to ensure strong ethics, governance practices and quality decision making.	●	●	●	●	●	●	●	●	●	●

BOARD COMPOSITION

We believe it is important to achieve a balance between experienced Directors with deep knowledge of our business and new Directors with fresh perspectives. We believe it is critical that Directors understand our industry and our business, and Directors with long service have extensive company knowledge that can be extraordinarily valuable. ARC does not have formal term limits for Directors but uses its annual performance assessment process to evaluate each Director. If a Director receives a poor assessment, the Board Chair will ask the Director to submit their resignation. Consistent with our commitment to achieve gender diversity, as at March 16, 2020, we have two female Directors.

Directors are recruited with the expectation of serving a minimum of seven years, subject to their annual performance review, a change in personal circumstances, or ARC's majority voting policy.

The composition of the Board of Directors up for election is displayed in the graphic below, ARC is putting forth eight non-Management nominees with an average tenure of nine years on the Board.



DIRECTOR ORIENTATION AND CONTINUING EDUCATION

When a new Director joins our Board, we conduct an orientation to educate the new Director on ARC's strategy, operations, financial performance and governance practices.

The orientation process includes:

- Meetings with Directors and executives of the Company.
- Attendance at committee meetings of the Board.
- Review of recent operational and financial information as well as governance documents and information relating to the duties and obligation of the Directors.
- Field visits to familiarize new Directors with ARC's operations.
- Training in the technology platforms used by the Board.

Continuing education is an important requirement of our Directors.

In addition to pursuing their own educational initiatives, Directors are kept informed of developments in the Company and the energy industry through the following:

- Quarterly reports on operational and financial performance, accounting, technology and innovation, marketing, business development, sustainability and ESG, human resources and corporate governance best practices and policy updates.
- Frequent guest speakers and external advisors to provide additional external perspective.
- An annual visit to the field, in conjunction with the SROE Committee to see operations and meet employees firsthand.
- Quarterly updates from each committee on best practices, industry benchmarking, trends and policy updates.
- Regular updates from Burnet, Duckworth & Palmer LLP on material changes in securities regulations and corporate governance matters.

We compensate Board members for attending external education courses relating to corporate governance, financial literacy or related matters, as well as for membership dues for each of the Directors in an appropriate organization that provides relevant publications and educational opportunities. In 2019, our Directors collectively attended 52 educational presentations, roundtables and conferences.

DIRECTOR COMPENSATION

The compensation program for ARC's non-Management Directors is designed to attract and retain high-quality individuals with the experience and capability to meet the responsibilities of a Director and to align the interests of Directors with those of shareholders. The Board reviews Director compensation on an annual basis through an analysis of proxy circulars of other oil and gas companies together with a review of Director compensation surveys performed by third parties to ensure that the composition of ARC's compensation program is appropriate and that total compensation is competitive. For information on the ARC's peer group, please see page 31.

ARC's Director compensation program consists of both a cash and an equity-based component paid in the form of Deferred Share Units (DSUs). The maximum cash component received is 40 per cent of total compensation, with the remaining compensation received in the form of DSUs. A Director may elect to receive 100 per cent of his or her compensation in the form of DSUs. DSUs vest immediately upon grant but cannot be redeemed until the holder ceases to be a Director which reinforces long-term thinking, reduces unnecessary risk taking and aligns with the interests of our shareholders.

The payment of Board and committee cash retainers and granting of DSUs occurs on a quarterly basis. The number of DSUs awarded to non-management Directors each quarter is calculated by dividing the value of the award by the weighted average trading price of the Common Shares on the TSX for the five trading days prior to the date of grant. Each Director has until December 1st in the calendar year following the date on which he or she ceases to be a Director to redeem his or her awards in exchange for a cash payment equal to the number of DSUs held multiplied by the weighted average trading price of the Common Shares on the TSX for the five trading days prior to the date of settlement.

The following table outlines the Board and committee retainer fee schedule for non-Management Directors for 2019. There were no changes to the fee schedule during 2019.

2019 Directors Fees	
Cash Retainer:	
Board Chair	$166,000
Board Member	$ 88,000
Audit Committee Chair	$ 10,000
Other Committee Chair	$ 6,000
Equity Compensation	**150% of Cash Retainer**
Total Director Compensation	**40% Cash / 60% Equity**

Total Director Compensation

The following table presents the total compensation paid to each non-management Director in 2019.

Director (1)	Board Chair or Member Retainer	Committee Chair Retainer	Total Cash Retainer Fees Earned	Share-Based Awards (DSUs) (2)	Other Compensation	Total Compensation	Portion Taken as Cash	Portion Taken as DSUs
Harold Kvisle	$166,000	$ —	$166,000	$ 249,022	$ —	$ 415,022	$ —	$ 415,022
Farhad Ahrabi (3)	$ 13,152	$ —	$ 13,152	$ 19,732	$ —	$ 32,884	$ —	$ 32,884
David Collyer	$ 88,000	$ 6,000	$ 94,000	$ 141,000	$ —	$ 235,000	$ 93,985	$ 141,015
John Dielwart	$ 88,000	$ 6,000	$ 94,000	$ 141,015	$ —	$ 235,015	$ —	$ 235,015
Fred Dyment	$ 88,000	$ —	$ 88,000	$ 132,009	$ —	$ 220,009	$ —	$ 220,009
James Houck (4)	$ 29,253	$ —	$ 29,253	$ 43,879	$ 30,000	$ 103,132	$ 21,931	$ 81,201
Kathleen O'Neill	$ 88,000	$10,000	$ 98,000	$ 147,000	$ —	$ 245,000	$ 48,991	$ 196,009
Herbert Pinder	$ 88,000	$ 6,000	$ 94,000	$ 141,015	$ —	$ 235,015	$ —	$ 235,015
William Sembo	$ 88,000	$ —	$ 88,000	$ 132,000	$ —	$ 220,000	$ 54,977	$ 165,023
Nancy Smith	$ 88,000	$ 6,000	$ 94,000	$ 141,015	$ —	$ 235,015	$ —	$ 235,015
Total	**$824,405**	**$34,000**	**$858,405**	**$1,287,687**		**$2,176,092**	**$219,884**	**$1,956,208**

(1) Excludes Mr. Stadnyk as he was a Management Director during 2019.
(2) This amount is equal to approximately 150% of the amount of Total Cash Retainer Fees Earned and must be taken as DSUs.
(3) Mr. Ahrabi joined the Board on November 7, 2019 and his annual fees were prorated.
(4) Mr. Houck retired from the Board on May 9, 2019 and his annual fees were prorated. Mr. Houck continued to provide advisory services throughout 2019 and he received $30,000 which he elected to receive in DSUs for his services.

Equity-Based Awards

The following table sets forth information on the number and value of DSU awards held by non-management Directors that were outstanding and fully vested as at December 31, 2019.

Director (1)	Number of DSUs	Estimated Payout Value of DSUs (2)
Harold Kvisle	198,928	$1,627,231
Farhad Ahrabi	4,085	$ 33,415
David Collyer	42,306	$ 346,063
John Dielwart	107,743	$ 881,338
Fred Dyment	96,409	$ 788,626
Kathleen O'Neill	115,961	$ 948,561
Herbert Pinder	145,681	$1,191,671
William Sembo	68,676	$ 561,770
Nancy Smith	79,704	$ 651,979

(1) Excludes Mr. Stadnyk as he was a Management Director during 2019.
(2) Calculated based on the closing price of the Common Shares on December 31, 2019 of $8.18 multiplied by the number of DSUs on such date adjusted to reflect dividends.

Director Share Ownership

All Directors must own Common Shares or share equivalents equal to three times their annual cash retainer. Directors have five years from appointment to attain these holdings. As at December 31, 2019, and as outlined below, all non-Management Directors meet or exceed the minimum share ownership requirement other than Mr. Ahrabi, who has until 2024 to meet the requirement. Management Directors are subject to separate share ownership requirements which are outlined in the Compensation Discussion and Analysis section of this information circular.

Director	Year Ended December 31	Common Shares	DSUs (1)	Total Common Shares and Share Equivalents	Total Market Value of Common Shares and Share Equivalents (2)	Value at Risk as Multiple of Cash Retainer Fees Earned (3)	Meets Minimum Share Ownership Guidelines
Harold Kvisle	2019	150,000	198,928	348,928	$2,854,231	17	Yes
	2018	150,000	130,620	280,620	$2,273,022	13	Yes
Farhad Ahrabi (4)	2019	—	4,085	4,085	$ 33,415	0	No
	2018	—	—	—	—	—	—
David Collyer	2019	10,000	42,306	52,306	$ 427,863	4	Yes
	2018	10,000	21,080	31,080	$ 251,748	2	No
John Dielwart	2019	257,358	107,743	365,101	$2,986,526	31	Yes
	2018	326,591	69,447	396,038	$3,207,908	34	Yes
Fred Dyment	2019	300,282	96,409	396,691	$3,244,932	36	Yes
	2018	200,282	60,908	261,190	$2,115,639	24	Yes
Kathleen O'Neill	2019	20,666	115,961	136,627	$1,117,609	11	Yes
	2018	20,666	81,973	102,639	$ 831,376	8	Yes
Herbert Pinder	2019	407,308	145,681	552,989	$4,523,450	48	Yes
	2018	263,308	104,408	367,716	$2,978,500	31	Yes
William Sembo	2019	20,000	68,676	88,676	$ 725,370	8	Yes
	2018	20,000	42,333	62,333	$ 504,897	5	Yes
Nancy Smith	2019	10,138	79,704	89,842	$ 734,908	7	Yes
	2018	10,138	43,608	53,746	$ 435,343	4	Yes

(1) The number of DSUs reflects dividends paid on Common Shares to December 31, 2019 or 2018.
(2) Value based on closing share price of Common Shares of $8.18 at December 31, 2019 ($8.10 at December 31, 2018).
(3) Based on total market value of Common Shares and share equivalents including DSUs.
(4) Mr. Ahrabi was appointed to the Board of Directors on November 7, 2019 and has until November 7, 2024 to accumulate three times his annual retainer in Common Shares or share equivalents.

Compensation Discussion and Analysis

LETTER FROM THE CHAIR OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Dear Fellow Shareholders:

On behalf of the HRC Committee, I am pleased to present the details, in this section of the document, of our compensation policies and programs for ARC Resources Ltd. and the pay decisions made for the CEO and other NEOs in 2019.

ARC is committed to creating sustainable value for shareholders. The fundamental principles of our compensation philosophy are pay-for-performance, alignment of the interests of ARC executives with those of our shareholders and to have market competitive compensation to ensure we attract, retain, motivate and reward our executive team. We regularly review our compensation programs to ensure alignment with our principles and as disclosed last year, we made the decision in 2018 to engage in a more comprehensive review of our compensation programs. As previously mentioned, the review resulted in some enhancements to our compensation programs which are discussed throughout the document.

2019 Compensation Decisions

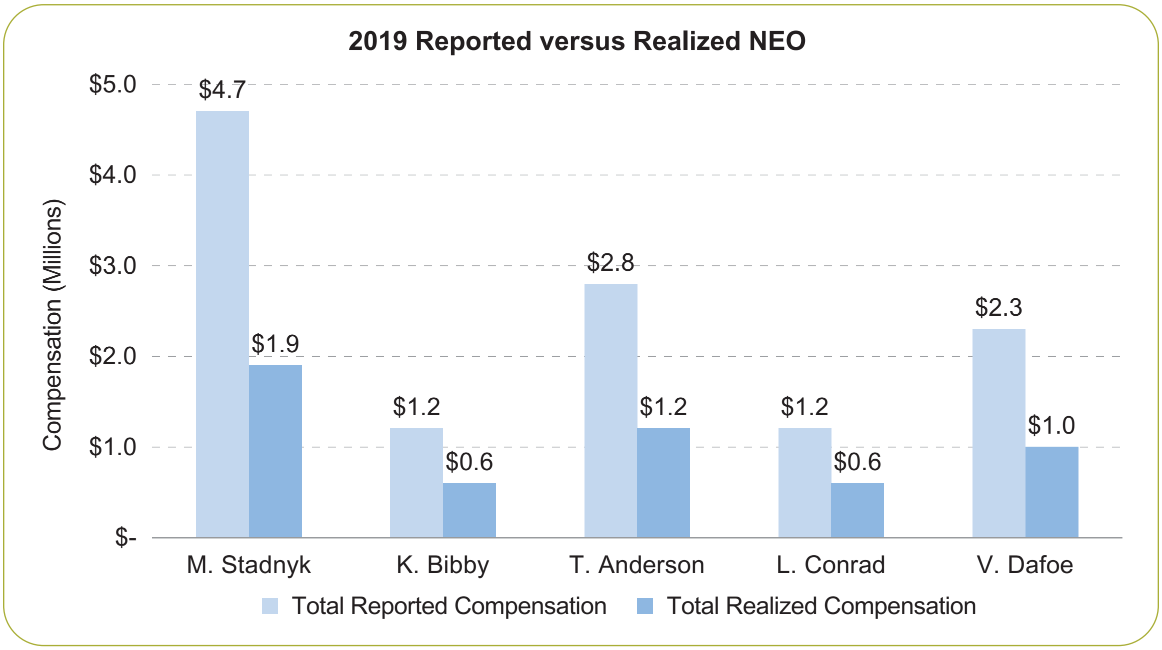
The HRC Committee members oversee the compensation programs, and bases executive compensation decisions on the achievement of specific performance metrics outlined in the performance scorecard (page 35), value creation as measured by TSR, and the benchmarking of financial and operational metrics against our Executive Compensation Peer Group (page 31). At the same time, we recognize the importance of good judgment and aim to strike a balance in setting compensation levels, using a mix of base pay, annual cash incentives, and medium and long-term equity based incentive awards to help us achieve this goal. Compensation decisions are made consistent with governance standards and practices expected of a leading, publicly traded Canadian energy company.

While our share price continued to be challenged in 2019; we achieved strong operational performance and ARC delivered top-quartile total shareholder returns compared to our PSU Peer Group. That said, there is still considerable uncertainty facing the Canadian energy industry, and therefore the HRC Committee and the Board determined it was prudent to keep compensation for all NEOs, other than in cases of added responsibilities, at levels consistent with 2018. 2019 total direct compensation levels remain competitive in the market and aligned with our compensation philosophy.

2019 Realized Pay

As noted, we establish compensation levels competitive in the market and tied to the delivery of operational performance objectives and shareholder returns. However, executive compensation is variable, with a significant portion at-risk in order to reinforce the importance of achieving these performance objectives and aligning with the interests of our shareholders.

The graph below demonstrates the relationship between the 2019 compensation granted to our NEOs and the amount they actually received (realized pay). In all cases, realized pay was at least 50% lower than the original grant value and highlights the impact of our pay-for-performance philosophy and its alignment with returns to our shareholders.



The Board and Management have been focused on transforming our business over the last five years, and given our commitment to ensure we attract, retain, motivate and reward our executive team, the Board decided to award executives and other key individuals within the organization with a moderate increase to their RSU grant. The RSU compensation vehicle was chosen to encourage long-term thinking and a focus on increased share price performance.

The HRC Committee is confident with the pay decisions that have been made and believes they reinforce our compensation philosophy.

2020 Changes

As previously mentioned, Mr. Dafoe retired from the organization as of February 6, 2020 and Mr. Bibby was promoted to Senior Vice President and Chief Financial Officer. On February 20, 2020, Mr. Anderson was promoted to Chief Executive Officer. On April 30, 2020 Mr. Stadnyk will be retiring from the organization until this time, he will serve as President of the organization. All titles have been updated to reflect these individuals' current roles; however, compensation values reflect the roles they held in 2019.

We foresee no changes to our compensation programs in 2020.

The Compensation Discussion and Analysis set forth in the following pages discusses our compensation programs and governance and 2019 pay decisions in more detail. We encourage you to read this section as it includes information relevant to your say on pay vote. We have consistently received a strong vote in favour of our approach to executive compensation. As always, we welcome feedback from our shareholders and will take all feedback into consideration.

Sincerely,

David Collyer, Chair
Human Resources & Compensation Committee

COMPENSATION PHILOSOPHY

Our compensation programs are designed to:

- Reward executives for achievement of defined performance metrics (pay-for-performance);
- Align the interests of our executives with the interests of our shareholders; and
- Provide market competitive compensation to attract, retain, motivate and reward our executives.

The following table summarizes the key features of our compensation policies and practices:

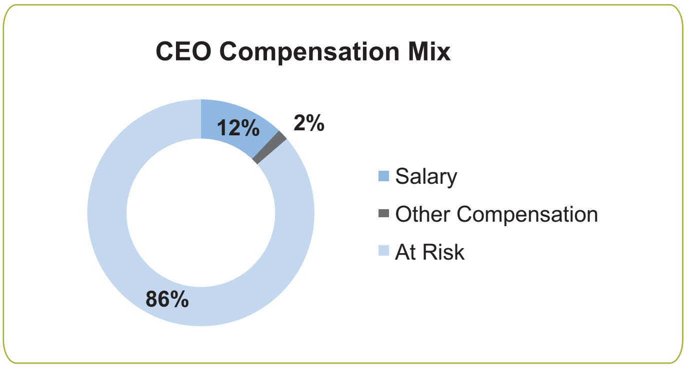
	What We Do
✓	CEO is required to hold five times his annual salary in company shares and Senior Vice Presidents are required to hold three times their base salary. All other executives are required to hold two times base salary.
✓	Executives have a significant portion (approximately 80 per cent) of their total compensation at risk.
✓	Approximately 65 per cent of total compensation is made up of medium and long-term incentives. PSUs have a threshold performance multiplier which if not achieved results in zero payment. PSUs vest at the end of the third year, and LTRS vest at the end of the eighth, ninth and tenth years. All are linked directly to TSR over the term of the award.
✓	An executive Clawback Policy that allows ARC to clawback all incentive compensation for actions of gross negligence or fraud regardless of a financial restatement.
✓	A CEO post-retirement hold period that requires the CEO to hold five times his base salary for one-year post-retirement.
✓	RSUs, PSUs, and LTRS continue to vest following retirement, creating an inherent post-retirement “hold period” for these awards.
✓	Bonuses are held back for all executives until year-end performance has been reviewed and released to shareholders.
✓	All executives participate in the same compensation plans.
✓	All elements of executive compensation are reviewed and approved by the HRC Committee and, where applicable, the Board prior to all payments.
✓	The HRC Committee and, where applicable, the Board annually assesses compensation against corporate and individual executive performance, along with executive compensation for ARC’s peer group to understand market practice and rewards.
✓	We use an outside, independent consultant to ensure compensation recommendations are competitive and market based.
✓	The HRC Committee “stress tests” RSUs, PSUs, and LTRS awards for executives under a variety of performance scenarios to understand what future payments may be.
✓	An anti-hedging policy which ensures that executives and Directors cannot participate in speculative activity related to our shares to protect themselves against declines in share price.
✓	An established Risk Committee of the Board which has general oversight in identifying and reviewing the principal business, financial and corporate risks of ARC.
✓	Double trigger executive employment agreements.
	What We Do Not Do
✘	No executive employment contracts with multi-year guaranteed pay increases, bonus awards or medium and long-term grants.
✘	No change in control or termination payments greater than two times cash pay multiple for our executives, including the CEO.
✘	No re-pricing, back-dating or cancellation of options (and we are no longer granting share options effective 2019).
✘	No payment of dividends on RSUs, PSUs and LTRS prior to vesting.
✘	No tax gross-ups provided to executives.
✘	No pension plan.

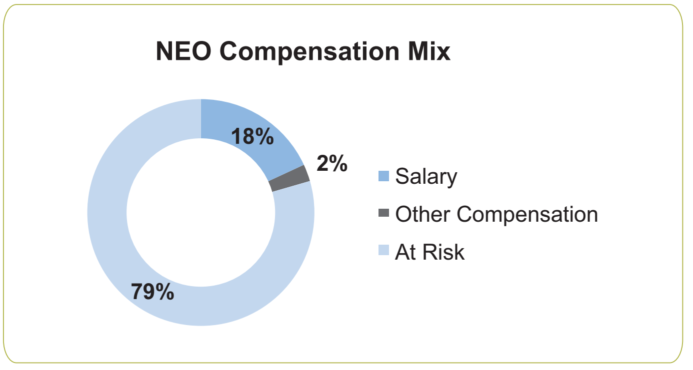
Pay for Performance and Alignment with Shareholders

We believe that linking executive pay directly with company performance drives the success of our Company and ensures incentives are aligned with the interests of our shareholders.

The majority of our executive compensation is variable and at-risk. This is a specific principle of our compensation design because it provides strong motivation to achieve performance objectives and creates strong alignment with the interests of shareholders. The at-risk components are short, medium and long-term elements of compensation with defined metrics related to ESG, financial and operational performance as well as total shareholder return. Compensation programs are designed to pay above target for superior performance and below target, including zero, if performance metrics are not achieved.

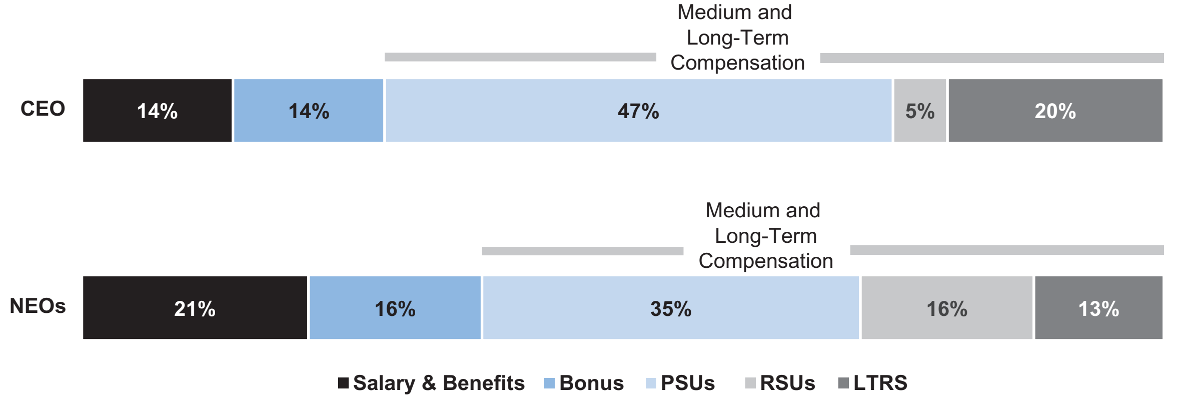
The two graphs below illustrate the compensation pay mix to demonstrate the at-risk pay for the CEO as well as the average at-risk pay for all other NEOs. Approximately 86 per cent of the CEO's compensation and on average 79 per cent of other NEO's compensation is at risk. At-risk pay includes bonuses, RSUs, PSUs, and LTRS.





A significant proportion of the compensation mix is allocated to medium and long-term incentives including RSUs, PSUs, and LTRS which comprise on average approximately 65 per cent of our NEO's total compensation and 73 per cent of our CEO's total compensation. PSUs are paid out only when ARC performs above the 25th percentile compared to its PSU Peer Group and performs on all corporate objectives, and the LTRS component does not begin to vest until year eight and is not completely vested until after 10 years have passed.

Below is a further breakdown of CEO and all other NEO compensation by component.



Market Competitiveness

We benchmark compensation for our executives to ensure we are competitive in the market. We target the 75th percentile in the market for total direct compensation with a significant portion of pay at-risk elements.

Benchmarking information is compiled into the Report on Executive Compensation for review by the HRC Committee and is used to determine annual compensation decisions, including pay mix, for the executive team. Executive compensation decisions are approved by the HRC Committee, except for the CEO which is approved by the Board.

ARC reviews and considers two main sources for benchmarking executive compensation: proxy compensation data from a group of industry peers with business and risk profiles similar to ARC (Executive Compensation Peer Group) and the Mercer Energy Industry Survey. We review both one and three-year data and compare them with compensation levels and performance outcomes. We engage Mercer from time-to-time for a more specific review.

The Executive Compensation Peer Group is determined by comparing ARC's production, revenue and enterprise value to all Canadian exploration and production companies traded on the TSX and including only those companies that are one quarter to four times the size of ARC. ARC ranks between the 58th and 70th percentile in size as compared to this group. The HRC Committee reviews and approves this group annually.

Executive Compensation Peer Group

Based on the selection criteria and process outlined above, ARC's 2019 Executive Compensation Peer Group consisted of the following 19 companies:

Advantage Oil & Gas Ltd.
Athabasca Oil Corp.
Baytex Energy Corp.
Birchcliff Energy Ltd
Bonavista Energy Corp.
Cenovus Energy Inc.
Crescent Point Energy Corp.
Enerplus Corp
Husky Energy Inc.
MEG Energy Corp.
Ovintiv Inc (formerly Encana Corp.)
NuVista Energy Ltd.
Painted Pony Energy Ltd.
Paramount Resources Ltd.
Peyto Exploration & Development Corp.
Seven Generations Energy Ltd.
Tourmaline Oil Corp.
Vermilion Energy Inc.
Whitecap Resources Inc.

Measuring Performance

We use a disciplined process with clear metrics to determine individual and corporate performance which underscores our commitment to good governance and aligning with shareholder interests.

Effective in 2019, the Board and Management have established a performance scorecard to create clarity and consistency for the corporation on key deliverables to advance ARC's strategy. Management and the Board develop annual corporate objectives that are represented in our performance scorecard to create focus, drive efficient execution of the Company's strategy and provide a means to measure performance outcomes. Details of the 2019 performance scorecard can be found beginning on page 35.

The scorecard reflects our holistic approach to setting and evaluating performance outcomes. We do not simply set a handful of quantitative targets; we carefully consider all the critical components necessary to achieve our strategic goals, including qualitative factors. The scorecard is designed based on the four key elements of our strategy. Each element is represented as a key performance area and is equally weighted. This ensures that there is an appropriate focus on all elements of our strategy which we believe delivers superior long-term value creation for our shareholders.

The scorecard forms the basis of regular communication between the Board and Management regarding performance outcomes throughout the year. It is updated quarterly with year-to-date achievements and is reviewed with the Board. At the November HRC Committee meeting, Management provides a comprehensive report that includes a summary of performance highlights, year-to-date results as well as a detailed presentation of performance by key metric and the actions taken during the year to achieve each target.

In addition to being used as an effective measurement of corporate performance, effective 2019, the performance scorecard is used to inform executive bonus decisions and to determine 50 per cent of the performance multiplier when determining the payout of PSUs at vesting. Details of how the PSU performance multiplier is determined can be found beginning on page 34.

ROLE OF MANAGEMENT, THE BOARD AND EXTERNAL ADVISOR

The process for designing, evaluating and implementing ARC's executive compensation program involves clear roles for Management, the CEO, the HRC Committee and the Board, as well as the services of Mercer, our external compensation advisor.

The following table summarizes these key responsibilities:

Role	Responsibilities
Management	Prepares analytic materials for the HRC Committee and the Board including: • Analysis of compensation surveys. • Comprehensive report on CEO and executive compensation. • Quarterly executive compensation analyses. • ARC's performance and market position compared to its peers. • Executive performance compared to corporate and individual objectives. • Benchmarking of corporate financial and operational performance. • Prepared report on the accomplishments of the corporate performance scorecard.
CEO	• Reviews comprehensive analysis of the executive team and provides a recommendation for all components of compensation. • Presents to the committee a written summary of each executive's accomplishments, development opportunities and succession potential. • Communicates the report on the corporate performance scorecard accomplishments.
Independent Compensation Advisor	• Reviews ARC's Executive Compensation Peer Group. • Reviews Management's Report on Executive Compensation. • Prepares comprehensive report and recommendation for CEO compensation. • Prepares detailed analysis and provides market context on other matters as requested.
HRC Committee and Board of Directors	• Reviews the comprehensive Report on Executive Compensation. • Reviews and approves the corporate performance scorecard. • Reviews the results of compensation "stress tests". • Reviews the CEO compensation evaluation and recommendation from our independent consultant. • Reviews and approves compensation for all elements including medium and long-term incentive grants. • Board approves CEO pay; HRC Committee approves pay for all other executives.

The HRC Committee has retained Mercer, a compensation advisory firm, to provide advice and analysis on compensation matters. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies, Inc. Marsh Canada, another subsidiary, provides other services to ARC that are unrelated to executive and Director compensation.

The HRC Committee has been working with Mercer since 2004. In 2018, the HRC Committee engaged Mercer to conduct an independent review of ARC's compensation philosophy, design and programs which resulted in the previously mentioned program changes. In both 2018 and 2019, Mercer was engaged to review ARC's Executive Compensation Peer Group, executive compensation recommendations and provide an annual recommendation for CEO compensation.

The fees paid to Marsh & McLennan Companies over the past two years for executive compensation and insurance services are summarized below.

Fees Paid & Insurance	2018	2019
Mercer – Executive Compensation Services	$ 165,108	$ 131,974
Marsh Canada – All Other Fees (1)	$3,093,052	$3,721,942
Total – Marsh & McLennan Companies	**$3,258,160**	**$3,853,916**

(1) All Other Fees pertain to insurance services.

ELEMENTS OF COMPENSATION

Our executive compensation program includes base salary, annual cash bonuses and medium and long-term equity-based incentives (RSUs, PSUs, and LTRS). A significant portion of executive compensation is provided in variable performance-based compensation, with vesting terms out as far as 10 years – a unique feature in the market and one that creates strong alignment with the interests of our shareholders.

Base Salary and Annual Bonus

Base salaries are targeted at the 50th percentile of the market based on data provided by the Mercer survey and ARC's Executive Compensation Peer Group. In determining base salaries, we also consider each executive's job responsibilities and the level of skills and experience required to perform their role. This is the only element of compensation that is not at-risk.

ARC's annual bonus program is designed to encourage superior short-term performance that advances ARC's strategy and is at-risk and not guaranteed. In determining bonus awards, consideration is given to the executive's individual performance and the achievements of the performance scorecard.

Medium- and Long-Term Compensation

We have three types of share-based incentives, each with varying terms and vesting features which allow us to shape an appropriate and balanced compensation package based on the responsibilities and performance expectations for each executive.

Restricted Share Units

ARC's RSUs are designed to focus and reward executives for enhancing absolute share price performance and to align executives with the interests of shareholders. To determine the size of RSU awards, the HRC Committee and, where applicable, the Board, allocates to each executive an appropriate dollar amount based on the responsibilities of the executive, comparative market data and an assessment of the performance of both the executive and ARC, including ARC's performance relative to its Executive Compensation Peer Group. These award values are then divided by the weighted average trading price of ARC's Common Shares for the five trading days ending immediately prior to the grant date to calculate the number of RSUs granted.

ARC's RSUs vest evenly over a period of three years, and upon vesting the executive receives a cash payment based on the fair value of the underlying Common Shares plus accrued dividends.

Performance Share Units

ARC's PSUs are designed to focus and reward executives for achieving annual corporate objectives and enhancing TSR over the medium to long-term, both on an absolute and relative basis. To determine the size of PSU awards, the HRC Committee and, where applicable, the Board, allocates to each executive an appropriate dollar amount based on the responsibilities of the executive, comparative market data and an assessment of the performance of the executive and ARC, including ARC's performance relative to its Executive Compensation Peer Group. These award values are then divided by the weighted average trading price of ARC's Common Shares for the five trading days ending immediately prior to the grant date to calculate the number of PSUs granted.

ARC's PSUs cliff vest (all at once) after three years, and upon vesting the executive receives a cash payment based on the fair value of the underlying Common Shares plus accrued dividends, subject to a performance multiplier.

Determining PSU Payouts

Effective 2019, the performance multiplier used to determine PSU payments includes 50 per cent of the award based on the achievements of the performance scorecard and 50 per cent of the award based on TSR compared to a peer group of upstream energy companies traded on the TSX with production greater than 25,000 boe per day, excluding all oil sands, royalty and international companies (PSU Peer Group) through the three-year vesting period.

One-half of the performance multiplier is subject to ARC's shareholder returns through the three-year period compared to the PSU Peer Group. The PSU Peer Group is intended to be a representative group of companies, with business and risk profiles similar to ARC's. The performance multiplier ranges on a sliding scale from zero for bottom-quartile performance to two for top-quartile performance. If ARC performs in the bottom 25th percentile of its peer group, participants will receive a zero payout.

In 2019, the performance scorecard was introduced to calculate one-half of the performance multiplier. The addition of the performance scorecard was intended to continue to reward for growth in TSR relative to peers and to also provide emphasis on the achievement of strategic and operational objectives. During our compensation review conducted in 2018, it was determined that the use of more than one metric of performance was a common and acceptable practice amongst our peers. The performance scorecard is determined and measured annually. The achievement of the performance metrics is reviewed and the assignment of the performance multiplier score is determined based on results of "below target", "perform", "outperform" and "outstanding". The performance multiplier is determined using the full range from zero to two. Any metrics that do not achieve the target or perform at a level considered to be below target could receive a zero rating. To achieve an "outstanding" (a 2.0 out of 2.0 rating), performance levels must be top decile and significantly exceed targets. The performance scorecard multiplier is determined annually, and at the end of the three-year vesting period an average is calculated.

The following table illustrates the weight and ranges used to determine payouts for PSUs.

Metric	Weight	Below Target	Perform	Outperform	Outstanding
Performance Scorecard Assessment	50%	0.0	1.0	1.5	2.0
TSR vs. PSU Peer Group ranking	50%	<25th percentile	50th percentile	75th percentile	>75th percentile
Performance Multiplier: **(Full scale of 0.0 to 2.0 is used)**		0.0	1.0x	1.5x	2.0x

Long-Term Restricted Shares

ARC's LTRS Plan is unique compared to our peers. The program is designed to retain and encourage ARC's executives to think and act with a long-term orientation, specifically regarding long-term strategy development and execution. The plan is designed to further align executive compensation with the long-term interests of ARC and its shareholders.

LTRS awards include a grant of Common Shares, issued from treasury to executives, thereby providing participants with actual equity ownership and promoting further alignment with shareholder interests. Common Shares are issued under the plan at a price equal to the weighted average trading price of ARC's Common Shares for the five trading days ending immediately prior to the grant date. Shares issued under the plan have a 10-year term with one-third vesting on each of the eighth, ninth and tenth anniversaries of the date of grant. This extended vesting period is substantially longer than typical practices in the energy sector and is designed to encourage our executives to think and act with a clear focus on the long-term.

Other Compensation

ARC offers all employees a comprehensive benefits program that is designed to offer flexibility and choice. Within this benefits plan, ARC provides all employees with a dollar-for-dollar match of up to eight per cent of base salary which can be directed toward the purchase of ARC shares and/or investment funds in registered or non-registered accounts within a group plan.

ARC does not have a pension plan.

2019 Performance Assessment

CORPORATE PERFORMANCE SCORECARD

The achievement of the metrics on the performance scorecard is one of the key measurements of the Company's success. The performance scorecard was developed by Management and approved by the Board, on recommendation by the HRC Committee for 2019. The performance metrics are based on the Company's priorities, and the established "perform" targets are drawn from the performance deliverables of the business plan.

Below are the specific details of the 2019 corporate performance scorecard that provides an overview of the assessment of the key performance areas, the performance targets and subsequent results and details on the specific accomplishments for the year.

Financial Sustainability and Return on Investment

The HRC Committee, with input from all Board members, assessed the area of financial sustainability and return on investment as an outperform overall rating. Management engaged in strategic capital allocation decisions to protect the balance sheet while delivering financial performance and paying a meaningful dividend to our shareholders.

Performance Metrics	Details of Key Accomplishments
Net Debt/Funds from Operations (FFO) [1] - <=1.5	• Top quartile levels of Net Debt/ FFO and under threshold at 1.3x. • Reduction of planned capital expenditures to $700 million from $775 to protect the balance sheet. The decision was made while considering both the expected profitability of future development projects and the potential impact on capital investment and profitability of future years. Actual capital investment was $692 million.
Dividends Paid – $212.4 million ($0.60 per share)	• Performed to expected levels with $212.4 million or $0.60 per share paid. Dividends as a per cent of FFO was 30 per cent. • Understanding of commodity environment and effective management of corporate decline rate and capital efficiencies to support a reliable and meaningful dividend payment.
Return on Average Capital Employed (ROACE) [2] – 3-year Average – 7.5%	• Strong performance with a 3-year trailing average ROACE of 6.9 per cent. • Continually assessed actual results and future planned capital expenditures considering the impact to ARC's three-year ROACE and to ensure a profitable return on investment.

High-Quality Assets and Operational Excellence

The HRC Committee, with input from all Board members, assessed the area of high-quality assets and operational excellence as an outperform – outstanding overall rating. Management achieved outstanding performance in both safety and ESG performance while managing costs with reduced operating expenses and deliberate management of capital expenditures. Management introduced several innovative solutions using technology. Achievement of production metrics were at outperform levels.

Performance Metrics	Details of Key Accomplishments
Safety: Total Recordable Incident Frequency (TRIF) employees/ contractors – 0.5/0.6	• Active safety management programs and continued focus on safety culture. • Top decile TRIF results against world-class targets. • Approaching six years (2,083 days) without an Employee Lost-Time Incident (LTI). Four contractor LTIs in 2019.

Performance Metrics	Details of Key Accomplishments
Leadership in ESG – Qualitative	• 17 per cent reduction in GHG emissions intensity, on track to achieve 25 per cent emission reduction goal by 2020. • Strategic electrification of Sunrise and Parkland facilities that allows for significant reductions of approximately 90 per cent in GHG emissions at both facilities. • Invested $55 million in water storage infrastructure that will reduce 700,000 m^3 of water required.
Production – 139,126 boe per day	• Grew production by 6,500 boe per day or five per cent relative to 2018. • Strong performance to achieve production guidance despite several unplanned issues, such as third-party pipeline apportionment, third-party takeaway delays and downtime, extreme cold weather and power outages. • Record Q4 production at 147,650 boe per day.
Operating Costs – $5.35 boe per day	• Deliberate fourth quarter transition to low-cost Montney. Year-over-year reduction of approximately 15 per cent. • Record low operating expenses of $4.97 per boe with disciplined focus and improvement on costs through workovers, maintenance, electricity and other field expenses.
Capital Expenditures – $692MM	• Strong performance with capital execution on time, under budget with an excellent safety record. • Advanced key projects: Dawson Phase I and II upgrades, Ante Creek facility expansion, significant progress on Dawson Phase IV facility and advanced Phase I at Attachie. • Drilled 87 wells, completed 83 and brought 72 new wells on stream. • Top decile drilling and completions performance versus Montney peers.
Technology/ Innovation – Qualitative	• Advanced technology through all areas of the business and formally reported to the Board on a quarterly basis.

Commercial Activities and Risk Management

The HRC Committee, with input from all Board members, assessed the area of commercial activities and risk management as a perform – outperform overall rating. Management achieved strong performance through market access initiatives and physical marketing diversification.

Performance Metrics	Details of Key Accomplishments
Strategic Market Access Initiatives and Execution – Qualitative	• Generated $94 million in additional revenue primarily through the diversification of sales points for natural gas. • Effectively managed ARC's production to minimize non-controllable downtime and achieve optimal pricing. • Engaged in several third-party processing contracts and upstream market access initiatives to secure current business as well as realize incremental value in the future.
Active Commodity Risk Management – Qualitative	• Active risk management program resulted in realized gains on risk management contracts of $80 million to underpin capital program and maintain balance sheet strength. • Reduced realized price volatility to ensure sufficient funds from operations to fund dividend and capital program.

High Performance People & Culture	
The HRC Committee, with input from all Board members, assessed the area of high-performance people and culture as an outperform – outstanding overall rating. Management achieved outperform with world-class employee engagement that was supported through corporate programs and culture and active stakeholder engagement initiatives.	
Performance Metrics	**Details of Key Accomplishments**
High Performance Culture & Organization – Qualitative	• World-class employee engagement score of 92 per cent. • Continued focus on learning and communication through Town Halls, staff presentations and monthly learning series. • Strength of culture and support of communities through days of caring and $1.5 million in corporate donations to local charities, including the United Way.
Talent Development, Retention and Succession – Qualitative	• Industry-low voluntary turnover rate and deliberate development planning through role changes and internal promotions. • Strong focus on succession, progression and development.
Industry Leadership – Qualitative	• Deliberate shareholder engagement – 200 investor meetings, participation in industry conferences and continuous communication with the investment community throughout the year. • Strong industry leadership through CAPP and with regulatory partners. • Collaborative and respectful First Nations partnerships.

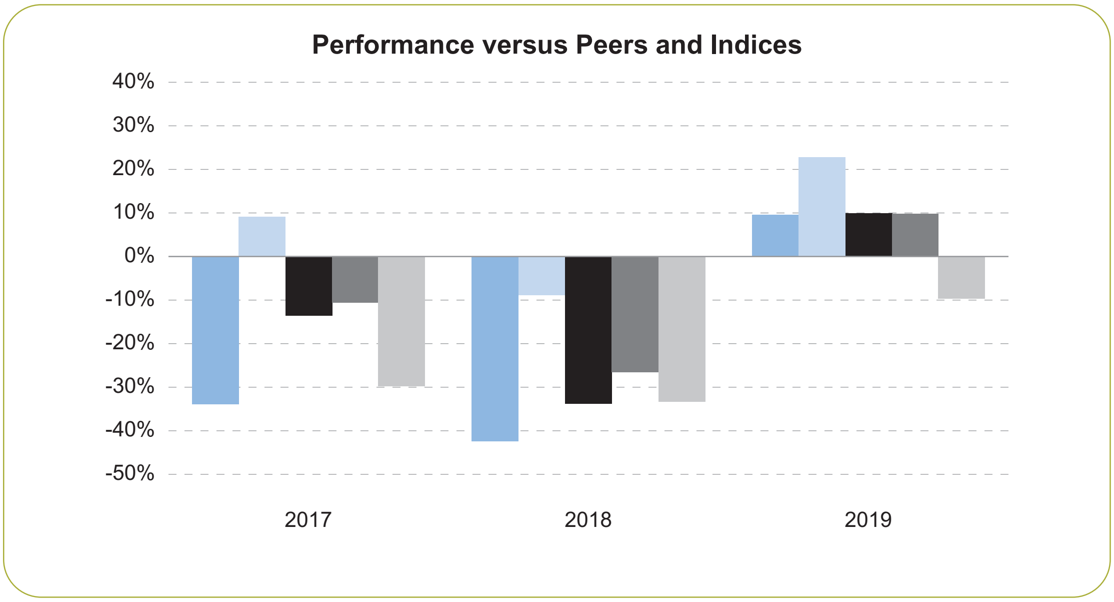
(1) For further information on Net Debt and FFO refer to note 15 "Capital Management" in ARC's consolidated financial statements and notes as at and for the year ended December 31, 2019.
(2) Non-GAAP measure that does not have standardized meaning under the International Financial Reporting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Financial and Other Measures" contained in this document (page 52).

The Board determined that significant progress was made during the year to advance ARC's long-term business strategy through efficient execution of the business plan. Overall, the Management team demonstrated astute business judgement in a challenging business environment and outperformed in all areas of the performance scorecard. Based on a holistic assessment of the Company's performance and achievement of the targets, the Board assigned an overall outperform score of 1.6 for the 2019 performance scorecard.

SHAREHOLDER RETURNS

In addition to the performance scorecard, the HRC Committee and the Board also assess share price performance and total shareholder returns.

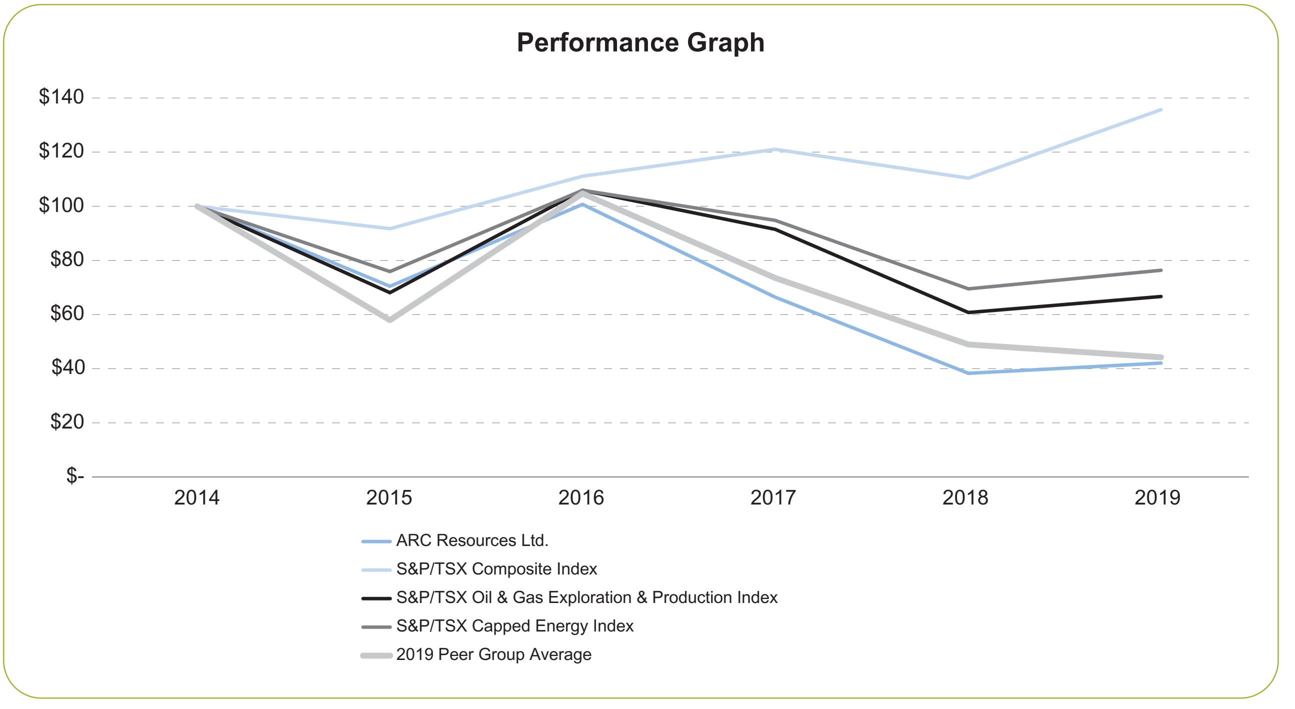
Through 2019, ARC's share price performance improved, and we achieved a total shareholder return of 9.6 per cent, compared to -9.7 per cent total return for our Executive Compensation Peer Group. This was also a significant improvement from our -42.4 per cent total return in 2018. Our business has remained strong, and we have continued to distribute value to our shareholders through a meaningful dividend.



	2017	2018	2019
ARC	-33.9%	-42.4%	9.6%
S&P/TSX Composite Index	9.1%	-8.9%	22.8%
S&P/TSX Oil & Gas Exploration & Production Index	-13.6%	-33.8%	9.9%
S&P/TSX Capped Energy Index	-10.6%	-26.6%	9.8%
2019 Peer Group Average	-29.8%	-33.4%	-9.7%

PERFORMANCE GRAPH

The graph below compares the performance of ARC over the past five years to the S&P/TSX Composite Index, the S&P/TSX Oil & Gas Exploration and Production Index, the S&P/TSX Capped Energy Index and our Executive Compensation Peer Group, each starting with an investment of $100 at the end of 2014. Over this time period, NEO compensation has remained flat except for those executives that took on additional responsibilities. Additionally, during this time frame, realized pay for our NEOs decreased by 35 per cent.



	2014	2015	2016	2017	2018	2019	Annualized Return
ARC Resources Ltd.	$100.00	$70.41	$100.55	$ 66.44	$ 38.28	$ 41.95	**-15.94%**
S&P/TSX Composite Index	$100.00	$91.67	$110.99	$121.07	$110.32	$135.52	**6.26%**
S&P/TSX Oil & Gas Exploration & Production Index	$100.00	$67.90	$105.88	$ 91.49	$ 60.58	$ 66.61	**-7.80%**
S&P/TSX Capped Energy Index	$100.00	$75.84	$105.90	$ 94.67	$ 69.51	$ 76.29	**-5.27%**
2019 Peer Group Average	$100.00	$57.78	$104.56	$ 73.42	$ 48.92	$ 44.18	**-19.69%**

Over the last five years, the capital markets have been volatile and unpredictable and energy investment in Canada has declined significantly. ARC has continued to perform well in all areas within our direct control, and we have continued to advance our strategy of risk-managed value creation over the long-term.

ARC is a long-term company, and we believe our discipline and strategy will position us to perform well over the long-term. Since inception in 1996, ARC has delivered an average annual total return of nine per cent, significantly outperforming both the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration & Production Index, and is one of only six companies in our Executive Compensation Peer Group that has had positive returns over this time period.

2019 CEO and NEO Compensation Decisions

In 2019, in conjunction with the suspension of the Share Option program, NEOs received a reallocation of their current compensation. Previous share option values were redistributed into the RSU, PSU and LTRS programs. In addition, the NEOs will now be receiving a small portion of their medium-term compensation in RSUs. Instead of medium-term incentives being entirely comprised of PSUs, the CEO will receive 10 per cent in RSUs and all other NEOs will receive 20 per cent.

In 2019, base salaries were held flat for NEOs except those taking on additional responsibilities and total cash decreased four per cent from the previous year. Total direct compensation was held flat for most executives, excluding the one-time increased RSU grant. As previously mentioned, realized pay was down by over 50 per cent for our NEOs when compared to the original grant value.

CEO Compensation

Mr. Stadnyk has led us through a challenging commodity environment and delivered strong results while transforming the Company to a world-class, low-cost, safe and environmentally responsible business. Mr. Stadnyk has set ARC up to continue to deliver returns to shareholders in the form of a meaningful dividend while sustaining the business with funds generated from operations. This will provide tremendous optionality for the business in future years. That said, our share price and relative total returns have been challenged, and therefore the Board made the decision to hold Mr. Stadnyk's granted compensation levels consistent with the previous years. His 2019 granted compensation is competitive within the Executive Compensation Peer Group. As noted previously, Mr. Stadnyk's actual realized compensation received in 2019 was 60 per cent lower than the grant value. We continue to think long-term about our business and do not make short-sighted decisions. Our compensation design has delivered what it was intended to do and therefore Mr. Stadnyk has received a decrease in realized pay that is reflective of the share price performance.

The following table summarizes the granted compensation to Mr. Stadnyk over the past five years. The nominal increase in 2019 compensation is due to the reallocation of the share option value.

Compensation Component	2015	2016	2017	2018	2019
Base Salary	$ 570,000	$ 570,000	$ 570,000	$ 570,000	$ 570,000
Other Compensation	$ 76,400	$ 76,400	$ 76,400	$ 76,400	$ 76,400
Cash Bonus	$ 325,000	$ 325,000	$ 650,000	$ 650,000	$ 650,000
RSU & PSU Grants	$1,600,024	$1,600,024	$1,600,017	$1,655,017	$2,470,007
Share Option Grant	$ 700,004	$ 700,004	$ 800,002	$ 800,001	—
Long-Term Restricted Share Awards	$ 700,000	$ 700,000	$ 800,000	$ 910,000	$ 950,000
Total Compensation	**$3,971,428**	**$3,971,428**	**$4,496,419**	**$4,661,418**	**$4,716,407**

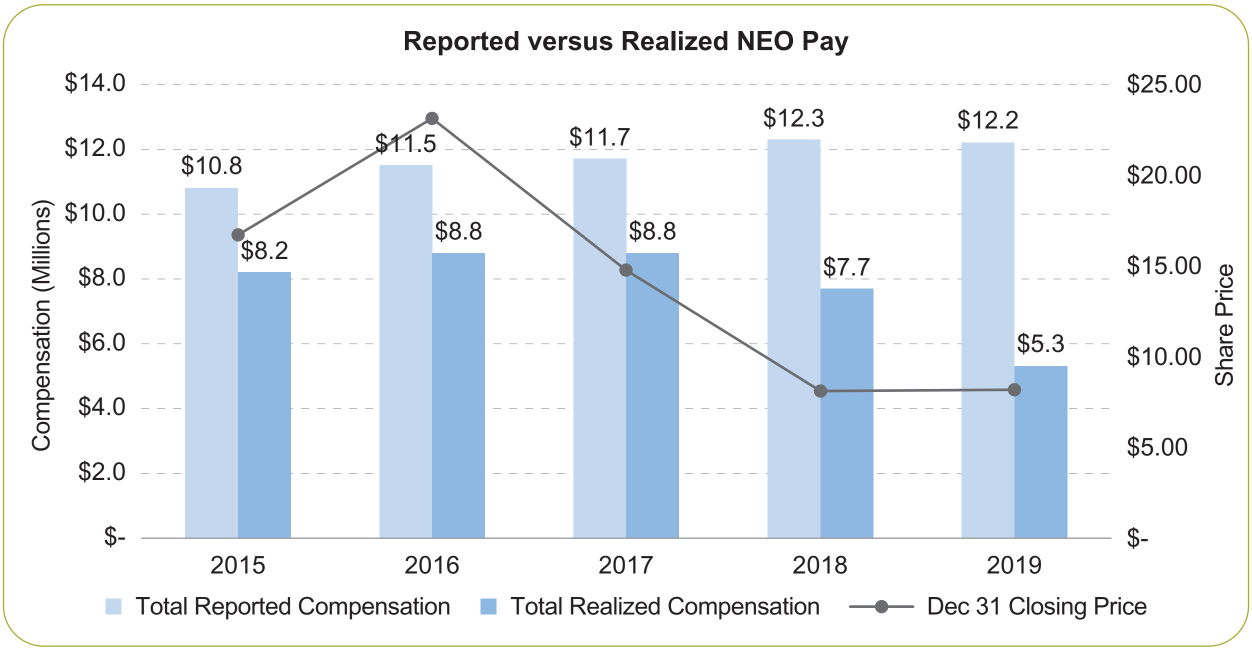
NEO Compensation

Over the past five years, total NEO compensation has increased moderately, and such increases consisted almost entirely of medium and long-term equity-based incentives. In 2015 and 2016, executive cash bonuses were reduced by 50 per cent to be reflective of the market downturn and our need to adjust our corporate cost structure. In 2017, we returned bonuses to target levels due to ARC's strong financial and operational performance, as well as cost structure improvements over the previous three years. In 2018, there were small increases in salary for selected executives who had been held relatively flat over the previous four years. In 2019, cash compensation for NEOs was held relatively flat, and total NEO compensation decreased from 2018. Increases were given to executives who increased their roles. Mr. Bibby added Capital Markets to his role, and Ms. Conrad added Business Development to her role.

Total NEO compensation remains a relatively small percentage of both ARC's funds from operations and enterprise value.

	2015	2016	2017	2018	2019
Total NEO Compensation (millions)	$ 10.8	$ 11.5	$ 11.7	$ 12.3	$ 12.2
Funds from Operations (FFO) (millions)	$773.4	$633.3	$731.9	$819.0	$697.4
NEO Compensation as % of FFO	1.40%	1.82%	1.60%	1.50%	1.75%
Enterprise Value (billions)	$ 5.8	$ 8.5	$ 5.9	$ 3.6	$ 3.8
NEO Compensation as a % of Enterprise Value	0.19%	0.14%	0.20%	0.34%	0.32%
Total Shareholder Return	-29.6%	42.8%	-33.9%	-42.4%	9.6%

The following table summarizes average NEO realized pay over the last five years. The graph demonstrates the shareholder alignment of ARC's compensation programs by comparing the differences between the reported pay and the actual pay realized to the NEOs in the last five years. NEO realized pay has been significantly less than grant value in the past five years and was 57 per cent lower in 2019.



COMPENSATION RISK MANAGEMENT

We are committed to ensuring that the elements of our compensation programs reward the appropriate behaviours to deliver business outcomes that are in line with the long-term strategy of ARC and the interests of our shareholders.

The HRC Committee reviews the risk implications of ARC's compensation policies and practices each year. The HRC Committee has not identified risks that are reasonably likely to have a material adverse effect on the Company.

Clawback Policy

In 2019 we introduced a formal Clawback Policy that permits the Board to require an executive to reimburse ARC for compensation granted or paid (bonus and/or medium and long-term incentive awards) in the event that fraud or willful misconduct was determined on the part of the executive, regardless of a financial restatement.

CEO Post-Retirement Holding Period

The CEO is required to hold ARC Common Shares and/or share equivalents with a minimum value of five times base salary for one-year post-retirement. In addition, ARC has always had an inherent hold period because RSUs, PSUs, share options and LTRS continue to vest on schedule after retirement which minimizes any motivation to drive short-term share price increases.

Disclosure Policy and Hedging Prevention

ARC has adopted a Disclosure Policy to ensure communications of ARC with the public are timely, factual, accurate and broadly distributed in accordance with all applicable legal and regulatory requirements. The Disclosure Policy also documents the disclosure policies and practices of ARC and aims to promote an understanding of the applicable legal and regulatory requirements among ARC's Directors, executives and employees.

The Disclosure Policy also outlines that Directors, executives and employees of ARC are not permitted to knowingly sell, directly or indirectly, a security of ARC they do not own or have not fully paid for or to directly or indirectly buy or sell a call or put of a security of ARC.

Share Ownership Guidelines

ARC has ownership guidelines for its executives to further align executive and shareholder interests. The minimum share ownership guideline for the CEO is five times base salary and for senior executives, three times base salary. The share ownership requirement for vice presidents is two times base salary. Executives have five years to accumulate the minimum number of shares and/or share equivalents that are required.

The following table illustrates the ownership holdings of ARC's NEOs as at December 31, 2019 and their requirements at that time:

Officer	Required Share Ownership as a Multiple of Base Salary	Number of Shares as of December 31, 2019 (1)	Value as of December 31, 2019 (2)	Multiple of Base Salary	Meets Minimum Share Ownership Requirement
Terry Anderson	3	276,254	$2,259,758	6	Yes
Kristen (Kris) Bibby	2	117,998	$ 965,224	3	Yes
Larissa (Lara) Conrad	2	95,405	$ 780,413	3	Yes
Myron Stadnyk	5	807,956	$6,609,080	11	Yes
Van Dafoe	3	247,038	$2,020,771	5	Yes

(1) Includes all shares owned by the executive as well as all RSUs, and LTRS including accumulated dividends.
(2) Based on the December 31, 2019 closing price for ARC's Common Shares of $8.18.

Compensation Tables

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation information for the CEO and CFO of ARC and the three most highly compensated executive officers of ARC for the year ended December 31, 2019 whose total compensation was more than $150,000. This table also includes any individual who would have been included as one of the three most highly compensated NEOs but was not a NEO nor acting in a similar capacity at the end of that financial year.

					Non-equity Incentive Plan Compensation			
Name and Principal Position	Year	Salary	RSU, PSUs and Long-Term Restricted Share Awards (1)(2)(3)(4)(5)	Share Options (6)	Bonus (7)	Long-term Incentive Plans	All Other Compensation (8)	Total Compensation
Terry Anderson[9]	2019	$375,000	$1,975,010	$ —	$400,000	N/A	$51,050	$2,801,060
Chief Executive Officer	2018	$375,000	$1,397,520	$360,001	$450,000	N/A	$51,050	$2,633,571
	2017	$375,000	$1,380,017	$360,001	$400,000	N/A	$51,050	$2,566,068
Kristen (Kris) Bibby[10]	2019	$275,000	$ 692,508	$ —	$200,000	N/A	$35,125	$1,202,633
Senior Vice President & Chief Financial Officer	2018	$245,000	$ 430,014	$125,000	$250,000	N/A	$34,150	$1,084,164
	2017	$245,000	$ 405,003	$105,000	$140,000	N/A	$34,150	$ 929,153
Larissa (Lara) Conrad	2019	$250,000	$ 705,017	$ —	$225,000	N/A	$34,313	$1,214,330
Vice President, Development & Planning	2018	$245,000	$ 480,016	$125,002	$245,000	N/A	$33,175	$1,128,193
	2017	$235,000	$ 480,032	$125,002	$200,000	N/A	$31,388	$1,071,422
Myron Stadnyk[11]	2019	$570,000	$3,420,007	$ —	$650,000	N/A	$76,400	$4,716,407
Former Chief Executive Officer and Current President	2018	$570,000	$2,565,017	$800,001	$650,000	N/A	$76,400	$4,661,418
	2017	$570,000	$2,400,017	$800,002	$650,000	N/A	$76,400	$4,496,419
Van Dafoe[12]	2019	$340,000	$1,540,013	$ —	$325,000	N/A	$46,500	$2,251,513
Former Senior Vice President & Chief Financial Officer	2018	$340,000	$1,095,016	$270,001	$325,000	N/A	$46,500	$2,076,517
	2017	$340,000	$1,070,008	$270,002	$300,000	N/A	$46,500	$2,026,510

(1) In 2019, the value of RSUs, PSUs and LTRS granted were as follows:

Name	PSUs	RSUs	Long-Term Restricted Share Awards	Total Share-Based Awards
Terry Anderson	$1,116,013	$478,997	$380,000	$1,975,010
Kristen (Kris) Bibby	$ 362,005	$190,503	$140,000	$ 692,508
Larissa (Lara) Conrad	$ 356,013	$189,004	$160,000	$ 705,017
Myron Stadnyk	$2,223,013	$246,994	$950,000	$3,420,007
Van Dafoe	$ 872,011	$368,002	$300,000	$1,540,013

(2) In 2018, the value of PSUs and LTRS granted were as follows:

Name	PSUs	RSUs	Long-Term Restricted Share Awards	Total Share-Based Awards
Terry Anderson	$1,037,520	$—	$360,000	$1,397,520
Kristen (Kris) Bibby	$ 305,014	$—	$125,000	$ 430,014
Larissa (Lara) Conrad	$ 330,016	$—	$150,000	$ 480,016
Myron Stadnyk	$1,655,017	$—	$910,000	$2,565,017
Van Dafoe	$ 825,016	$—	$270,000	$1,095,016

(3) In 2017, the value of PSUs and LTRS granted were as follows:

Name	PSUs	RSUs	Long-Term Restricted Share Awards	Total Share-Based Awards
Terry Anderson	$1,020,017	$—	$360,000	$1,380,017
Kristen (Kris) Bibby	$ 300,003	$—	$105,000	$ 405,003
Larissa (Lara) Conrad	$ 330,032	$—	$150,000	$ 480,032
Myron Stadnyk	$1,600,017	$—	$800,000	$2,400,017
Van Dafoe	$ 800,008	$—	$270,000	$1,070,008

(4) RSUs and PSUs are granted in March and September. The award value of RSUs and PSUs for compensation purposes as set forth in the table above has been determined by multiplying the number of awards granted by the weighted average trading price of Common Shares for the five trading days immediately prior to the grant date. Furthermore, in respect of PSUs, the amount calculated in accordance with the above formula has been multiplied by the target performance multiplier of one. This method of determining the award value has been used as such amount represents the dollar value approved by the HRC Committee or the Board, as applicable, when awards were granted. The award value as determined in this manner does not include estimated accrued dividends for the securities underlying the awards granted as future distribution amounts are unknown at the time of the grant and therefore are not taken into consideration when the awards are granted. The weighted average trading prices used in determining awards values were as follows:

Year	March	September
2019	$ 9.19	$ 6.47
2018	$12.74	$13.47
2017	$19.15	$17.20

(5) Awards under the LTRS Plan are granted in June and the first such awards were granted in 2015. LTRS awards consist of both a grant of Restricted Shares and a cash award to compensate for the immediate personal tax obligations associated with unvested awards. The value of the Restricted Shares which are included in the table above has been determined by multiplying the number of Restricted Shares granted by the weighted average trading price of Common Shares for the five trading days immediately prior to the grant date. This value of the Restricted Shares, together with the amount of the cash award, represents the dollar value approved by the Board when Restricted Share Awards were granted. The value of the Restricted Shares as determined in this manner does not include estimated accrued dividends for the securities underlying the awards granted as future distribution amounts are unknown at the time of the grant and therefore are not taken into consideration when the awards are granted. The weighted average trading price used in determining the value of Restricted Shares awarded to executives were as follows:

Year	Price
2019	$ 6.68
2018	$13.21
2017	$16.59

(6) The award value of option awards for compensation purposes as set forth in the table above were approved by the HRC Committee and subsequently the Board. The number of underlying options were calculated using the weighted average trading price of Common Shares for the five trading days immediately prior to the grant date which is listed below and using the binomial value set forth below. This value was calculated using the following assumptions as shown in the following table for: volatility, expected life, dividend yield and the risk-free rate. The Board suspended the option program in 2019.

Year	Binomial Value	Grant Price	Volatility	Expected Life	Dividend	Risk-free Rate
2018	26%	$13.21	32%	5.5 and 6 Years	$0.05/month	1.90%
2017	26%	$16.59	31%	5.5 and 6 Years	$0.05/month	1.26%

(7) Bonus amounts reflect amounts earned in the fiscal year.
(8) Other compensation includes benefits and savings plan contributions.
(9) Mr. Anderson was promoted to Chief Executive Officer effective February 20, 2020.
(10) Mr. Bibby was promoted to Senior Vice President & Chief Financial Officer effective February 7, 2020.
(11) Mr. Stadnyk will be retiring from the organization on April 30, 2020, until this date he will continue to serve as President.
(12) Mr. Dafoe retired from ARC Resources effective February 6, 2020.

UNVESTED VALUE OF MEDIUM-TERM INCENTIVES AT YEAR-END

The tables below illustrate the outstanding RSUs and PSUs held by each NEO as of December 31, 2019 which had not vested at such date. All PSUs are subject to a performance multiplier that may vary from zero to two.

RSUs

Name	Year of Award	Unvested Awards (1)	Year of Vesting	Value of Unvested Awards (2)
Terry Anderson	2019	61,524	2020, 2021, 2022	$503,266
Kristen (Kris) Bibby	2019	24,175	2020, 2021, 2022	$197,752
Larissa (Lara) Conrad	2019	23,832	2020, 2021, 2022	$194,946
Myron Stadnyk	2019	33,897	2020, 2021, 2022	$277,277
Van Dafoe	2019	47,344	2020, 2021, 2022	$387,274

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2019. Values are based on the December 31, 2019 closing price of ARC's Common Shares of $8.18.

PSUs

Name	Year of Award	Unvested Awards (1)	Year of Vesting	Median Value of Unvested Awards (2)	Maximum Value of Unvested Awards (3)
Terry Anderson	2019	153,160	2022	$1,252,849	$2,505,698
	2018	87,988	2021	$ 719,742	$1,439,484
	2017	64,994	2020	$ 531,651	$1,063,302
		306,142		**$2,504,242**	**$5,008,484**
Kristen (Kris) Bibby	2019	50,229	2022	$ 410,873	$ 821,746
	2018	25,867	2021	$ 211,592	$ 423,184
	2017	19,116	2020	$ 156,369	$ 312,738
		95,212		**$ 778,834**	**$1,557,668**
Larissa (Lara) Conrad	2019	48,858	2022	$ 399,658	$ 799,316
	2018	28,006	2021	$ 229,089	$ 458,178
	2017	21,029	2020	$ 172,017	$ 344,034
		97,893		**$ 800,764**	**$1,601,528**
Myron Stadnyk	2019	305,083	2022	$2,495,579	$4,991,158
	2018	140,268	2021	$1,147,392	$2,294,784
	2017	101,950	2020	$ 833,951	$1,667,902
		547,301		**$4,476,922**	**$8,953,844**
Van Dafoe	2019	119,673	2022	$ 978,925	$1,957,850
	2018	69,931	2021	$ 572,036	$1,144,072
	2017	50,975	2020	$ 416,976	$ 833,952
		240,579		**$1,967,937**	**$3,935,874**

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2019.
(2) Values are based on the December 31, 2019 closing price of ARC's Common Shares of $8.18 and a median performance multiplier of 1.0.
(3) Values are based on the December 31, 2019 closing price of ARC's Common Shares of $8.18 and a maximum performance multiplier of 2.0.

UNVESTED VALUE OF LONG-TERM INCENTIVES AT YEAR-END

Share Options

ARC's Share Option Plan was suspended in 2019. All previously granted options will continue to vest on schedule. Our share options have a seven-year term with 50 per cent vesting in years four and five.

The table below illustrates the outstanding Share Options held by each NEO and the gain before tax under both exercising methods as at December 31, 2019.

	Share Options [(1)]						
Name	Grant Date	Number of Common Shares Underlying Unexercised Options	Grant Price	Expiry Date	Value of the Unexercised in-the-money Options (Original Exercise Price)	Reduced Exercise Prices as at December 31, 2019	Value of Unexercised in-the-money Options (Reduced Exercise Price)
Terry Anderson	June 19, 2018	104,816	$13.21	June 19, 2025	$—	$12.31	$—
	June 21, 2017	83,461	$16.59	June 21, 2024	$—	$15.09	$—
	June 23, 2016	63,102	$21.13	June 23, 2023	$—	$19.03	$—
	June 24, 2015	63,341	$21.86	June 24, 2022	$—	$18.76	$—
	June 19, 2014	29,379	$32.94	June 19, 2021	$—	$28.64	$—
	June 20, 2013	32,388	$27.15	June 20, 2020	$—	$21.65	$—
		376,487			**$—**		**$—**
Kristen (Kris) Bibby	June 19, 2018	36,395	$13.21	June 19, 2025	$—	$12.31	$—
	June 21, 2017	24,343	$16.59	June 21, 2024	$—	$15.09	$—
	June 23, 2016	18,405	$21.13	June 23, 2023	$—	$19.03	$—
	June 24, 2015	18,475	$21.86	June 24, 2022	$—	$18.76	$—
		97,618			**$—**		**$—**
Larissa (Lara) Conrad	June 19, 2018	36,395	$13.21	June 19, 2025	$—	$12.31	$—
	June 21, 2017	28,980	$16.59	June 21, 2024	$—	$15.09	$—
	June 23, 2016	19,281	$21.13	June 23, 2023	$—	$19.03	$—
	June 24, 2015	19,354	$21.86	June 24, 2022	$—	$18.76	$—
	June 19, 2014	7,835	$32.94	June 19, 2021	$—	$28.64	$—
	June 20, 2013	5,081	$27.15	June 20, 2020	$—	$21.65	$—
		116,926			**$—**		**$—**
Myron Stadnyk	June 19, 2018	232,924	$13.21	June 19, 2025	$—	$12.31	$—
	June 21, 2017	185,469	$16.59	June 21, 2024	$—	$15.09	$—
	June 23, 2016	122,698	$21.13	June 23, 2023	$—	$19.03	$—
	June 24, 2015	123,162	$21.86	June 24, 2022	$—	$18.76	$—
	June 19, 2014	68,551	$32.94	June 19, 2021	$—	$28.64	$—
	June 20, 2013	60,329	$27.15	June 20, 2020	$—	$21.65	$—
		793,133			**$—**		**$—**
Van Dafoe	June 19, 2018	78,612	$13.21	June 19, 2025	$—	$12.31	$—
	June 21, 2017	62,596	$16.59	June 21, 2024	$—	$15.09	$—
	June 23, 2016	47,327	$21.13	June 23, 2023	$—	$19.03	$—
	June 24, 2015	47,506	$21.86	June 24, 2022	$—	$18.76	$—
	June 19, 2014	24,483	$32.94	June 19, 2021	$—	$28.64	$—
	June 20, 2013	27,942	$27.15	June 20, 2020	$—	$21.65	$—
		288,466			**$—**		**$—**

(1) Values are based on the December 31, 2019 closing price of ARC's Common Shares of $8.18.

Long-Term Restricted Shares

The table below illustrates the outstanding LTRS held by each NEO as at December 31, 2019 and which had not vested at such date.

	Restricted Shares (1)			
Name	**Year of Award**	**Unvested Awards**	**Year of Vesting**	**Value of Unvested Awards**
Terry Anderson	2019	39,982	2027, 2028, 2029	$ 327,053
	2018	21,406	2026, 2027, 2028	$ 175,101
	2017	17,539	2025, 2026, 2027	$ 143,469
	2016	14,144	2024, 2025, 2026	$ 115,698
	2015	14,803	2023, 2024, 2025	$ 121,089
		107,874		**$ 882,409**
Kristen (Kris) Bibby	2019	14,730	2027, 2028, 2029	$ 120,491
	2018	7,433	2026, 2027, 2028	$ 60,802
	2017	5,116	2025, 2026, 2027	$ 41,849
	2016	4,126	2024, 2025, 2026	$ 33,751
	2015	4,318	2023, 2024, 2025	$ 35,321
		35,723		**$ 292,214**
Larissa (Lara) Conrad	2019	16,835	2027, 2028, 2029	$ 137,710
	2018	8,920	2026, 2027, 2028	$ 72,966
	2017	7,308	2025, 2026, 2027	$ 59,779
	2016	4,911	2024, 2025, 2026	$ 40,172
	2015	5,140	2023, 2024, 2025	$ 42,045
		43,114		**$ 352,673**
Myron Stadnyk	2019	99,953	2027, 2028, 2029	$ 817,616
	2018	54,109	2026, 2027, 2028	$ 442,612
	2017	38,974	2025, 2026, 2027	$ 318,807
	2016	27,501	2024, 2025, 2026	$ 224,958
	2015	28,782	2023, 2024, 2025	$ 235,437
		249,319		**$2,039,429**
Van Dafoe	2019	31,565	2027, 2028, 2029	$ 258,202
	2018	16,055	2026, 2027, 2028	$ 131,330
	2017	13,154	2025, 2026, 2027	$ 107,600
	2016	10,608	2024, 2025, 2026	$ 86,773
	2015	11,102	2023, 2024, 2025	$ 90,814
		82,484		**$ 674,719**

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2019. Values are based on the December 31, 2019 closing price of ARC's Common Shares of $8.18.

VALUE VESTED DURING THE YEAR

RSUs and PSUs vest in March and September of each year. Share option grants vest in June.

The table below illustrates for each NEO the value of PSUs and Share Options that vested in 2019 and the value of non-equity plan compensation (bonus) earned in 2019. No RSUs or LTRS vested in 2019.

	PSUs (1)			Share Options (2)			
Name	Year of Award	Number of Awards Vested	Value	Year of Award	Number of Awards Vested	Value	2019 Bonus (3)
Terry Anderson	2016	56,674	$381,711	2015	31,670	$—	$400,000
				2014	14,690	$—	
					46,360	**$—**	
Kristen (Kris) Bibby(4)	2016	15,492	$104,309	2015	9,237	$—	$200,000
				2014	—	$—	
					9,237	**$—**	
Larissa (Lara) Conrad	2016	16,669	$112,269	2015	9,677	$—	$225,000
				2014	3,918	$—	
					13,595	**$—**	
Myron Stadnyk	2016	88,900	$598,757	2015	61,581	$—	$650,000
				2014	34,276	$—	
					95,857	**$—**	
Van Dafoe	2016	44,451	$299,382	2015	23,753	$—	$325,000
				2014	12,242	$—	
					35,995	**$—**	

(1) The value of the PSUs that vested in 2019 was calculated based on the weighted average trading price of Common Shares for the five trading days ending immediately prior to the vesting date multiplied by the number of PSUs on such date, adjusted to reflect re-invested cash dividends made on the underlying shares for the period from the grant date to the vesting date and further multiplied by the applicable performance multiplier, presented in the table below:

Vest Date	Price	Performance Multiplier
March 15	$9.19	0.736
September 15	$6.47	1.036

(2) The value of the options that vested in 2019 was calculated based on the difference, if positive, between the closing trading price of Common Shares on the vesting date and the exercise price of the options less the full amount of the dividends on the underlying shares to the vesting date, all multiplied by the number of options.

Vest Date	Closing Price	Reduced Strike Price
June 24, 2019	$6.71	$19.06
June 19, 2019	$6.79	$28.94

(3) Bonus amounts reflect amounts earned in the fiscal year.
(4) Mr. Bibby joined the organization in August 2014 and did not receive share options that year.

TERMINATION AND CHANGE-OF-CONTROL BENEFITS

Each executive has an employment agreement that outlines the basic terms of their employment arrangement and outlines certain obligations of ARC in the event of termination of an executive's employment and/or a change of control event.

The table below outlines the various termination scenarios and the subsequent termination payments and the treatment of medium and long-term incentives.

Type	Termination Payment	RSUs/PSUs	LTRS	Share Options
Termination: Just Cause	None	All awards expire and are cancelled on the termination date	All shares and dividends expire and are cancelled/returned on the termination date	All vested and unvested options expire and are cancelled on on the termination date
Termination: Not for Cause	CEO – 2 times base salary and 2 times the average bonus over the last two years CFO/ COO – 1.75 times base salary and 1.75 times the average bonus over the last two years All other executives – 1.5 times base salary and 1.5 times the average bonus over the last two years	All awards continue to vest for 30 days	All unvested shares and dividends are forfeited and cancelled/returned on the termination date	All unvested options continue to vest for 30 days and the Optionee has three months to exercise vested options
Change of Control	None	Immediate vesting	No accelerated vesting – shares are into shares of the continuing successor corporation	CEO/CFO/COO – no accelerated vesting All other executives – immediate vesting
Change of Control and Termination: Not for Cause	CEO – 2 times base salary and 2 times the average bonus over the last two years CFO/ COO – 1.75 times base salary and 1.75 times the average bonus over the last two years All other executives – 1.5 times base salary and 1.5 times the average bonus over the last two years	Immediate vesting upon the change of control	Immediate vesting	Immediate vesting
Resignation	None	All awards are cancelled	All unvested shares and dividends are forfeited and cancelled/returned	All vested and unvested options are cancelled
Retirement	None	If executive has between 5 to 10 years at ARC – all awards active for over one year continue to vest on schedule If executive has over 10 years at ARC – all awards continue to vest on schedule	If executive has reached age 62 all shares continue to vest on schedule. If executive has reached age 55 but not 62 a portion of the awards and dividends continue to vest on schedule and the remainder are forfeited and cancelled/returned	If executive has between 5 to 10 years at ARC –all awards continue to vest for three years. If executive has over 10 years at ARC – all awards continue to vest on schedule

The chart below illustrates the payments that would have been made to each of the NEOs in the various termination scenarios as at December 31, 2019.

Name	Triggering Event	Payment Pursuant to Employment Agreement	RSU/PSU Payments (1) (2)	Long-Term Restricted Share Payment (3)	Share Option Payment (4)	Total
Terry Anderson (5)	Termination for Just Cause or Resignation	$ —	$ —	$ —	$—	$ —
	Termination Event	$1,400,000	$ —	$ —	$—	$1,400,000
	Change of Control	$ —	$3,381,219	$ —	$—	$3,381,219
	Change of Control and Termination Event	$1,400,000	$3,381,219	$ 882,409	$—	$5,663,628
	Retirement	$ —	$ —	$ —	$—	$ —
	Death	$ —	$3,381,219	$ 882,409	$—	$4,263,628
Kristen (Kris) Bibby (5)	Termination for Just Cause or Resignation	$ —	$ —	$ —	$—	$ —
	Termination Event	$ 750,000	$ —	$ —	$—	$ 750,000
	Change of Control	$ —	$1,086,458	$ —	$—	$1,086,458
	Change of Control and Termination Event	$ 750,000	$1,086,458	$ 292,214	$—	$2,128,672
	Retirement	$ —	$ —	$ —	$—	$ —
	Death	$ —	$1,086,458	$ 292,214	$—	$1,378,672
Larissa (Lara) Conrad (5)	Termination for Just Cause or Resignation	$ —	$ —	$ —	$—	$ —
	Termination Event	$ 727,500	$ —	$ —	$—	$ 727,500
	Change of Control	$ —	$1,114,929	$ —	$—	$1,114,929
	Change of Control and Termination Event	$ 727,500	$1,114,929	$ 352,673	$—	$2,195,102
	Retirement	$ —	$ —	$ —	$—	$ —
	Death	$ —	$1,114,929	$ 352,673	$—	$1,467,602
Myron Stadnyk (6)	Termination for Just Cause or Resignation	$ —	$ —	$ —	$—	$ —
	Termination Event	$2,440,000	$ —	$ —	$—	$2,440,000
	Change of Control	$ —	$5,348,651	$ —	$—	$5,348,651
	Change of Control and Termination Event	$2,440,000	$5,348,651	$2,039,429	$—	$9,828,081
	Retirement	$ —	$5,348,651	$ 269,685	$—	$5,618,336
	Death	$ —	$5,348,651	$2,039,429	$—	$7,388,081
Van Dafoe (6)	Termination for Just Cause or Resignation	$ —	$ —	$ —	$—	$ —
	Termination Event	$1,163,750	$ —	$ —	$—	$1,163,750
	Change of Control	$ —	$2,651,692	$ —	$—	$2,651,692
	Change of Control and Termination Event	$1,163,750	$2,651,692	$ 674,719	$—	$4,490,161
	Retirement	$ —	$2,651,692	$ 96,062	$—	$2,747,754
	Death	$ —	$2,651,692	$ 674,719	$—	$3,326,411

(1) RSUs and PSUs are valued using the December 31, 2019 closing price of ARC Common Shares of $8.18.
(2) PSUs have been valued using their actual performance multiplier, except those active less than a year are valued at 1.0.
(3) LTRS have been valued using the December 31, 2019 closing price of $8.18.
(4) Share Options have been valued using the December 31, 2019 closing price of $8.18 and assuming the executive elects that the exercise price be reduced by the full amount of the dividends to this date.
(5) Mr. Bibby, Mr. Anderson and Ms. Conrad are not 55 and therefore are not eligible for retirement.
(6) Upon retirement, Mr. Stadnyk and Mr. Dafoe will not immediately receive payment of the RSU, PSU, LTRS and Share Option values noted, instead they will continue to vest in accordance with the terms of the respective plans and Mr. Stadnyk and Mr. Dafoe will receive payments based on the share price at the time of vesting.

The maximum liability to ARC provided under all employment agreements and for all outstanding RSUs, PSUs, DSUs, share options and LTRS as at December 31, 2019 was approximately $81.5 million.

Other Information

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY PLANS

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (1)
Equity compensation plans approved by security holders (2)	5,839,917	$15.08	9,985,083
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	5,839,917	$15.08	9,985,083

(1) Excludes securities to be issued upon exercise of outstanding options, warrants and rights.
(2) The Corporation's Share Option Plan currently provides for the grant of a maximum number of 14,225,000 Common Shares and the LTRS Plan currently provides for the grant of a maximum number of 1,600,000 Common Shares.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS AND OTHERS

There is not, and has not been, any indebtedness outstanding from Directors or Officers of the Corporation to the Corporation in fiscal 2019.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no other material interests, direct or indirect, of Directors or Officers of the Corporation, nominees for Director of the Corporation, any shareholder who beneficially owns more than 10 per cent of the Common Shares of the Corporation (or any Director or executive officer of any such shareholder), or any known associate or affiliate of such persons, in any transaction during 2019 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of their subsidiaries other than as disclosed herein.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest of any Director, Officer or nominee for Director of the Corporation, or of any associate or affiliate of any of the foregoing, in respect of any matter to be acted on at the Meeting except as disclosed herein.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the Corporation's SEDAR profile at **www.sedar.com**. Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual Audited Consolidated Financial Statements for the year ended December 31, 2019 and the related Management's Discussion and Analysis. Copies of the Corporation's financial statements and related Management's Discussion and Analysis are available upon request from the Corporation at 1200, 308 – 4th Avenue SW, Calgary, Alberta, T2P 0H7 (toll free number **1-888-272-4900)** or at **www.sedar.com**.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting; however, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

FINANCIAL AND OTHER MEASURES

We disclose several GAAP, Non-GAAP, reserve measures, oil & gas metrics and other financial measures in this document under the heading “Compensation Discussion and Analysis”, including “Funds from Operations”, “Net Debt”, “Return on Average Capital Employed” (ROACE), “Proven Plus Probable Reserves”, “Reserves Life Index” and “Total Shareholder Return (TSR)”. Certain of these terms do not have standardized meanings and therefore may not be comparable to similar measures presented by other entities.

See Note 15 “Capital Management” in our audited consolidated financial statements as at and for the year ended December 31, 2019 and the sections entitled “Funds from Operations” and “Capitalization, Financial Resources and Liquidity” contained in our Management’s Discussion and Analysis dated February 6, 2020 for additional details of “Funds from Operations” and “Net Debt”.

ROACE is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. See the sections entitled “Return on Average Capital Employed (ROACE) and “Non-GAAP Measures” contained our Management’s Discussion and Analysis dated February 6, 2020 for additional details of ROACE.

See our Annual Information Form dated March 6, 2020 for additional details of “Proven Plus Probable Reserves.”

TSR is a financial measure that does not have a standardized meaning and therefore may not be comparable to similar measures presented by other entities. In this document, TSR is computed as the total change in an entity’s share price during the period plus the amount of any dividends declared, divided by an entity’s share price at the beginning of the period

APPROVAL

The contents and sending of this information circular have been approved by the Board of Directors of the Corporation.

DATE

This information circular is dated March 16, 2020

Appendix

A. SUMMARY OF SHARE OPTION PLAN

ARC suspended its Share Option Plan and made no share option grants in 2019. Share options granted in prior years continue to vest on schedule. The maximum number of Common Shares issuable on exercise is limited to ARC's approved share reserve of 14,225,000 shares.

The details of ARC's outstanding share option grants are below:

Year	Options Granted	Grant Price	Shares Outstanding	Options Granted as a % of Shares Outstanding (Burn Rate)
2018	1,483,491	$13.21	353,896,450	0.42
2017	1,312,271	$16.59	353,429,395	0.37
2016	955,338	$21.13	350,906,768	0.27
2015	998,545	$21.86	340,542,209	0.29
2014	568,538	$32.94	316,620,533	0.18
2013	713,248	$27.15	311,537,108	0.23

Shares Outstanding	Approved Share Reserve	Share Reserve as a % of Shares Outstanding	Share Options Outstanding at Year-End	Share Options Outstanding as % of Shares Outstanding (Burn Rate)	Share Options Outstanding as a % of Approved Reserve
354,153,610	14,225,000	4.02	5,097,439	1.44	35.83

B. SUMMARY OF LTRS PLAN

The maximum number of Common Shares issuable under the plan is limited to 1,600,000 shares.

The details of the awards granted are below. The approved share reserve represents less than 0.5 per cent of the Common Shares outstanding as at December 31, 2019.

Year	Long-Term Restricted Shares	Grant Price	Shares Outstanding	Long-Term Restricted Shares Granted as % of Shares Outstanding (Burn Rate)
2019	283,731	$ 6.68	354,153,610	0.0801
2018	153,979	$13.21	353,896,450	0.0435
2017	122,612	$16.59	353,429,395	0.0347
2016	93,678	$21.13	350,906,768	0.0267
2015 – First Tranche	88,635	$21.86		
2015 – Second Tranche	11,652	$19.26		
Total 2015	100,287		340,542,209	0.0294

As at December 31, 2019, ARC had LTRS awards outstanding representing 46 per cent of the approved share reserve, as shown below:

Shares Outstanding	Approved Share Reserve	Share Reserve as a % of Shares Outstanding	Long-Term Restricted Shares Outstanding at Year-End	Long-Term Restricted Shares Outstanding as % of Shares Outstanding (Burn Rate)	Restricted Shares Outstanding as a % of Approved Reserve
354,153,610	1,600,000	0.45	742,478	0.21	46.40

C. BOARD MANDATE

The Board of Directors (the Board) of ARC Resources Ltd. (ARC) is responsible for the stewardship of ARC and its subsidiaries. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of ARC. In general terms, the Board will:

(a) in consultation with management of ARC, define the principal objectives of ARC;

(b) monitor the management of the business and affairs of ARC with the goal of achieving ARC's principal objectives as defined by the Board;

(c) discharge the duties imposed on the Board by applicable laws; and

(d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties.

STRATEGIC OPERATING, CAPITAL PLANS AND FINANCING PLANS

- Require the Chief Executive Officer (the CEO) to present annually to the Board a longer-range strategic plan and a shorter-range business plan for ARC's business which plans must:
  - Be designed to achieve ARC's principal objectives
  - Identify the principal strategic and operational opportunities and risks of ARC's business
- Review progress towards the achievement of the goals established in the strategic, operating and capital plans
- Identify the principal risks of the ARC's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks
- Approve the annual operating and capital plans
- Approve limits on management's authority to conduct acquisitions and dispositions of assets, corporations and undeveloped lands
- Approve the establishment of credit facilities
- Approve issuances of additional common shares or other instruments to the public

MONITORING AND ACTING

- Monitor ARC's progress towards its goals, and to revise and alter its direction through management considering changing circumstances
- Monitor overall human resource policies and procedures, including compensation and succession planning
- Appoint all the officers, including the CEO, and determine the terms of employment with ARC of all of such officers
- Approve the dividend policy of ARC
- Ensure systems are in place for the implementation and integrity of ARC's internal control and management information systems
- Monitor the "good corporate citizenship" of ARC, including compliance by ARC with all applicable safety, health and environmental laws
- In consultation with the CEO, establish the ethical standards to be observed by all officers and employees of ARC and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards
- Require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by ARC and its officers and employees

COMPLIANCE REPORTING AND CORPORATE COMMUNICATIONS

- Ensure compliance with the reporting obligations of ARC, including that the financial performance of ARC is properly reported to shareholders, other security holders and regulators on a timely and regular basis
- Recommend to shareholders of ARC a firm of chartered accountants to be appointed as ARC's auditors
- Ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles
- Ensure the timely reporting of any change in the business, operations or capital of ARC that would reasonably be expected to have a significant effect on the market price or value of the common shares of ARC
- Ensure the corporate oil and gas reserve report fairly represents the quantity and value of corporate reserves in accordance with generally accepted engineering principles
- Report annually to shareholders on the Board's stewardship for the preceding year
  - Establish a process for direct communications with shareholders and other stakeholders through appropriate directors, including through the whistleblower policy
  - Ensure that ARC has in place a policy to enable ARC to communicate effectively with its shareholders and the public generally

GOVERNANCE

- In consultation with the Chairman of the Board, develop a position description for the Chairman of the Board
- Facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
- Appointing a Chairman of the Board who is not a member of management
  - Appointing from amongst the Directors an Audit Committee and such other committees of the Board as the Board deems appropriate
  - Defining the mandate of each committee of the Board and the terms of reference for the Chair of each committee
  - Ensuring that processes are in place and are utilized to assess the effectiveness of the Chairman of the Board, the Board as a whole, each director, each committee of the Board and its Chair
  - Establishing a system to enable any director to engage an outside adviser at the expense of ARC
- Review annually the composition of the Board and its committees and assess Directors' performance on an ongoing basis, and propose new members to the Board
- Review annually the adequacy and form of the compensation of directors

DELEGATION

- The Board may delegate its duties to and receive reports and recommendations from the Audit, Human Resources and Compensation, Safety, Reserves and Operational Excellence, Risk, Policy and Board Governance committees and any other committee created by the Board to assist the Board in the performance of its duties

MEETINGS

- The Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair
- The Board shall meet at the end of its regular quarterly meetings without members of management being present
- Minutes of each meeting shall be prepared by the Secretary to the Board
- The Chief Executive Officer shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee
- Vice Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board

REPORTING / AUTHORITY

- Following each meeting, the Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings
- Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the Chief Executive Officer
- The Board shall have the authority to review any corporate report or material and to investigate activity of ARC and to request any employees to cooperate as requested by the Board
- The Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of ARC

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